

WORKSESSION: 5:30 PM, EDA AND CITY COUNCIL JOINT MEETING
AT THE WASECA PUBLIC SAFETY BUILDING
REGULAR WASECA CITY COUNCIL MEETING
TUESDAY, APRIL 2ND, 2024, 7:00 PM
AGENDA

1. CALL TO ORDER/ROLL CALL
2. MOMENT OF SILENCE/PLEDGE OF ALLEGIANCE
3. APPROVAL OF AGENDA
4. PUBLIC COMMENT

Those wishing to speak must state their name and address for the record. **Each person will have three (3) minutes to make their remarks.** Speakers will address all comments to the City Council as a whole and not one individual council member. The Council **may not take action** on an item presented during the Public Comment period. When appropriate, the Council may refer inquiries and items brought up during the Public Comment period to the City Manager for follow-up.

5. REQUESTS AND PRESENTATIONS
 - A. None
6. CONSENT AGENDA
 - A. Minutes: Council Meeting – March 19, 2024
 - B. Payroll & Expenditures
 - C. Noetzel Addition Watermain Replacement-Authorize Plans & Specifications
 - D. Approve Plans and Specifications and Authorize bids for the 2024 Crack Seal/Seal Coat Project (CITY PROJECT NO. 2024-03)
 - E. Southern Minnesota Area Rural Transit (SMART) Official Letter of Support
7. ACTION AGENDA
 - A. Public Hearing Modification on Tax Increment Financing (TIF) District (Housing) No. 1-29 (Marketplace).
 - B. Public Hearing Ordinance 1114 Sale of City Property-Marketplace
8. REPORTS
 - A. City Manager's Report
 - B. Commission Reports
9. ANNOUNCEMENTS
10. ADJOURNMENT

MINUTES
REGULAR WASECA CITY COUNCIL MEETING
TUESDAY, MARCH 19, 2024 – 7:00 P.M.

CALL TO ORDER

1. The Regular Waseca City Council meeting was called to order by Mayor Randy Zimmerman at 7:00 p.m.

ROLL CALL

Councilmembers Present:	Mayor Randy Zimmerman	Daren Arndt
	Mark Christiansen	Jeremy Conrath
	James Ebertowski	John Mansfield
	Stacey Schroeder	

Staff Present:	Carl Sonnenberg, City Manager
	Nate Willey, City Engineer
	Alicia Fischer, Finance & Human Resources Director
	Michelle Murphy, Administrative Assistant

MOMENT OF SILENT PRAYER/PLEDGE OF ALLEGIANCE

2. A moment of silence was observed. The Pledge of Allegiance to the Flag was recited.

APPROVAL OF AGENDA

3. Mayor Zimmerman amended the agenda to reflect **7A** should reference Resolution No. 24-21 not 24-19 and **7B** should reference Resolution No. 24-19 not 24-21.

A motion was made to approve the amended agenda by Councilmember Mansfield, seconded by Councilmember Schroeder. Councilmember Conrath stated he would also like to add an item to the agenda as either 7E or as a “discussion” item. He is concerned about the City Manager’s Report and the mention of apartments in the development plan for Gaiter Lake. Upon further discussion, it was decided this item would be addressed later in the meeting under the City Manager’s report; motion carried 7-0.

PUBLIC COMMENT

4. A. Deb Dobberstein, 908 11th Ave SE, addressed the City Council with four of her concerns:
1. She saw that the Gaiter Lake project was going to be brought up tonight in the City Manager’s Report and wants to know why there were apartments being considered in the development plans when all along they have been told there would be no apartments?
 2. How is the development being paid for without taxing the citizens?
 3. How will the new streets be paid for when we already have to assess people for street repairs?
 4. Realtor.com currently shows 17 houses for sale in Waseca, not “pending” but actually for sale so she doesn’t feel there is a shortage of housing in Waseca.
- B. Gary Dobberstein, 908 11th Ave SE, addressed the City Council stating he has been watching several City Council meetings and he has witnessed several disturbing conversations during the Public Comments. He feels people are asking good questions but not getting good answers from the City Council. He’s opposed to the development of Gaiter Lake, opposed to the City using tax abatements to bring people to the City and doesn’t feel there is a housing shortage to warrant the development of Gaiter Lake.

REQUESTS AND PRESENTATIONS

- 5. A. NONE

CONSENT AGENDA

- 6. A. Councilmember Conrath made a motion to approve the consent agenda as presented, seconded by Councilmember Ebertowski, motion carried 7-0.

ACTION AGENDA

- 7. A. Councilmember Christiansen made a motion to adopt **Resolution No. 24-21** Authorizing a Contract with Stantec for Professional Design Services for the 2nd Street NW Reconstruction Project (SAP 172-104-008, City Project No. 2025-01), seconded by Councilmember Arndt; motion carried 7-0.
- B. Councilmember Christiansen made a motion to adopt **Resolution No. 24-19** Report of Bids and Awarding the Contract for the 8th Avenue NE (CSAH 13) Reconstruction Project (City Project No. 2024-01, SAP No. 172-020-009, SAP No. 081-613-011) seconded by Arndt; motion carried 7-0.
- C. Councilmember Ebertowski made a motion to adopt **Resolution No. 24-18** Authorizing Execution of a Contract for Insulation for the Waseca Airport 4- Unit Hangar Project (City Project No. 2021-19) seconded by Conrath; motion carried 7-0.
- D. Planning Commission recommendation to the City Manager and City Council to continue with Comprehensive Plan updates based on Mr. Green’ retirement date of April 2nd and his replacement starting July 1st. The Planning Commission voted 4-0 at their March 12, 2024, meeting to continue with the Comp Plan Updates without Mr. Green’s replacement.

After much discussion regarding the workload that would be placed upon the City Engineer and the Economic Development Manager during this 3-month gap in Code Enforcement, and Planning and Zoning duties, Councilmember Ebertowski made a motion to direct the City Manager to defer Comp Plan update work until the newly hired certified planner is able to work with Mr. Willey on the Comp Plan. Work would begin again in July to coincide with Mr. Froke’s July 1st planned start date. This would allow the new Certified Planner to provide his expertise to Mr. Willey and the Planning Commission. This decision also saves taxpayer money by not spending 3-months of the vacant position’s salary, motion seconded by Schroeder; motion carried 7-0.

REPORTS

- 8. A. City Manager’s Report
 - 1. City Manager, Carl Sonnenberg, informed the Council the City received Federal Congressionally Directed Spending (CDS) grant, in the amount of \$2.1 million dollars for inflow and infiltration work (I & I) focusing on the hospital sewer shed (old portion of Waseca) area. \$750,000 going toward proposed West water tower storage work. As the City Manager learns more about how those grants are provided to the City and what will be required of the City, he will bring the information back to Council for further conversation.

2. Currently asking for additional funds (grants) from the State Govt' which are currently under conversation at the State, so both the Water Tower and I&I funding bills are ready and being presented at this session at the State. The City is also ready with our Federal applications for federal year 2025. He reiterated that this will be an ongoing request (many more years) due to the magnitude of the projects.
3. Gaiter Lake – the concept plans are moving forward. To address Councilmember Conrath's concern regarding apartments, Mr. Sonnenberg stated the 48-plex shown in the concept plan is simply a math exercise to show what we need to know, what's feasible, what's feasible for the DNR requirements. Conversations at the public meetings also showed Town Houses/Twin Homes – the purpose is to have 2 **options** for Council and for math purposes **only** – nothing more.

Councilmember Conrath reiterated to the viewing public that since the work sessions were not taped, he wanted to ensure them that he is not in favor of any apartment buildings being built in the Gaiter Lake Development and he is aware the public is not interested either.

City Manager Sonnenberg repeated that what is in his City Manger's report tonight are simply "math" options for the Council to make comparisons – there is still an approval process to go through the DNR – tonight is all preliminary/comparisons – he is not proposing an apartment complex.

B. Commission Reports

1. Planning Commission – Councilmember Arndt reported the Planning Commission's vote to continue working on the Comp Plan in the absence of a Planning & Zoning Coordinator was unanimous at their March 12th meeting. However, after hearing the City Manager's reasoning not to continue working on it in the absence of a Planning & Zoning Coordinator, he is on-board with waiting until July 1st and working on it with the new City Planner. There is also an opening for a new board member.
2. Park Board – Councilmember Christiansen reported:
 - Work is being done on the Maplewood Park Master Plan.
 - Lake trail discussion/clean up going on in Maplewood.
 - Maplewood Park lodge needs work.
 - TLCF Grandstand project – exterior work still needs to be done, probably in 2025.
 - No longer allowing the promotion of various causes to be advertised in the parks (i.e. colored ribbons in trees, etc.) because it is public property.
 - Lakefest – electric availability – hopefully the project is done soon
 - Dog Park shelter – shade – checking on costs.
 - Park Board Meeting locations – different park each month.
 - NW Park playground grant still being worked on.
 - Fishing pier/docks were put in the lake March 4th.
 - TLCF home opener – April 8th – H.S. opener
 - Park Reservations opened on-line March 1st.
 - Brett Vanderhorst is the new Crew Leader for the Parks Department
 - Welcome Cole Conway to Park Dept. – hired due to a retirement.

3. Tourism Board – Conrath – no meeting
4. HPC – Mansfield – no meeting
5. EDA – Mayor Zimmerman reported:
 - Authorized the loan agreement for Harty Manufacturing,
 - EDA has two board openings.
 - Approved a loan fund application for Barney’s Drive In.

ANNOUNCEMENTS

9. A. Councilmember Christiansen:
 - April 15th Property Tax Valuation Meeting coming up.
- B. Councilmember Ebertowski
 - Councilmember Mansfield’s birthday today
 - Waseca population grew by 1 – neighbor welcomed a baby girl.
- C. Councilmember Arndt:
 - Congratulations to the Waseca Boys’ Basketball team for making it to the State Tournament.
- D. Councilmember Conrath:
 - Board of Appeals and Equalization Meeting coming up April 15th here at City Hall with the Waseca County Assessor’s office. The meeting is for those that want to appeal your property value, not your property taxes. Contact an Assessor to come to your property first. You have to provide supporting documents on why you want your property value to change.
- E. Councilmember Schroeder:
 - Thank you to all City staff and community members working tirelessly in building partnerships to seek funding from our federal legislators and she’s anxious to see what our State legislators can also help us with.
 - Conversations are healthy and a 2-way street – getting an understanding of our community members is also healthy and part of those conversations in building relationships.
 - Go Big Blue!
- F. Mayor Zimmerman:
 - Thankful for all the kids in town – they make life enjoyable – participated in memorial volleyball tournament that was a lot of fun.

ADJOURNMENT

10. There being no further business to be brought before the Council, Councilmember Arndt moved to adjourn the meeting at 8:33 p.m., seconded by Conrath; motion carried 7-0.

RANDY L. ZIMMERMAN
MAYOR

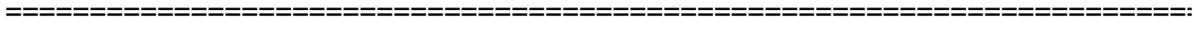
MICHELLE MURPHY
ADMINISTRATIVE ASSISTANT



6B

LIST OF EXPENDITURES

April 2, 2024



City Council	4,250.00	
Streets	27,962.57	
Parks	11,329.55	
Wastewater	12,680.34	
Utility Administration	9,591.73	
Utility Offices	8,360.64	
Electric	16,885.86	
Water	5,149.97	
Building and Code Compliance	3,161.44	
Police	73,493.44	
Administration	0.00	
Community Aides	418.95	
Fire	12,557.61	
Paid On Call Fire Department	0.00	
PEG	224.98	
Election Judges	5,661.50	
Finance	13,741.17	
Community Development	2,447.32	
Engineering	18,459.23	
Recreation	2,632.01	
Econ Development	<u>3,312.20</u>	
Total Gross Payroll	232,320.51	
*Less- Payroll Deductions	<u>(75,428.07)</u>	
Net Payroll Cost		\$ 156,892.44

*These costs are included in Accounts Payable totals below

Accounts Payable

Utility deposit refunds dated:03/15/2024 160266-160276 Includes check #'s	1,058.02
Expenditures dated: March 15, 2024-March 28, 2024 Includes check #'s 160277-160312 Bank ACH Withdrawals.....	<u>527,933.97</u>

GRAND TOTAL EXPENDITURES \$ 685,884.43

Check Issue Date	Check Number	Payee	Description	Invoice GL Account	Check Amount	
General Fund						
03/28/2024	32425	MN Sales and Use Tax Payable	Sales and Use Tax	101-20210-0000	117.94	M
Total 101202100000:					117.94	
03/20/2024	32419	ACH Internal Revenue Service	FEDERAL WITHHOLDING TAX Pay Period: 3/17/2024	101-21701-0000	20,990.74	M
Total 101217010000:					20,990.74	
03/20/2024	32415	MN Department of Revenue	STATE WITHHOLDING TAX Pay Period: 3/17/2024	101-21702-0000	10,286.41	M
Total 101217020000:					10,286.41	
03/20/2024	32419	ACH Internal Revenue Service	SOCIAL SECURITY Pay Period: 3/17/2024	101-21703-0000	8,258.12	M
03/20/2024	32419	ACH Internal Revenue Service	SOCIAL SECURITY Pay Period: 3/17/2024	101-21703-0000	8,258.12	M
Total 101217030000:					16,516.24	
03/20/2024	32416	Public Employees Retirement Assn (ACH	PERA COORD Emplr 1% Pay Period: 3/17/2024	101-21704-0000	1,379.04	M
03/20/2024	32416	Public Employees Retirement Assn (ACH	Rounding	101-21704-0000	.02	M
03/20/2024	32416	Public Employees Retirement Assn (ACH	PERA COORDINATED Employee Pay Period: 3/17/2024	101-21704-0000	8,963.62	M
03/20/2024	32416	Public Employees Retirement Assn (ACH	PERA POLICE Employee Pay Period: 3/17/2024	101-21704-0000	9,199.06	M
03/20/2024	32416	Public Employees Retirement Assn (ACH	DEF CONTRIBUTION/EMPL Pay Period: 3/17/2024	101-21704-0000	58.70	M
03/20/2024	32416	Public Employees Retirement Assn (ACH	PERA COORDINATED Employer Pay Period: 3/17/2024	101-21704-0000	8,963.62	M
03/20/2024	32416	Public Employees Retirement Assn (ACH	PERA POLICE Employer Pay Period: 3/17/2024	101-21704-0000	13,798.59	M
03/20/2024	32416	Public Employees Retirement Assn (ACH	DEF CONT Employer Pay Period: 3/17/2024	101-21704-0000	58.70	M
Total 101217040000:					42,421.35	
03/20/2024	160277	NCPERS Minnesota - 8266711	LIFE INSURANCE - PERA Pay Period: 3/17/2024	101-21711-0000	224.00	
Total 101217110000:					224.00	
03/20/2024	32419	ACH Internal Revenue Service	MEDICARE Pay Period: 3/17/2024	101-21712-0000	3,123.07	M
03/20/2024	32419	ACH Internal Revenue Service	MEDICARE Pay Period: 3/17/2024	101-21712-0000	3,123.07	M
Total 101217120000:					6,246.14	
03/20/2024	32420	MSRS- (DEF COMP)	MSRS - ROTH (AFTER TAX) Pay Period: 3/17/2024	101-21713-0000	1,875.00	M
03/20/2024	32420	MSRS- (DEF COMP)	MSRS - DEF COMP Pay Period: 3/17/2024	101-21713-0000	4,274.00	M
Total 101217130000:					6,149.00	
03/20/2024	32418	Vantagepoint Transfer Agents 457	ICMA - ROTH (AFTER TAX) Pay Period: 3/17/2024	101-21714-0000	350.00	M
03/20/2024	32418	Vantagepoint Transfer Agents 457	ICMA DEF COMPENSATION Pay Period: 3/17/2024	101-21714-0000	485.00	M
Total 101217140000:					835.00	
03/20/2024	32424	Colonial Life & Accident Insurance Co	COLONIAL LIFE Pay Period: 3/17/2024	101-21715-0000	940.53	M
03/20/2024	32424	Colonial Life & Accident Insurance Co	COLONIAL LIFE Pay Period: 3/3/2024	101-21715-0000	940.53	M
Total 101217150000:					1,881.06	
03/20/2024	32421	Medsurety	HSA Contribution Pay Period: 3/17/2024	101-21716-0000	2,259.18	M

Check Issue Date	Check Number	Payee	Description	Invoice GL Account	Check Amount	
Total 101217160000:					2,259.18	
03/20/2024	32417	MN Child Support Payment Center	CHILD SUPPORT FLAT AMT Pay Period: 3/17/2024	101-21717-0000	919.92	M
Total 101217170000:					919.92	
03/20/2024	32423	Family Medical Care Plan	FMCP Single Pay Period: 3/17/2024	101-21720-0000	23.02	M
03/20/2024	32423	Family Medical Care Plan	FMCP Single Pay Period: 3/3/2024	101-21720-0000	23.01	M
03/20/2024	32423	Family Medical Care Plan	FMCP Single Pay Period: 3/17/2024	101-21720-0000	437.27	M
03/20/2024	32423	Family Medical Care Plan	FMCP Single Pay Period: 3/3/2024	101-21720-0000	437.28	M
03/20/2024	32422	United Healthcare	Bendorf Adjust	101-21720-0000	2,444.57	M
03/20/2024	32422	United Healthcare	Conway Adjust	101-21720-0000	1,095.58-	M
03/20/2024	32422	United Healthcare	Grotberg Cobra	101-21720-0000	1,095.58	M
03/20/2024	32422	United Healthcare	UHC Family Pay Period: 3/17/2024	101-21720-0000	29,448.00	M
03/20/2024	32422	United Healthcare	Hellevik Adj	101-21720-0000	1,259.92	M
03/20/2024	32422	United Healthcare	Imlay Adjust	101-21720-0000	2,191.16	M
03/20/2024	32422	United Healthcare	Armendariz Cobra	101-21720-0000	2,191.16-	M
03/20/2024	32422	United Healthcare	Gundermann Cobra	101-21720-0000	2,191.16-	M
03/20/2024	32422	United Healthcare	Moseley Cobra	101-21720-0000	547.79	M
03/20/2024	32422	United Healthcare	Matson Cobra	101-21720-0000	1,095.58	M
03/20/2024	32422	United Healthcare	UHC Family Pay Period: 3/3/2024	101-21720-0000	29,448.00	M
03/20/2024	32422	United Healthcare	UHC Single Pay Period: 3/17/2024	101-21720-0000	16,433.70	M
03/20/2024	32422	United Healthcare	UHC Single Pay Period: 3/3/2024	101-21720-0000	16,981.49	M
03/20/2024	32422	United Healthcare	UHC Employee + 1 Pay Period: 3/17/2024	101-21720-0000	286.00	M
03/20/2024	32422	United Healthcare	UHC Employee + 1 Pay Period: 3/3/2024	101-21720-0000	286.00	M
03/20/2024	32422	United Healthcare	UHC Employee + 1 Pay Period: 3/17/2024	101-21720-0000	9,136.00	M
03/20/2024	32422	United Healthcare	UHC Employee + 1 Pay Period: 3/3/2024	101-21720-0000	9,136.00	M
03/20/2024	32422	United Healthcare	UHC Family Pay Period: 3/17/2024	101-21720-0000	1,217.34	M
03/20/2024	32422	United Healthcare	UHC Family Pay Period: 3/3/2024	101-21720-0000	1,217.34	M
Total 101217200000:					117,667.15	
03/20/2024	32423	Family Medical Care Plan	FMCP Family Pay Period: 3/17/2024	101-21724-0000	359.43	M
03/20/2024	32423	Family Medical Care Plan	FMCP Family Pay Period: 3/3/2024	101-21724-0000	359.43	M
03/20/2024	32423	Family Medical Care Plan	FMCP Family Pay Period: 3/17/2024	101-21724-0000	3,234.81	M
03/20/2024	32423	Family Medical Care Plan	FMCP Family Pay Period: 3/3/2024	101-21724-0000	3,234.81	M
Total 101217240000:					7,188.48	
03/28/2024	160298	Nelson, Blain	Refund of overpayment of rental license-400 7th Ave SE	101-32190-0000	95.00	
Total 101321900000:					95.00	
03/28/2024	160306	Thrifty White Inc	Return of extra utility payment	101-36244-0000	612.18	
Total 101362440000:					612.18	
03/28/2024	160301	Shred-it USA LLC	Monthly Shred	101-41320-3100	22.75	
Total 101413203100:					22.75	
03/28/2024	20240329	Hall, Julia	MCFOA Clerks Conference Reimbursement	101-41320-3300	729.87	
Total 101413203300:					729.87	

Check Issue Date	Check Number	Payee	Description	Invoice GL Account	Check Amount
03/28/2024	160303	South Central College	CPR/First Aid Training	101-41320-4940	1,100.00
Total 101413204940:					1,100.00
03/28/2024	160312	Waseca County Treasurer	Special Assessment 172870 set up	101-41500-3000	80.00
03/28/2024	160312	Waseca County Treasurer	Special Assessment 172861 set up	101-41500-3000	55.00
03/28/2024	160312	Waseca County Treasurer	TIF Annual Maintenance	101-41500-3000	150.00
Total 101415003000:					285.00
03/28/2024	20240332	Innovative Office Supply	Janitorial Supplies	101-41940-2170	87.72
Total 101419402170:					87.72
03/28/2024	160285	Cintas Corp	Floor Mats	101-41940-3100	60.66
03/28/2024	20240341	Stoltz Cleaning Services LLC	City Hall Qtrly Cleaning	101-41940-3100	400.00
03/28/2024	20240341	Stoltz Cleaning Services LLC	City Hall Cleaning	101-41940-3100	475.00
03/28/2024	160307	TSI Voice & Data Inc	Monthly Phone Support Plan	101-41940-3100	262.62
Total 101419403100:					1,198.28
03/28/2024	160288	Consolidated Communications		101-41940-3200	259.61
03/28/2024	160288	Consolidated Communications		101-41940-3200	188.00
Total 101419403200:					447.61
03/28/2024	160284	Centerpoint Energy	Monthly Billing	101-41940-3800	761.08
Total 101419403800:					761.08
03/28/2024	20240332	Innovative Office Supply	Office supplies - PD	101-42100-2000	110.76
03/28/2024	20240332	Innovative Office Supply	Office supplies - PD	101-42100-2000	33.88
Total 101421002000:					144.64
03/28/2024	20240321	Amazon	Computer supplies - PD	101-42100-2050	117.78
Total 101421002050:					117.78
03/28/2024	20240320	A. H. Hermel Company	Janitorial Supplies PSB	101-42100-2170	114.06
03/28/2024	20240321	Amazon	Office Supplies - PD	101-42100-2170	583.04
03/28/2024	20240332	Innovative Office Supply	Office supplies - PD	101-42100-2170	80.72
Total 101421002170:					777.82
03/28/2024	160285	Cintas Corp	Mats - PD	101-42100-3100	8.99
03/28/2024	160285	Cintas Corp	Mats - PD	101-42100-3100	8.99
03/28/2024	160301	Shred-it USA LLC	Monthly Service	101-42100-3100	22.76
Total 101421003100:					40.74
03/28/2024	160288	Consolidated Communications		101-42100-3200	259.61
03/28/2024	160288	Consolidated Communications		101-42100-3200	508.31
03/28/2024	160288	Consolidated Communications		101-42100-3200	57.71

Check Issue Date	Check Number	Payee	Description	Invoice GL Account	Check Amount
Total 101421003200:					825.63
03/28/2024	160295	Law Enforcement Seminars LLC	Training class - PD Wellman	101-42100-3300	425.00
03/28/2024	160297	MN Chiefs of Police Association	Leadership Academy-Harren-Chrz	101-42100-3300	1,480.00
Total 101421003300:					1,905.00
03/28/2024	160284	Centerpoint Energy	Monthly Billing	101-42100-3800	611.77
Total 101421003800:					611.77
03/28/2024	160281	Bock's Service Inc.	Tire Repair	101-42100-4040	35.00
Total 101421004040:					35.00
03/28/2024	20240326	Computer Information Systems inc	CIS renewal	101-42100-4330	1,100.00
Total 101421004330:					1,100.00
03/28/2024	160279	Aspen Mills Inc	Badges	101-42200-2180	1,033.87
03/28/2024	20240330	Hines, Jacob	Clothing Allowance	101-42200-2180	152.44
03/28/2024	20240333	Jefferson Fire & Safety Inc	Uniforms	101-42200-2180	2,779.82
03/28/2024	20240334	Owatonna Shoe Company	Boots-Bruegger	101-42200-2180	145.00
Total 101422002180:					4,111.13
03/28/2024	160285	Cintas Corp	Mats - FD	101-42200-3100	8.98
03/28/2024	160285	Cintas Corp	Mats - FD	101-42200-3100	8.98
03/28/2024	160310	Vault Health	Pre-Employment testing	101-42200-3100	60.10
Total 101422003100:					78.06
03/28/2024	160288	Consolidated Communications		101-42200-3200	57.71
Total 101422003200:					57.71
03/28/2024	20240324	Bruegger, Ryan	Mileage reimbursement officer training-duluth	101-42200-3300	302.84
Total 101422003300:					302.84
03/28/2024	160284	Centerpoint Energy	Monthly Billing	101-42200-3800	611.77
03/28/2024	160288	Consolidated Communications		101-42200-3800	61.63
Total 101422003800:					673.40
03/28/2024	160311	Volunteer Firefighters Benefit Assn	Membership Dues	101-42200-4330	139.00
Total 101422004330:					139.00
03/28/2024	160281	Bock's Service Inc.	Towing service for abatement of 5 items - 501 3rd St NE	101-42400-3100	750.00
Total 101424003100:					750.00
03/28/2024	32428	Verizon Wireless	Monthly Verizon Data Bill	101-43000-3200	80.02 M

Check Issue Date	Check Number	Payee	Description	Invoice GL Account	Check Amount
Total 101430003200:					80.02
03/28/2024	20240327	Frontier Precision Inc.	Clean & Calibrate Total Station	101-43000-4040	830.00
Total 101430004040:					830.00
03/28/2024	20240328	H & J Fuel Inc	fuel	101-43100-2120	1,097.68
Total 101431002120:					1,097.68
03/28/2024	20240322	Bomgaars Supply	Parts & Supplies	101-43100-2170	122.28
03/28/2024	160286	Cintas Corporation	First Aid Cabinet Supplies	101-43100-2170	98.04
03/28/2024	160038	Cintas Corporation	First Aid Cabinet Supplies	101-43100-2170	98.04- V
03/28/2024	160286	Cintas Corporation	First aid supplies	101-43100-2170	69.92
03/28/2024	20240339	Smiths Mill Implement Inc.	fitting	101-43100-2170	34.54
Total 101431002170:					226.74
03/28/2024	160286	Cintas Corporation	Uniform Service	101-43100-2180	94.70
03/28/2024	160038	Cintas Corporation	Uniform Service	101-43100-2180	94.70- V
03/28/2024	160286	Cintas Corporation	Uniform Service	101-43100-2180	94.70
03/28/2024	160038	Cintas Corporation	Uniform Service	101-43100-2180	94.70- V
03/28/2024	160286	Cintas Corporation	Uniform Service	101-43100-2180	94.70
03/28/2024	160038	Cintas Corporation	Uniform Service	101-43100-2180	94.70- V
03/28/2024	160286	Cintas Corporation	Uniform Service	101-43100-2180	97.71
03/28/2024	160286	Cintas Corporation	Uniform Service	101-43100-2180	90.93
Total 101431002180:					188.64
03/28/2024	160310	Vault Health	Random Testing	101-43100-3100	53.98
Total 101431003100:					53.98
03/28/2024	160288	Consolidated Communications		101-43100-3200	47.75
Total 101431003200:					47.75
03/28/2024	160284	Centerpoint Energy	Monthly Billing	101-43100-3800	1,133.27
Total 101431003800:					1,133.27
03/28/2024	160288	Consolidated Communications		101-45130-3200	268.40
Total 101451303200:					268.40
03/28/2024	160284	Centerpoint Energy	Monthly Billing	101-45130-3800	523.32
Total 101451303800:					523.32
03/28/2024	20240336	Pioneer Manufacturing Co.	TLCF Ballfield Marking Paint	101-45180-4000	638.05
Total 101451804000:					638.05
03/28/2024	160283	Bryan Rock Products Inc.	Cartpath rock 3/8"	101-45200-2170	950.40
03/28/2024	160294	Hillyard Inc/ Hutchinson	Restroom Supplies Parks	101-45200-2170	150.47

Check Issue Date	Check Number	Payee	Description	Invoice GL Account	Check Amount
03/28/2024	160294	Hillyard Inc/ Hutchinson	Restroom Supplies Parks	101-45200-2170	175.20
03/28/2024	20240343	The Tessman Company	Parks Dept Turf Maint Supplies and Seed	101-45200-2170	3,461.35
Total 101452002170:					4,737.42
03/28/2024	20240322	Bomgaars Supply	Parts & Supplies	101-45200-2230	7.98
Total 101452002230:					7.98
03/28/2024	160310	Vault Health	Random Testing	101-45200-3100	53.98
Total 101452003100:					53.98
03/28/2024	160288	Consolidated Communications		101-45200-3200	53.78
Total 101452003200:					53.78
03/28/2024	160284	Centerpoint Energy	Monthly Billing	101-45200-3800	430.73
03/28/2024	160284	Centerpoint Energy	Monthly Billing	101-45200-3800	44.90
Total 101452003800:					475.63
03/28/2024	160291	Fessel's Wood Recycling	Library Landscape Mulch	101-45200-4000	375.00
03/28/2024	20240336	Pioneer Manufacturing Co.	Parks Ballfield Marking Paint	101-45200-4000	638.05
Total 101452004000:					1,013.05
03/28/2024	20240337	Rent 'N' Save Portable Services	February Parks - Portable Toilets	101-45200-4100	187.50
Total 101452004100:					187.50
03/28/2024	20240341	Stoltz Cleaning Services LLC	Library Cleaning Service	101-45500-3100	250.00
Total 101455003100:					250.00
03/28/2024	160284	Centerpoint Energy	Monthly Billing	101-45500-3800	708.20
03/28/2024	160288	Consolidated Communications		101-45500-3800	77.88
Total 101455003800:					786.08
Total General Fund:					263,365.89
TIF District 27					
03/28/2024	160312	Waseca County Treasurer	TIF Annual Maintenance	227-46650-3000	150.00
Total 227466503000:					150.00
Total TIF District 27:					150.00
Airport					
03/28/2024	160278	Arnold, Dick	Refund of Key Deposit	230-22010-0000	50.00
Total 230220100000:					50.00
03/28/2024	32427	CenturyLink	Airport Phone and Internet	230-49810-3200	113.50 M
03/28/2024	160288	Consolidated Communications		230-49810-3200	60.59

Check Issue Date	Check Number	Payee	Description	Invoice GL Account	Check Amount
03/28/2024	160288	Consolidated Communications		230-49810-3200	479.09
Total 230498103200:					653.18
03/28/2024	160284	Centerpoint Energy	Monthly Billing	230-49810-3800	68.98
03/28/2024	32429	Xcel Energy	Airport Electric credit	230-49810-3800	10.99- M
03/22/2024	160263	Xcel Energy	Airport Electric credit	230-49810-3800	10.99 V
03/28/2024	32429	Xcel Energy	Airport Electric	230-49810-3800	175.67 M
03/28/2024	32432	Xcel Energy	Airport Electric	230-49810-3800	231.84 M
Total 230498103800:					476.49
03/28/2024	20240344	Toltz King Duvall Anderson & Assoc Inc.	4-Unit Hangar Construction Engineering	230-49810-5300	5,431.35
Total 230498105300:					5,431.35
Total Airport:					6,611.02
Economic Development-General f					
03/28/2024	20240348	Wilson, Tina	Mileage and parking reimbursement	261-46700-3300	131.05
Total 261467003300:					131.05
Total Economic Development-General f:					131.05
RBEG Revolving Loan - EDA					
03/28/2024	32426	Barney's Drive In	Barney's Drive Inn RBEG Loan	263-11590-0000	15,000.00 M
Total 263115900000:					15,000.00
03/28/2024	32426	Barney's Drive In	Barney's RBEG Loan Fees	263-36250-0000	250.00- M
Total 263362500000:					250.00-
Total RBEG Revolving Loan - EDA:					14,750.00
PEG Channel					
03/28/2024	160300	RadioShack	HDMI adaptor	290-41920-2170	44.98
03/28/2024	160300	RadioShack	Calculator	290-41920-2170	14.99
03/28/2024	160300	RadioShack	Adjustable power supply	290-41920-2170	24.99
03/28/2024	160300	RadioShack	Return and purchase of BNC Adaptor	290-41920-2170	2.50
Total 290419202170:					87.46
Total PEG Channel:					87.46
Gaiter Lake Land Development					
03/28/2024	20240340	Stantec Consulting Services Inc	Eng Services - GLLD Concept Layout & Feasibility Repo	437-46340-3000	4,190.00
Total 437463403000:					4,190.00
Total Gaiter Lake Land Development:					4,190.00
Water					
03/28/2024	32425	MN Sales and Use Tax Payable	Sales and Use Tax	601-20210-0000	1,169.88 M

M = Manual Check, V = Void Check

Check Issue Date	Check Number	Payee	Description	Invoice GL Account	Check Amount
Total 601202100000:					1,169.88
03/28/2024	160293	Hawkins Inc	Demurrage	601-49401-2170	160.00
03/28/2024	160293	Hawkins Inc	Conagra Well Chemicals	601-49401-2170	263.45
03/28/2024	160293	Hawkins Inc	City Wells Chemicals	601-49401-2170	11,779.40
Total 601494012170:					12,202.85
03/28/2024	160293	Hawkins Inc	Chemical fittings for wells	601-49401-2210	3,997.30
Total 601494012210:					3,997.30
03/28/2024	20240322	Bomgaars Supply	Parts & Supplies	601-49401-2230	27.16
Total 601494012230:					27.16
03/28/2024	160284	Centerpoint Energy	Monthly Billing	601-49401-3800	232.58
03/28/2024	32431	Xcel Energy	Monthly Service	601-49401-3800	235.35 M
Total 601494013800:					467.93
03/28/2024	20240322	Bomgaars Supply	Parts & Supplies	601-49430-2170	357.46
Total 601494302170:					357.46
03/28/2024	20240322	Bomgaars Supply	Parts & Supplies	601-49430-2180	31.97
Total 601494302180:					31.97
03/28/2024	20240322	Bomgaars Supply	Parts & Supplies	601-49430-2230	27.90
Total 601494302230:					27.90
03/28/2024	160288	Consolidated Communications		601-49585-3200	69.23
03/28/2024	160308	U.S. Postal Service	Postage - April utility bills	601-49585-3200	551.94
Total 601495853200:					621.17
03/28/2024	20240335	Personalized Printing Inc.	Envelopes for utility bills	601-49585-3500	611.67
Total 601495853500:					611.67
03/28/2024	160287	City of Waseca	Summit AR	601-49585-4320	.81
03/28/2024	160305	Summit Account Resolution	Collection Fees	601-49585-4320	28.70
Total 601495854320:					29.51
03/28/2024	160310	Vault Health	Random Testing	601-49586-3000	60.10
Total 601495863000:					60.10
03/28/2024	20240340	Stantec Consulting Services Inc	Well Project	601-49593-5400	1,521.00
Total 601495935400:					1,521.00

Check Issue Date	Check Number	Payee	Description	Invoice GL Account	Check Amount
Total Water:					21,125.90
Sanitary Sewer					
03/28/2024	160290	Environmental Products & Access LLC	parts for jetter truck	602-49470-2210	2,737.07
Total 602494702210:					2,737.07
03/28/2024	160288	Consolidated Communications		602-49470-3200	864.76
Total 602494703200:					864.76
03/28/2024	160284	Centerpoint Energy	Monthly Billing	602-49470-3800	23.01
03/28/2024	160284	Centerpoint Energy	Monthly Billing	602-49470-3800	239.31
Total 602494703800:					262.32
03/28/2024	20240321	Amazon	1/8" stainless cable	602-49470-4020	116.82
03/28/2024	20240321	Amazon	1/8" stainless cable clamps	602-49470-4020	15.48
03/28/2024	20240349	Ziegler Inc	repair no cold start	602-49470-4020	3,374.36
Total 602494704020:					3,506.66
03/28/2024	160293	Hawkins Inc	Chlorine & Sulfur	602-49480-2170	40.00
03/28/2024	160293	Hawkins Inc	Demurrage	602-49480-2170	10.00
Total 602494802170:					50.00
03/28/2024	20240322	Bomgaars Supply	Parts & Supplies	602-49480-2210	129.99
Total 602494802210:					129.99
03/28/2024	20240340	Stantec Consulting Services Inc	Project Apollo	602-49480-3000	2,163.00
Total 602494803000:					2,163.00
03/28/2024	160285	Cintas Corp	Floor Mats	602-49480-3100	9.60
Total 602494803100:					9.60
03/28/2024	160288	Consolidated Communications		602-49480-3200	655.37
Total 602494803200:					655.37
03/28/2024	160284	Centerpoint Energy	Monthly Billing	602-49480-3800	2,161.44
03/28/2024	160304	SSI Crestmark MN Holding LLC	SolarPower	602-49480-3800	12,402.23
03/28/2024	160309	USS MN V MT LLC	Solar Power	602-49480-3800	2,351.63
Total 602494803800:					16,915.30
03/28/2024	160302	Sigma Controls Inc	transducer repair	602-49480-4000	605.09
03/28/2024	20240346	W W Goetsch Associates Inc.	WWTP Raw Water Pump Repair	602-49480-4000	8,043.00
Total 602494804000:					8,648.09
03/28/2024	160288	Consolidated Communications		602-49585-3200	69.23
03/28/2024	160308	U.S. Postal Service	Postage - April utility bills	602-49585-3200	551.94

Check Issue Date	Check Number	Payee	Description	Invoice GL Account	Check Amount
Total 602495853200:					621.17
03/28/2024	20240335	Personalized Printing Inc.	Envelopes for utility bills	602-49585-3500	611.66
Total 602495853500:					611.66
03/28/2024	160287	City of Waseca	Summit AR	602-49585-4320	1.55
03/28/2024	160305	Summit Account Resolution	Collection Fees	602-49585-4320	55.00
Total 602495854320:					56.55
03/28/2024	20240340	Stantec Consulting Services Inc	Wastewater Rates Analysis	602-49586-3000	2,368.00
03/28/2024	160310	Vault Health	Random Testing	602-49586-3000	60.10
Total 602495863000:					2,428.10
03/28/2024	160289	Empire Pipe Services Inc.	SW Sanitary Sewer Inspection	602-49593-5300	20,808.52
03/28/2024	20240340	Stantec Consulting Services Inc	Conagra Wastewater Expansion	602-49593-5300	5,111.00
03/28/2024	20240340	Stantec Consulting Services Inc	Hospital Sewershed Analysis	602-49593-5300	16,676.75
Total 602495935300:					42,596.27
03/28/2024	20240340	Stantec Consulting Services Inc	Lift Station Report-Nelson LS	602-49593-5400	2,540.50
Total 602495935400:					2,540.50
Total Sanitary Sewer:					84,796.41
Electric Utility					
03/28/2024	32425	MN Sales and Use Tax Payable	Sales and Use Tax	604-20210-0000	33,327.18 M
Total 604202100000:					33,327.18
03/28/2024	160280	Auto Value Waseca	Parts	604-49571-2170	27.98
03/28/2024	20240322	Bomgaars Supply	Parts & Supplies	604-49571-2170	68.94
Total 604495712170:					96.92
03/28/2024	20240341	Stoltz Cleaning Services LLC	Electric room cleaning	604-49571-3100	20.00
Total 604495713100:					20.00
03/28/2024	32430	Xcel Energy	monthly service	604-49574-3800	106.90- M
03/22/2024	160263	Xcel Energy	monthly service	604-49574-3800	106.90 V
03/28/2024	32430	Xcel Energy	Monthly Service	604-49574-3800	556.46 M
03/22/2024	160263	Xcel Energy	Monthly Service	604-49574-3800	556.46- V
Total 604495743800:					.00
03/28/2024	160288	Consolidated Communications		604-49585-3200	69.23
03/28/2024	160288	Consolidated Communications		604-49585-3200	66.60
03/28/2024	160308	U.S. Postal Service	Postage - April utility bills	604-49585-3200	551.94
Total 604495853200:					687.77

Check Issue Date	Check Number	Payee	Description	Invoice GL Account	Check Amount
03/28/2024	20240335	Personalized Printing Inc.	Envelopes for utility bills	604-49585-3500	611.67
Total 604495853500:					611.67
03/28/2024	160287	City of Waseca	Summit AR	604-49585-4320	4.39
03/28/2024	160305	Summit Account Resolution	Collection Fees	604-49585-4320	155.40
Total 604495854320:					159.79
03/28/2024	160310	Vault Health	Random Testing	604-49586-3000	60.10
Total 604495863000:					60.10
03/28/2024	160301	Shred-it USA LLC	Monthly Shred	604-49586-3100	22.76
Total 604495863100:					22.76
03/28/2024	160289	Empire Pipe Services Inc.	SW Sanitary Sewer Inspection	604-49593-5300	20,808.53
Total 604495935300:					20,808.53
03/28/2024	20240323	Border States Electric Supply	LCR supplies	604-49593-5400	123.50
Total 604495935400:					123.50
Total Electric Utility:					55,918.22
Central Garage Services					
03/28/2024	20240331	IFACS	shop supplies	701-43180-2170	36.61
03/28/2024	20240342	Texas Refinery Corp.	Tube Grease	701-43180-2170	572.50
Total 701431802170:					609.11
03/28/2024	20240321	Amazon	fuel filter inventory(JD)	701-43180-2210	97.50
03/28/2024	20240321	Amazon	waterpark mower spindle	701-43180-2210	37.64
03/28/2024	20240321	Amazon	storage box for loader	701-43180-2210	78.93
03/28/2024	160280	Auto Value Waseca	Parts	701-43180-2210	44.11
03/28/2024	20240322	Bomgaars Supply	Parts & Supplies	701-43180-2210	22.77
03/28/2024	160282	Born Well Drilling Inc.	Water Valve shut off	701-43180-2210	183.00
03/28/2024	160292	Flexible Pipe Tool & Equipment	Ceramic nozzle	701-43180-2210	384.20
03/28/2024	160299	QC Supply	Water shut off valve project	701-43180-2210	121.18
03/28/2024	160299	QC Supply	Water valve shut off project	701-43180-2210	253.66
03/28/2024	160299	QC Supply	Water shut off valve project	701-43180-2210	91.39
03/28/2024	160299	QC Supply	Water shut off Valve	701-43180-2210	507.84
03/28/2024	20240338	Sanco Equipment LLC	cab glass door frame	701-43180-2210	287.12
03/28/2024	20240345	Trenchers Plus Inc.	ring-o-matic parts	701-43180-2210	306.90
03/28/2024	20240345	Trenchers Plus Inc.	ring-o-matic parts	701-43180-2210	162.36
03/28/2024	20240347	Waseca Glass LLC	Kubota ATU Doorshock ends	701-43180-2210	21.92
03/28/2024	20240349	Ziegler Inc	roller scraper matts	701-43180-2210	133.84
Total 701431802210:					2,734.36
03/28/2024	20240325	Christensen Tire Service	#2113-Mount tires, alignment and rear brakes	701-43180-4000	617.40
03/28/2024	20240325	Christensen Tire Service	Tire mount and alignment #2158	701-43180-4000	367.15

Check Issue Date	Check Number	Payee	Description	Invoice GL Account	Check Amount
Total 701431804000:					984.55
Total Central Garage Services:					4,328.02
Property and Liability Insuran					
03/28/2024	160296	League of MN Cities Insurance Trust	1st half liability insurance	702-49955-3610	25,368.00
Total 702499553610:					25,368.00
03/28/2024	160296	League of MN Cities Insurance Trust	1st half Property insurance	702-49955-3620	47,112.00
Total 702499553620:					47,112.00
Total Property and Liability Insuran:					72,480.00
Grand Totals:					527,933.97

Report Criteria:

Report type: GL detail
 [Report].Amount = {<>} 0

Title:	Noetzel Addition Watermain Replacement		
Meeting Date:	April 2, 2024	Agenda Item Number:	6C
Action:	<input checked="" type="checkbox"/> MOTION <input type="checkbox"/> REQUESTS/PRESENTATIONS <input type="checkbox"/> RESOLUTION <input type="checkbox"/> ORDINANCE	Supporting Documents:	
Originating Department:	Water Utility/City Manager	Presented By:	Consent Agenda
Approved By City Manager: <input checked="" type="checkbox"/>	Proposed Action: City Council motion to authorize the City Manager to continue working with Stantec to design plans and specifications to replace the 1950s cast iron watermain in the Noetzel addition. Partially new water services from the water main to the existing service lines shut-off valves will also be constructed.		

BACKGROUND: As the council may recall, the City Manager and City Engineer have been working with Stantec engineer Joe Palen to consider construction options to replace the backyard water mains within the Noetzel Addition, located north of Clear Lake Park due to numerous watermain breaks, which negatively impact neighbors' properties. Within this neighborhood, the two water mains are located in backyards between 9th Avenue and 10th Avenue NE and also between 10th Avenue and Clear Lake Drive.

The Stantec feasibility report evaluated four options for reconstructing the worn-out water mains. Of the four options, the least expensive option is our choice (\$473,508.36 est), which replaces the water mains within the existing backyard easements by utilizing directional drilling.

BUDGET IMPACT: The City Council has previously approved a budget of \$525,000 for this project. The Stantec services are not to exceed the cost of \$54,870.75, which includes survey and mapping work, design and bidding services, construction services support to the city engineering department, project management, permitting, and public engagement. There will be no private property assessments. The Water Utility Fund will pay for this project.

ALTERNATIVES CONSIDERED:

- Option 1: \$544,767.42 estimate to pipe burst the existing water mains within the rear lot easements.
- Option 2: \$473,508.36 estimate to directional drill new water mains within the rear lot easements.
- Option 3: \$644,845.02 estimate to line the existing water mains.
- Option 4: \$730,409.85 estimate to directional drill new water main within the street boulevards.

Option 4, water main construction within the street boulevard areas, introduces the most risk for the city and for the property owners because the existing private water services enter homes from the backyards. The costs and risks to drill new water services from the front yard boulevards to the back yards add cost risk and construction risk to the bid process.

RECOMMENDATION:

The City Manager/Utilities & Public Works Director recommends City Council authorization to proceed with plans and specifications with Stantec for Option 2, the lowest cost option. Further, a public meeting will be scheduled in 2024. Construction is planned for 2025. A future request to authorize bids will be requested from the City Council.

Title:	APPROVE PLANS AND SPECIFICATIONS AND AUTHORIZE BIDS FOR THE 2024 CRACK SEAL/SEAL COAT PROJECT (CITY PROJECT NO. 2024-03)		
Meeting Date:	April 2, 2024	Agenda Item Number:	6D
Action:	<input checked="" type="checkbox"/> MOTION <input type="checkbox"/> REQUESTS/PRESENTATIONS <input type="checkbox"/> RESOLUTION <input type="checkbox"/> ORDINANCE	Supporting Documents:	<ul style="list-style-type: none"> • Project Map
Originating Department:	Engineering	Presented By:	Consent Agenda
Approved By City Manager: <input checked="" type="checkbox"/>			

BACKGROUND: City staff have completed the plans and specifications for the 2024 Crack Seal/Seal Coat Project (City Project No. 2024-03). This project will consist of crack sealing, seal coating, and fog sealing various City streets, parking lots, and trails (see attached map). These annual surface treatments extend pavement life and delay the need for more costly resurfacing.

With Council approval, this project will be advertised for bid online (Quest CDN) beginning April 3rd with a bid opening date of April 23rd. Contract award is anticipated to take place at the May 7th City Council meeting. This project is to begin on or after July 29th and be substantially completed by August 30th with final completion by September 6th.

BUDGET IMPACT: Total project cost is estimated at \$122,000. A total of \$115,000 in Street Capital was budgeted in the 2024 Capital Improvement Plan (CIP) for this project, with another \$8,000 available in Sanitary Sewer Utility funds (for crack sealing the WWTP service road). City staff will perform project inspections.

RECOMMENDATION: Staff recommends City Council approve the plans and specifications and authorize bids for the 2024 Crack Seal/Seal Coat Project (City Project No. 2024-03).



2024 Crack Seal & Seal Coat Locations

Municipal Project #2024-03

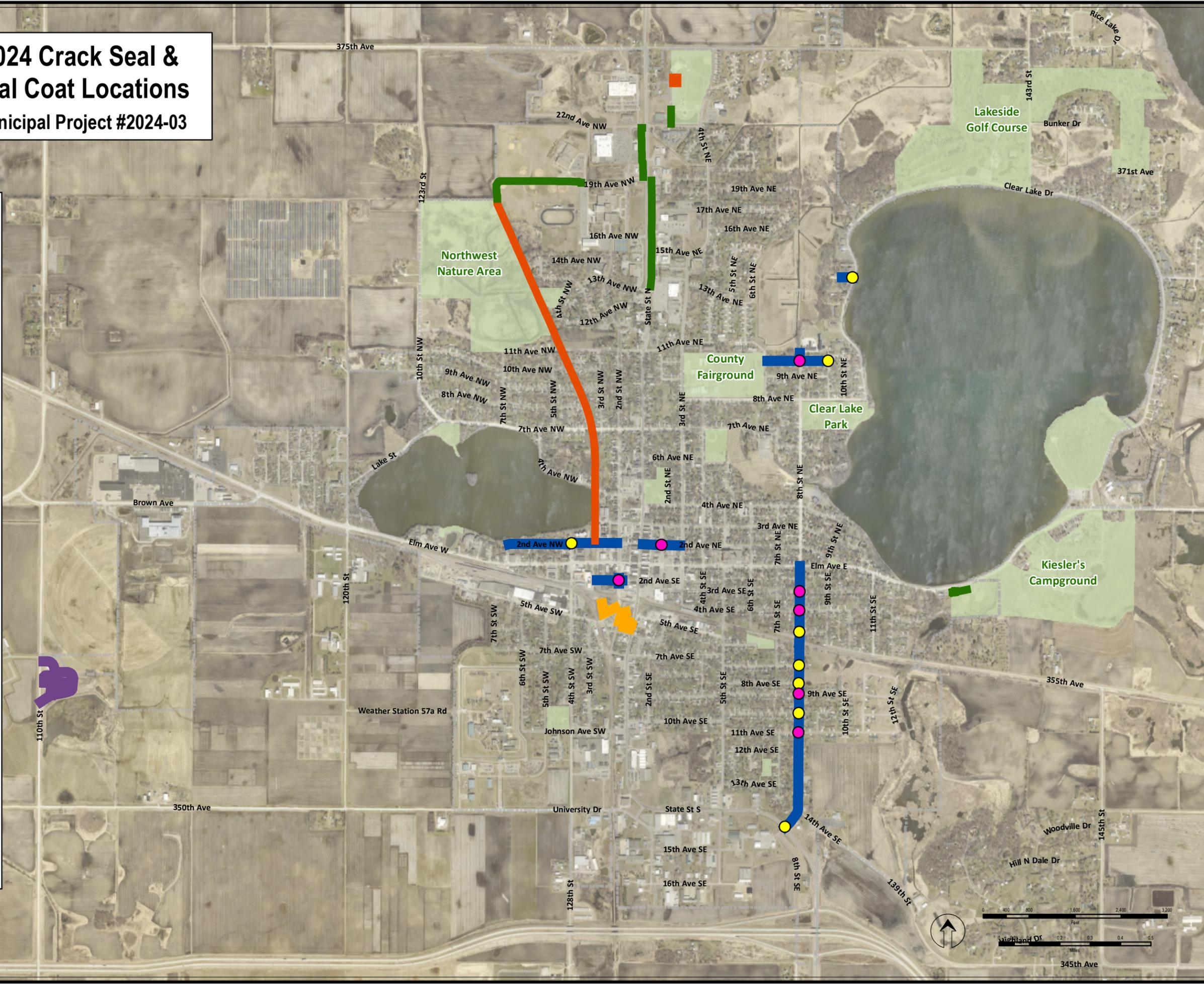
- Includes 2 Radii
- Includes 4 Radii
- █ City Parking Lots To Be Crack Sealed and Seal Coated
- █ Streets To Be Crack Sealed and Seal Coated
- █ Trails To Be Crack Sealed and Fog Sealed
- █ Trails To Be Crack Sealed Only
- █ WWTP Mastic Crack Sealed Only

NOTES:

1. ALL CRACKS SHALL BE DOUBLE FILLED.
2. THE CONTRACTOR SHALL PLACE TEMPORARY RAISED PAVEMENT MARKERS BEFORE SEAL COATING, (ON STREETS & LOTS WITH STRIPING.)

Date: March 28th, 2024

Map for Reference Purposes Only!





03/26/24

Tina,

SMART is excited to announce that not only are we working on facility projects in Austin and Waseca, we are actively working with MNDOT on a funding opportunity with the Federal Transit Administration – the *Low or No Emission Grants for Buses and Bus Facilities*. This grant opportunity is a competitive grant that if awarded, would give MNDOT the necessary dollars to fully fund the project and provide us with the resources to build a sustainable facility that would greatly reduce our emissions in the communities we serve.

As part of the application process, we are looking for your help by contributing an official 'Letter of Support' that can be attached to the project. If there is support for this project and the sustainability it brings to the community, by lowering emissions and helping us rely on greener energies.

Attached is the SMART 'Letter of Commitment' to the project, along with various other samples of support letters from previous Lo-No Grants that have been submitted for reference; we would greatly appreciate your consideration in providing us a letter of support as this project will not only bring cleaner, more sustainable facilities to southern Minnesota, it will lessen the financial burden a large project like this can bring to a rural transit agency like SMART.

If you have any questions, please do not hesitate call me; our goal is to have all letters of support turned into MNDOT no later than Monday, April 15th.

More info on the grant opportunity can be found at the following FTA website - <https://www.transit.dot.gov/notices-funding/low-or-no-emission-and-grants-buses-and-bus-facilities-competitive-programs-fy2024>

Thank you again,

Garry Hart
Division Director
Cedar Valley Services, Inc. – SMART Public Transportation
507-383-5186

We plan on building office and garage facilities in Austin and Waseca with the assistance of MndOT and the FTA.

The project in Waseca will be around \$3,000,000.



508 South State Street ■ Waseca, Minnesota 56093-3097
507-835-9700 ■ FAX 507-835-8871 ■ www.ci.waseca.mn.us

April 2, 2024

Matthew Lange
Low or No Emission Program Manager
Federal Transit Administration - U.S. Department of Transportation
1200 New Jersey Ave, SE
Washington, DC 20590

Subject: Minnesota Department of Transportation's Submission to FTA's FY 2024 Low-or No Emission Grant Program

Dear Matthew Lange,

The City of Waseca is pleased to recommend Southern Minnesota Area Rural Transit (SMART) in its efforts to secure funding from your agency for Low or No Emission Grants for buses and bus facilities. SMART is pleased to join the team led by the Minnesota Department of Transportation in responding to the Federal Transit Administration's (FTA) FY 2024 Low or No Emission Grant Program Notice of Funding Opportunity. The Minnesota Department of Transportation is partnering with SMART – Cedar Valley Services for the Facility Improvements in Rural Minnesota for Sustainable Transit (FIRST) project.

SMART is excited to be applying to this opportunity to help build new energy efficient transit facilities in Austin and Waseca that will help our transit agency reduce emissions in our rural communities and will help us become more sustainable for decades to come by building the infrastructure that will help us build a fleet that is greener for the environment. This will also help us create more efficiencies by relying less on traditional energy/fuel sources.

Thank you in advance for your consideration of the Minnesota Department of Transportation's FY 2024 Low or No Emission application. SMART's Public Transportation Program appreciates the opportunity to join the Minnesota Department of Transportation with the FIRST project.

Sincerely,

Randy L. Zimmerman
Mayor of Waseca

Carl C. Sonnenberg
City Manager
Director of Utilities & Public Works

Title:	MODIFICATION ON TAX INCREMENT FINANCING (TIF) DISTRICT (HOUSING) No. 1-29 (MARKETPLACE)		
Meeting Date:	April 2 nd , 2024	Agenda Item Number:	7A
Action:	<input type="checkbox"/> MOTION <input type="checkbox"/> REQUESTS/PRESENTATIONS <input checked="" type="checkbox"/> RESOLUTION <input type="checkbox"/> ORDINANCE	Supporting Documents:	<ul style="list-style-type: none"> • Location Map • Marketplace TIF Plan
Originating Department:	Finance	Presented By:	City Staff
Approved By City Manager: <input checked="" type="checkbox"/>	Proposed Action: Hold the Public Hearing and Adopt TIF District 1-29.		

BACKGROUND: The Waseca Real Estate Fund (WREF) limited partnership intends to purchase three City-owned Marketplace Subdivision parcels located south of Wal-Mart for development (see attached location map). The proposed development will be completed in two phases, with Phase 1 consisting of the construction of a 36-unit apartment building (see attached Phase 1 development plan).

To help finance the project, WREF has applied for Tax Increment Financing (TIF). Attached is the TIF Plan and Map, which provides further details on the proposed TIF district for Phase 1. The establishment of the TIF district (No. 1-29) for this development requires a Modification to the Development Program for Development District No. 1, which encompasses the entire City of Waseca.

Hold the public hearing on the following matters: (a) the proposed modification of Development District No. 1; (b) the proposed adoption of a modification to the Development Program for Development District No. 1; (c) the proposed establishment of Tax Increment Financing District (Housing) No. 1-29 (Marketplace Apartment Project) within Development District No. 1; and (d) the proposed adoption of a Tax Increment Financing Plan relating thereto, all pursuant to and in accordance with Minnesota Statutes, Sections 469.124 through 469.133, both inclusive, as amended, and Minnesota Statutes, Sections 469.174 through 469.1794, both inclusive, as amended (collectively, the "Act").

BUDGET IMPACT: None

RECOMMENDATION: Staff recommends the City Council hold the public hearing and adopt the TIF Plan for District 1-29, Marketplace Apartment Project, Phase 1.

CITY OF WASECA, MINNESOTA
MODIFICATION TO DEVELOPMENT PROGRAM AND
MUNICIPAL DEVELOPMENT DISTRICT NO. 1
AND
TAX INCREMENT FINANCING PLAN FOR
TAX INCREMENT FINANCING (HOUSING)
DISTRICT NO. 1-29
(MARKETPLACE APARTMENT PROJECT)

PUBLIC HEARING DATE: APRIL 2, 2024

PLAN APPROVED DATE: _____, 2024

PLAN CERTIFICATION REQUEST DATE: _____, 2024

PLAN CERTIFIED DATE: _____, 2024



Northland Securities, Inc.
150 South Fifth Street, Suite 3300
Minneapolis, MN 55402
(800) 851-2920
Member NASD and SIPC

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ARTICLE I – INTRODUCTION AND DEFINITIONS

SECTION 1.01 INTRODUCTION

The City of Waseca proposes to provide tax increment financing assistance to Waseca Real Estate Fund, LP, for public costs related to the construction of a multifamily housing facility, with an affordable component, in the City. This document contains the plan for achieving the objectives of the Development Program for Municipal Development District No. 1 through the establishment of Tax Increment Financing District No. 1-29.

SECTION 1.02 DEFINITIONS

For the purposes of this document, the terms below have the meanings given in this section, unless the context in which they are used indicates a different meaning:

1. “City” means the City of Waseca, Minnesota.
2. “City Council” means the City Council of the City.
3. “County” means Waseca County, Minnesota.
4. “Developer” means the private party undertaking construction in the TIF District, anticipated to be Waseca Real Estate Fund, LP.
5. “Development District” means Development District No. 1 in the City, established and modified pursuant to and in accordance with the Development District Act.
6. “Development District Act” means Minnesota Statutes, Sections 469.124 through 469.134, as amended and supplemented from time to time.
7. “Development Program” means the Development Program for the Development District, as amended and supplemented from time to time.
8. “Project Area” means the geographic area of the Development District.
9. “Project Costs” means the cost of the development activities that will or are expected to occur within the Project Area or TIF District.
10. “School District” means Waseca Area Public Schools (ISD #829).
11. “State” means the State of Minnesota.
12. “TIF Act” means Minnesota Statutes, Sections 469.174 through 469.1794, as amended, both inclusive.
13. “TIF District” means Tax Increment Financing (Housing) District No. 1-29 (Marketplace Apartments).
14. “TIF Plan” means the tax increment financing plan for the TIF District (this document).

SECTION 1.03 PLAN PREPARATION

The document was prepared by the City and Northland Securities, Inc.

ARTICLE II - DEVELOPMENT PROGRAM

SECTION 2.01 OVERVIEW

The City established the Development District and the related Development Program as a tool to achieve the objectives described in Section 2.02. The Development District was last modified August 2, 2010. The Development District serves as the Project Area for tax increment financing districts established within its boundaries. The Development Program describes the City's objectives for the development of this area and the use of tax increment financing.

Current modifications to the Development Program include amending the Development District's boundaries to coincide with the boundaries of the City of Waseca and to accommodate the establishment of Tax Increment Financing District (Housing) No. 1-29, among other reasons, within the boundaries of the Development District.

This modified Development Program is intended to restate and expand on the original Development Program and all prior amendments hereto, which are incorporated herein by reference. Nothing in this modification is intended to supersede or alter the activities described in the original Development Program.

SECTION 2.02 STATEMENT OF OBJECTIVES

The modifications of the Development District in the City pursuant to the Development District Act are necessary and in the best interests of the City and its residents and are necessary to give the City the ability to meet certain public purpose objectives that would not be obtainable in the foreseeable future without intervention by the City in the normal development process.

The current proposed development is consistent with the established "Statement of Objectives" documented by the original Development Program and prior amendments hereto, which are incorporated herein by reference.

The established "Statement of Objectives" for the Development Program provide the City with the ability to achieve certain public purpose goals not otherwise obtainable in the foreseeable future without City intervention in the normal development process. The public purpose goals include: restore and improve the tax base and tax revenue generating capacity of the Development District; increase employment and housing opportunities; realize comprehensive planning goals; remove blighted conditions; revitalize the property within the Development District to create an attractive, comfortable, convenient, and efficient area for industrial, commercial and related use. The City and Council seek to achieve the following Development District program objectives:

1. Promote and secure the prompt development of certain property in the Development District, which property is not now in productive use or in its highest and best use, in a manner consistent with the City's Comprehensive Plan and with the minimum adverse impact on the environment, and thereby promote and secure the development of other land in the City.
2. Promote and secure additional employment and housing opportunities within the Development District and the City for residents of the City and the surrounding area, thereby improving living standards, reducing unemployment and the loss of skilled and unskilled labor and other human resources in the City.

3. Secure the increase of commercial/industrial property subject to taxation by the City, School, County and other taxing jurisdictions in order to better enable such entities to pay for governmental services and programs required to be provided by them.
4. Provide for the financing and construction of public improvements in the Development District necessary for the orderly and beneficial development of the Development District and adjacent areas of the City.
5. Promote the concentration of commercial, office, and other appropriate development in the Development District so as to maintain the area in a manner compatible with its accessibility and prominence in the City.
6. Encourage local business expansion, improvement, and development, whenever possible.
7. Create a desirable and unique character within the Development District thorough quality land use alternatives and design quality in new and remodeled buildings.
8. Encourage and provide maximum opportunity for private redevelopment of existing areas and structures that are compatible with the Development Program.
9. Encourage redevelopment of substandard buildings, to improve employment opportunities in the Development District and the City, where compatible with other planning and development goals.

SECTION 2.03 BOUNDARIES OF DEVELOPMENT DISTRICT

The modified boundaries of the Development District are depicted in Exhibit V. The modified boundaries of the Development District are coterminous with the boundaries of the City.

SECTION 2.04 DEVELOPMENT ACTIVITIES

The proposed development activities within the Development District are consistent with the goals, objectives, and plans expressed by the Development Program. The current modifications to the Development Program relate to plans by the Developer to construct an affordable housing project.

SECTION 2.05 PAYMENT OF PROJECT COSTS

Project Costs and the plan for their payment will be described in the tax increment financing plans. It is anticipated that the Project Costs of the Development Program will be paid primarily from Tax Increments. The City reserves the right to utilize other available sources of revenue, including but not limited to special assessments and user charges, which the City may apply to pay a portion of the Project Costs.

SECTION 2.06 ENVIRONMENTAL CONTROLS; LAND USE REGULATIONS

All municipal actions, public improvements and private development shall be carried out in a manner consistent with existing environmental controls and all applicable Land Use Regulations.

SECTION 2.07 PARK AND OPEN SPACE TO BE CREATED

Park and open space within the Development District if created will be created in accordance with the City's Comprehensive Plan and zoning and subdivision ordinances.

SECTION 2.08 PROPOSED REUSE OF PROPERTY

The modification to the Development Program does not contemplate that the City will acquire additional property and reconvey the same to another entity. Should the Development Program be further amended to authorize land acquisition, the City Council will require the execution of a binding development agreement with respect thereto and evidence that Tax Increments or other funds will be available to repay the Project Costs associated with the proposed acquisition. It is the intent of the City to negotiate the acquisition of property whenever possible. Appropriate restrictions regarding the reuse and redevelopment of property shall be incorporated into any Development Agreement to which the City is a party.

SECTION 2.09 ADMINISTRATION AND MAINTENANCE OF DEVELOPMENT DISTRICT

Maintenance and operation of the Development District will be the responsibility of the City Administrator who shall serve as administrator of the Development District. Each year the administrator will submit to the Council the maintenance and operation budget for the following year.

The administrator will administer the Development District pursuant to the provisions of Section 469.131 of the Development District Act; provided, however, that such powers may only be exercised at the direction of the City Council. No action taken by the administrator pursuant to the above-mentioned powers shall be effective without authorization by the City Council.

SECTION 2.10 AMENDMENTS

The City reserves the right to alter and amend the Development Program, subject to the provisions of state law regulating such action. The City specifically reserves the right to enlarge or reduce the size of the Development District, the Development Program and the Project Costs of the Development.

ARTICLE III - TAX INCREMENT FINANCING PLAN

SECTION 3.01 STATUTORY AUTHORITY

The TIF District and the TIF Plan are established under the authority of the TIF Act.

SECTION 3.02 PLANNED DEVELOPMENT

3.02.1 Project Description

The Developer proposes to build an approximate 36-unit apartment facility with an affordable component. The development is proposed to be constructed on a currently vacant site near the intersection of 19th Avenue Northwest and 4th Street Northwest within the City.

3.02.2 City Plans and Development Program

In addition to achieving the objectives of the Development Program, the proposed development is consistent with and works to achieve the development objectives of the City. The TIF Plan for the TIF District conforms to the general plan for development or redevelopment of the City as a whole.

The City has adopted land use controls to guide the use of property. The proposed development plans for the project in the TIF District have been reviewed by the Planning Commission and the City Council.

3.02.3 Land Acquisition

The City does not intend to acquire additional property within the TIF District.

3.02.4 Development Activities

As of the date of approval of this TIF Plan, there are no development activities proposed in this TIF Plan that are subject to contracts.

3.02.5 Need for Tax Increment Financing

In various materials the Developer has demonstrated that the proposed use of tax increment financing is needed to offset the high construction costs of high-quality low- to moderate-income housing and associated infrastructure required to support the facility. Without the proposed assistance, these initial up-front costs would make it infeasible for the Developer to be able to charge the rental rates demanded for the area. Thus, it is the City's opinion that the proposed development would not reasonably be expected to occur solely through private investment within the 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 TIF District permitted by the TIF Plan.

A comparative analysis of estimated market values both with and without establishment of the TIF District and the use of tax increments has been performed as described above and is shown in Exhibit I. This analysis indicates that the increase in estimated market value of the proposed development (less the present value of the projected tax increments for the maximum duration permitted by the TIF Plan) exceeds the estimated market value of the site prior to the establishment of the TIF District.

tax rate to be certified is the rate in effect for the same taxes payable year applicable to the tax capacity values certified as the TIF District's original tax capacity. The resulting tax capacity rate is the original local tax rate for the life of the TIF District.

Under these assumptions, the estimated annual tax increment, after deducting the state auditor's fee, is estimated to be \$114,770 after development completion (assumed year 2027). The actual tax increment will vary according to the certified original tax capacity value and original tax rate, the actual property value produced by the proposed development and the changes in property value and State tax policy over the life of the district.

It is the City's intent to retain 100% of the Captured Tax Capacity Value for the duration of the TIF district. Exhibit II contains the projected tax increment over the life of the District.

3.04.2 Project Costs

The City will use tax increment to pay Project Costs. The City anticipates the use of tax increment to pay administrative expenses for the TIF District and to reimburse the Developer on a pay-go basis for a portion of the cost for construction of affordable housing. A development assistance contract with the Developer will define the means for verifying Developer costs eligible for reimbursement and the means of disbursing tax increments collected by the City to the Developer.

The City may also use tax increments to pay financing costs. The interest rate payable on bonds (i.e., tax increment financing note) to be issued will be set pursuant to a development assistance contract with the Developer.

The City reserves the right to use any other legally available revenues to finance or pay for Project Costs associated with the development in the TIF District.

The City reserves the authority to modify the TIF Plan to provide authority to expend tax increment from the TIF District on other housing projects that meet the criteria for establishing a housing TIF district. The statutes governing the use of TIF define a housing district consisting of a project, or a portion of a project, intended for occupancy, in part, by persons or families of low and moderate income (Minnesota Statutes, Section 469.174, Subd. 11). The requirements for the establishment of a housing TIF district are contained in Minnesota Statutes, Section 469.1761. The primary criteria are income related. The criteria are different for owned and rental housing.

The practical application of this authority for the City includes:

- The use of tax increment is not limited by pooling restrictions or the five-year rule.
- The tax increment can be spent on activities outside of the TIF district, but within the Development District No. 1.
- This authority does not extend the maximum statutory duration of the TIF district.
- The tax increment must be used solely to finance the cost of the "housing project" as defined by the TIF Act. The cost of public improvements directly related to the housing project and the allocated administrative expenses of the city may be included in the cost of a housing project.
- No more than 20% of the square footage of buildings that receive TIF assistance may consist of commercial, retail, or other nonresidential uses.

Potential applications of this authority include:

- Individual housing projects avoiding the need for a new TIF district.
- Supplementing the revenues of another housing TIF district.
- Assistance for the renovation of existing housing.

- Acquisition of land for housing.
- Assistance to make public improvements more affordable.

3.04.3 *Estimated Sources and Uses of Funds*

The estimated sources of revenue, along with the estimated Project Costs of the TIF District, are itemized in Figure 3-1 that follows. Such costs are eligible for reimbursement from tax increments, and other listed sources of revenue from the TIF District.

**FIGURE 3-1
ESTIMATED SOURCES AND USES OF FUNDS**

The City reserves the right to administratively adjust the amount of any of the Project Cost items listed in Figure 3-1, so long as the total estimated tax increment project costs amount, not including financing costs, is not increased.

**Figure 3-1
City of Waseca
Tax Increment Financing District No. TIF No. 29
Projected Tax Increment
Marketplace Development**

	Total
Estimated Tax Increment Revenues (from tax increment generated by the district)	
Tax increment revenues distributed from the county	\$3,300,743
Interest and investment earnings	\$10,000
Sales/lease proceeds	\$0
Market value homestead credit	\$0
Total Estimated Tax Increment Revenues	\$3,310,743
Estimated Project/Financing Costs (to be paid or financed with tax increment)	
Project costs	
Land/building acquisition	\$0
Site improvements/preparation costs	
Utilities	\$0
Other public improvements	\$0
Construction of affordable housing	\$1,535,000
Small city authorized costs, if not already included above	\$0
Administrative costs	\$330,074
Estimated Tax Increment Project Costs	\$1,865,074
Estimated financing costs	
Interest expense	\$1,445,669
Total Estimated Project/Financing Costs to be Paid from Tax Increment	\$3,310,743
Estimated Financing	
Total amount of bonds to be issued	\$3,310,743

3.04.4 *Administrative Expense*

The City will retain up to ten percent (10%) of annual tax increment revenues, in addition to required fees paid to the State and County. The City will use these monies to pay for and reimburse the City for costs of administering the TIF district allowed by the TIF Act. Based on current projections, this amount is estimated to be \$330,074. Anticipated administrative expenses of the TIF District include annual audit of the fund for TIF District, preparation of annual reporting, legal publication of annual report, and administration of the development agreement.

3.04.5 County Road Costs

The proposed development will not substantially increase the use of county roads and necessitate the need to use tax increments to pay for county road improvements.

3.04.6 Bonded Indebtedness

The total amount of bonds estimated to be issued is \$3,310,743. The City will not issue any general obligation bonded indebtedness as a result of the TIF Plan.

The City intends to use tax increment financing to reimburse the developer on pay-as-you-go basis for Project Costs.

The City may loan or advance money from its general fund or any other fund it has legal authority to use to finance qualifying TIF expenditures, such as costs of administering the TIF District. An interfund loan or advance is defined in the TIF Act as a bond or a qualifying obligation. Before money is transferred, advanced, or spent, the loan or advance shall be authorized by resolution of the City. For the loan or advance to be repaid with TIF revenues, an interfund loan agreement must be in place before any loans or advances are made. The terms and conditions for repayment of the loan must be in writing and include, at minimum, (i) the principal amount of the loan or advance, (ii) the interest rate to be charged, and (iii) its maximum term. The maximum rate of interest that can be charged is limited to the annual rate charged by the State Courts or by the Department of Revenue, whichever is greater.

3.04.7 Duration of TIF District

The City sets the duration to collect and spend tax increments on eligible purposes for a maximum of 25 years after the date of receipt of the first tax increment or 26 years of tax increment collection. The estimated decertification date is 12/31/2051.

3.04.8 Estimated Impact on Other Taxing Jurisdictions

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

The City anticipates minimal impact of the proposed development on city-provided services. There will be no borrowing costs to the City for the project. A manageable increase in water and sewer usage is expected. It is anticipated that there may be a slight but manageable increase in police and fire protection duties due to the development.

3.04.9 Prior Planned Improvements

There have been no building permits issued in the last 18 months in conjunction with any of the properties within the TIF District. The City will include this statement with the request for certification to the County Auditor. If building permits had been issued during this time period, then the County Auditor would 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.

ARTICLE IV – ADMINISTERING THE TIF DISTRICT

SECTION 4.01 FILING AND CERTIFICATION

The filing and certification of the TIF Plan consists of the following steps:

1. Upon adoption of the TIF Plan, the City shall submit a copy of the TIF Plan to the Minnesota Department of Revenue and the Office of the State Auditor.
2. The City shall 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.
3. The City shall 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.

SECTION 4.02 MODIFICATIONS OF THE TAX INCREMENT FINANCING PLAN

The City reserves the right to modify the TIF District and the TIF Plan. Under current State Law, the following actions can only be approved after satisfying all the necessary requirements for approval of the original TIF Plan (including notifications and public hearing):

- Reduction or enlargement in the geographic area of the Development District or the TIF District.
- Increase in the amount of bonded indebtedness to be incurred.
- Increase in the amount of capitalized interest.
- Increase in that portion of the captured net tax capacity to be retained by the City.
- Increase in the total estimated Project Costs, not including cost of financing.
- Designation of additional property to be acquired by the City.

Other modifications can be made by resolution of the City Council. In addition, the original approval process 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 4.03 4-YEAR KNOCKDOWN RULE

Since the TIF District consists of a single parcel, development of the project as planned prevents any loss of value from the 4-Year Knockdown Rule. This Rule requires that if after four years from certification of the TIF District no demolition, rehabilitation, renovation or site improvement, including a 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 4.04 POOLING/5-YEAR RULE

At least 80% of tax increments from the TIF District must be expended on activities in the TIF District or to pay bonds, to the extent that the proceeds of the bonds were used to finance activities within said district or to pay, or secure payment of, debt service on credit enhanced bonds, provided that in the case of a housing district, a housing project as defined in Minnesota Statutes, Section 469.174, Sub. 11, is deemed to be an activity in the District, even if the expenditure occurred after five years. Not more than 20% of said tax increments may be expended, through a development fund or otherwise, on activities outside of the TIF District except to pay, or secure payment of, debt service on credit enhanced bonds, provided that in the case of a housing district, a housing project as defined in Minnesota Statutes, Section 469.174, Sub. 11, is deemed to be an activity in the District, even if the expenditure occurred after five years. For purpose of applying this restriction, all administrative expenses must be treated as if they were solely for activities outside of the TIF District.

Beginning with the sixth year after certification of the TIF District, if the tax increments actually received by the City representing the “in-District” percentage exceed the amounts considered “spent” within the TIF District, the excess must be used or set aside to pay or defease bonds or to make payments under contracts. The TIF District must be decertified when the City has received tax increments representing the “in-District” percentage in an amount sufficient to fully pay its in-district obligations (i.e., to defease any bonds and/or fulfill all contractual obligations).

It is anticipated that all tax increments collected in the TIF District will be spent or obligated within this time period. Unless the TIF Plan is modified and additional expenditures are authorized, tax increments will only be used to pay for authorized “In-District” Project Costs included in the TIF Plan.

SECTION 4.05 FINANCIAL REPORTING AND DISCLOSURE REQUIREMENTS

The City will comply with the annual reporting requirements of State Law pursuant to the guidelines of the Office of the State Auditor. Under current law, the City must prepare and submit a report on the TIF district on or before August 1 of each year. The City must also annually publish in a newspaper of general circulation in the City an annual statement for each tax increment financing district.

The reporting and disclosure requirements outlined in this section begin with the year the district was certified, and shall end in the year in which both the district has been decertified and all tax increments have been spent or returned to the county for redistribution. Failure to meet these requirements, as determined by the State Auditors Office, may result in suspension of distribution of tax increment.

SECTION 4.06 BUSINESS SUBSIDY COMPLIANCE

The City is exempt from the business subsidies requirements specified in Minnesota Statutes, Sections 116J.993 to 116J.995 because the intended subsidy for the project specified in this document is anticipated to be 100% for housing assistance.

Exhibit I
City of Waseca
Tax Increment Financing District No. TIF No. 29
Present Value Analysis As Required By Statute
Minnesota Statutes 469.175(3)(2)
Marketplace Development

1	Estimated Future Market Value w/ Tax Increment Financing	8,335,808 ¹
2	Payable 2024 Market Value	<u>50,600</u>
3	Market Value Increase (1-2)	8,285,208
4	Present Value of Future Tax Increments	<u>1,705,231 ³</u>
5	Market Value Increase Less PV of Tax Increments	6,579,977
6	Estimated Future Market Value w/o Tax Increment Financing	64,891 ¹
7	Payable 2024 Market Value	<u>50,600</u>
8	Market Value Increase (6-7)	<u>14,291</u>
9	Increase in MV From TIF	<u><u>6,565,686 ²</u></u>

¹ Assume 1.00% annual appreciation over 26 year life of district.

² Statutory compliance achieved if increase in market value from TIF (Line 9) is greater than or equal to zero.

TAX INCREMENT FINANCING DISTRICT NO. 1-29

Exhibit II
City of Waseca
Tax Increment Financing District No. TIF No. 29 (Housing)
Marketplace Development
Projected Tax Increment Cash Flow

TIF District Year	Taxes Payable Year	Taxable Market Value (TMV) ^{1, 7}	Tax Capacity	Less Base Tax Capacity ⁴	Captured Tax Capacity ³ 75%	Original Tax Rate ²	Captured Tax Increment Financing (TIF)	Less State Fee	Total Annual Available TIF	Present Value of YTD Available TIF ⁵
1	2026	3,250,000	40,625	(633)	39,993	141.45%	56,571	(204)	56,367	52,563
2	2027	6,565,000	82,063	(633)	81,430	141.45%	115,185	(415)	114,770	154,429
3	2028	6,630,650	82,883	(633)	82,251	141.45%	116,346	(419)	115,927	252,364
4	2029	6,696,957	83,712	(633)	83,079	141.45%	117,518	(423)	117,095	346,519
5	2030	6,763,926	84,549	(633)	83,917	141.45%	118,703	(427)	118,276	437,041
6	2031	6,831,565	85,395	(633)	84,762	141.45%	119,898	(432)	119,466	524,068
7	2032	6,899,881	86,249	(633)	85,616	141.45%	121,106	(436)	120,670	607,737
8	2033	6,968,880	87,111	(633)	86,478	141.45%	122,326	(440)	121,886	688,176
9	2034	7,038,569	87,982	(633)	87,350	141.45%	123,559	(445)	123,114	765,511
10	2035	7,108,954	88,862	(633)	88,229	141.45%	124,803	(449)	124,354	839,860
11	2036	7,180,044	89,751	(633)	89,118	141.45%	126,060	(454)	125,606	911,340
12	2037	7,251,844	90,648	(633)	90,016	141.45%	127,330	(458)	126,872	980,061
13	2038	7,324,363	91,555	(633)	90,922	141.45%	128,612	(463)	128,149	1,046,129
14	2039	7,397,606	92,470	(633)	91,838	141.45%	129,907	(468)	129,439	1,109,646
15	2040	7,471,582	93,395	(633)	92,762	141.45%	131,215	(472)	130,743	1,170,712
16	2041	7,546,298	94,329	(633)	93,696	141.45%	132,536	(477)	132,059	1,229,420
17	2042	7,621,761	95,272	(633)	94,640	141.45%	133,870	(482)	133,388	1,285,862
18	2043	7,697,979	96,225	(633)	95,592	141.45%	135,218	(487)	134,731	1,340,126
19	2044	7,774,959	97,187	(633)	96,554	141.45%	136,579	(492)	136,087	1,392,294
20	2045	7,852,708	98,159	(633)	97,526	141.45%	137,954	(497)	137,457	1,442,449
21	2046	7,931,235	99,140	(633)	98,508	141.45%	139,342	(502)	138,840	1,490,667
22	2047	8,010,548	100,132	(633)	99,499	141.45%	140,745	(507)	140,238	1,537,023
23	2048	8,090,653	101,133	(633)	100,501	141.45%	142,161	(512)	141,649	1,581,590
24	2049	8,171,560	102,144	(633)	101,512	141.45%	143,592	(517)	143,075	1,624,437
25	2050	8,253,275	103,166	(633)	102,533	141.45%	145,037	(522)	144,515	1,665,629
26	2051	8,335,808	104,198	(633)	103,565	141.45%	146,496	(527)	145,969	1,705,231
TOTAL =							3,312,669	(11,926)	3,300,743	

Key Assumptions for Cash Flow:

- 1 Taxable market value (TMV) annual growth assumption = 1.00%
- 2 Original Tax Capacity Rate estimated based on Taxes Payable Year 2024.
- 3 Election for captured tax capacity is 100%
- 4 Base Tax Capacity is calculated based on a TMV = \$50,600. PID = 174400010
- 5 Present value (PV) is calculated based on semi-annual payments, stated rate in the schedule above, and based on estimated date of 6/1/2025. Rate of 5.0% is used to calculate PV.
- 6 City to retain 10% of Total Available TIF to cover the costs of administration for the TIF District.
- 7 TMV estimated at \$6,500,000.

TAX INCREMENT FINANCING DISTRICT NO. 1-29

Exhibit III
City of Waseca
Tax Increment Financing District No. TIF No. 29
Impact on Other Taxing Jurisdictions
(Taxes Payable 2024)
Marketplace Development

Annual Tax Increment

Estimated Annual Captured Tax Capacity (Full Development)	\$103,565
Payable 2024 Local Tax Rate	141.453%
Estimated Annual Tax Increment	\$146,496

Percent of Tax Base

	Net Tax Capacity (NTC)	Captured Tax Capacity	Percent of Total NTC
City of Waseca	7,644,224	103,565	1.35%
Waseca County	39,232,490	103,565	0.26%
Waseca Public Schools ISD #829	18,602,979	103,565	0.56%

Dollar Impact of Affected Taxing Jurisdictions

	Net Tax Capacity (NTC)	% of Total	Tax Increment Share	Added Local Tax Rate
City of Waseca	71.706%	50.692%	74,262	0.971%
Waseca County	45.454%	32.134%	47,074	0.120%
Waseca Public Schools ISD #829	21.309%	15.064%	22,069	0.119%
Other	2.984%	2.110%	3,090	
Totals	141.453%	100.000%	146,495	

NOTE NO. 1: Assuming that ALL of the captured tax capacity would be available to all taxing jurisdictions even if the City does not create the Tax Increment District, the creation of the District will reduce tax capacities and increase the local tax rate as illustrated in the above tables.

NOTE NO. 2: Assuming that NONE of the captured tax capacity would be available to the taxing jurisdiction if the City did not create the Tax Increment District, then the plan has virtually no initial effect on the tax capacities of the taxing jurisdictions. However, once the District is established, allowable costs paid from the increments, and the District is terminated, all taxing jurisdictions will experience an increase in their tax base.

TAX INCREMENT FINANCING DISTRICT NO. 1-29

Exhibit IV
City of Waseca
Tax Increment Financing (Housing) District No. TIF No. 29
Marketplace Development
Estimated Tax Increments Over Maximum Life of District

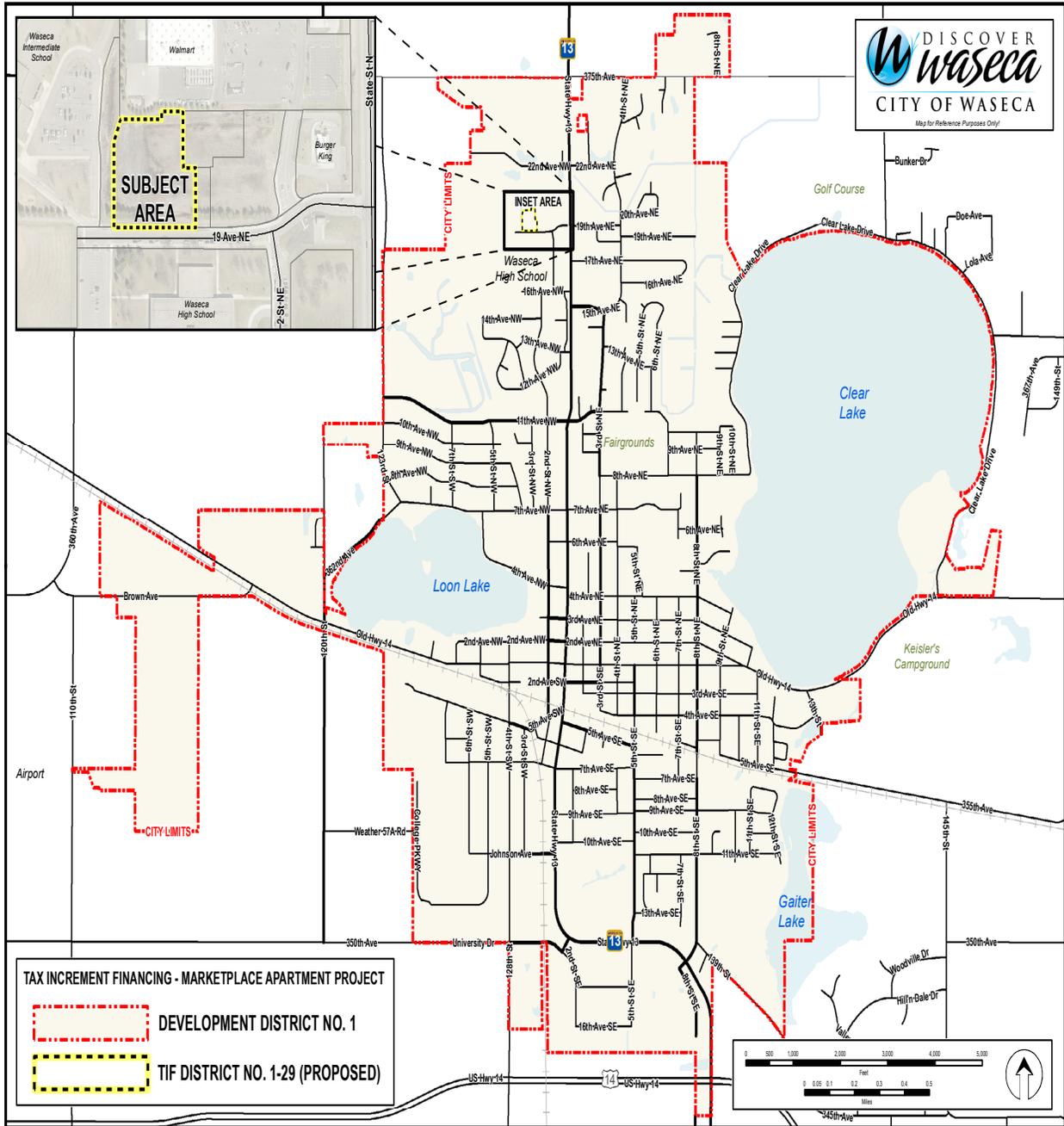
Based on Pay 2024 Tax Rate = 141.453% 71.706% 45.454% 21.309% 2.984%

TIF District	Taxes Payable Year	New			Captured Tax Capacity	Estimated Total Tax Increment	City TIF Related Share	County TIF Related Share	School TIF Related Share	Other TIF Related Share
		Taxable Market Value	New Tax Capacity	Base Tax Capacity						
1	2026	3,250,000	40,625	(633)	39,993	56,571	28,677	18,178	8,522	1,194
2	2027	6,565,000	82,063	(633)	81,430	115,185	58,390	37,013	17,352	2,430
3	2028	6,630,650	82,883	(633)	82,251	116,346	58,979	37,386	17,527	2,454
4	2029	6,696,957	83,712	(633)	83,079	117,518	59,573	37,763	17,703	2,479
5	2030	6,763,926	84,549	(633)	83,917	118,703	60,173	38,143	17,882	2,505
6	2031	6,831,565	85,395	(633)	84,762	119,898	60,779	38,528	18,062	2,529
7	2032	6,899,881	86,249	(633)	85,616	121,106	61,392	38,916	18,244	2,554
8	2033	6,968,880	87,111	(633)	86,478	122,326	62,010	39,308	18,428	2,580
9	2034	7,038,569	87,982	(633)	87,350	123,559	62,635	39,704	18,613	2,607
10	2035	7,108,954	88,862	(633)	88,229	124,803	63,266	40,104	18,801	2,632
11	2036	7,180,044	89,751	(633)	89,118	126,060	63,903	40,508	18,990	2,659
12	2037	7,251,844	90,648	(633)	90,016	127,330	64,547	40,916	19,181	2,686
13	2038	7,324,363	91,555	(633)	90,922	128,612	65,197	41,328	19,375	2,712
14	2039	7,397,606	92,470	(633)	91,838	129,907	65,853	41,744	19,570	2,740
15	2040	7,471,582	93,395	(633)	92,762	131,215	66,516	42,164	19,767	2,768
16	2041	7,546,298	94,329	(633)	93,696	132,536	67,186	42,589	19,966	2,795
17	2042	7,621,761	95,272	(633)	94,640	133,870	67,862	43,017	20,167	2,824
18	2043	7,697,979	96,225	(633)	95,592	135,218	68,545	43,450	20,370	2,853
19	2044	7,774,959	97,187	(633)	96,554	136,579	69,235	43,888	20,575	2,881
20	2045	7,852,708	98,159	(633)	97,526	137,954	69,932	44,330	20,782	2,910
21	2046	7,931,235	99,140	(633)	98,508	139,342	70,636	44,776	20,991	2,939
22	2047	8,010,548	100,132	(633)	99,499	140,745	71,347	45,226	21,202	2,970
23	2048	8,090,653	101,133	(633)	100,501	142,161	72,065	45,682	21,416	2,998
24	2049	8,171,560	102,144	(633)	101,512	143,592	72,790	46,141	21,631	3,030
25	2050	8,253,275	103,166	(633)	102,533	145,037	73,523	46,606	21,849	3,059
26	2051	8,335,808	104,198	(633)	103,565	146,496	74,262	47,074	22,069	3,091
Total						3,312,669	1,679,273	1,064,482	499,035	69,879

Note: The Estimated Total Tax Increment shown above is before deducting the State Auditor's fee, which is payable at a rate of 0.36% of the Total Tax Increment collected. Exhibit II provides Estimated Total Tax Increment after deducting for the State Auditor's fee.

EXHIBIT V

Boundaries of Municipal Development District No. 1 and Tax Increment Financing District No. 1-29



Title:	Public Hearing for Ordinance No. 1114 – Authorizing Sale of City Property		
Meeting Date:	April 2, 2024	Agenda Item Number:	7B
Action:	<input checked="" type="checkbox"/> MOTION <input type="checkbox"/> REQUESTS/PRESENTATIONS <input type="checkbox"/> RESOLUTION <input type="checkbox"/> ORDINANCE	Supporting Documents:	<ul style="list-style-type: none"> Ordinance No. 1114
Originating Department:	Finance/HR	Presented By:	City Staff
Approved By City Manager: <input checked="" type="checkbox"/>	Proposed Action: Hold the Public Hearing and Adopt Ordinance 1114		

BACKGROUND: The City of Waseca has owned property referred to as Marketplace since 2005. In 2023, the City entered into Exclusive Negotiating Agreements and Early Access Agreements with Waseca Real Estate Fund (WREF) for potential development of this property. In January 2024 the City received a TIF application for a proposed development on Marketplace from WREF.

A resolution was passed in 2017 deeming this property development and surplus property. The approval of this Ordinance 1114 is needed for the Council to continue with this development and to enter into a Purchase Agreement for this property, which would be brought to the Council through a separate resolution for approval.

RECOMMENDATION: Staff recommends the City Council hold a public hearing and approve Ordinance No. 1114, Authorizing the Sale of City Property.

ORDINANCE NO. 1114

**AN ORDINANCE OF THE CITY OF WASECA
DECLARING EXCESS PROPERTY AND
AUTHORIZING THE SALE OF SUCH REAL PROPERTY**

WHEREAS the City of Waseca owns the real property legally described in the attached **Exhibit A** and depicted on the attached **Exhibit B** (hereinafter referred to as City Property); and

WHEREAS Waseca Real Estate Fund LP, (hereinafter referred to as WREF) has submitted a proposal to the City for development of the Property; and

WHEREAS the City provided WREF temporary access to the City Property for the purposes of conducting investigations and studies into the feasibility of the proposed development of the City Property; and

WHEREAS the City and WREF have been under an Exclusive Negotiating Agreement for development of the City Property; and

WHEREAS WREF has submitted a Tax Increment Financing Application that outlines the development of 36-unit apartment complex on the City Property; and

WHEREAS the City Council acquired this property for the purpose of its lease or resale for development, elimination of blight and pursuant to tax forfeiture in 2005; and

WHEREAS the City Council designated City Property as development property and surplus to the City's needs by Resolution 17-31; and

WHEREAS WREF desires to purchase City Property, and the Waseca City Council desires to sell City Property to WREF; and

WHEREAS, the City Property is not needed by the City for any public purpose.

NOW, THEREFORE, the City of Waseca does hereby ordain as follows:

Section 1. Authorization of Sale. The Waseca City Council hereby authorizes the sale and conveyance of the City Property, as legally described on the attached Exhibit A and depicted on the attached Exhibit B, to WREF LP by quit claim deed pursuant to the terms and conditions of sale set forth in a Commercial Property Purchase Agreement between the City and WREF to be approved by the City Council by separate resolution.

Section 2. Effective Date. This Ordinance shall take effect and be in force 10 days after its passage.

Adopted this ____ day of _____, 2024.

RANDY L. ZIMMERMAN
MAYOR

ATTEST:

JULIA HALL
CITY CLERK

EXHIBIT A
ORDINANCE NO. 1114

Legal Description of City Property

Parcel 1

Lot 1, Block 1 Marketplace Subdivision, City of Waseca, County of Waseca

Parcel 2

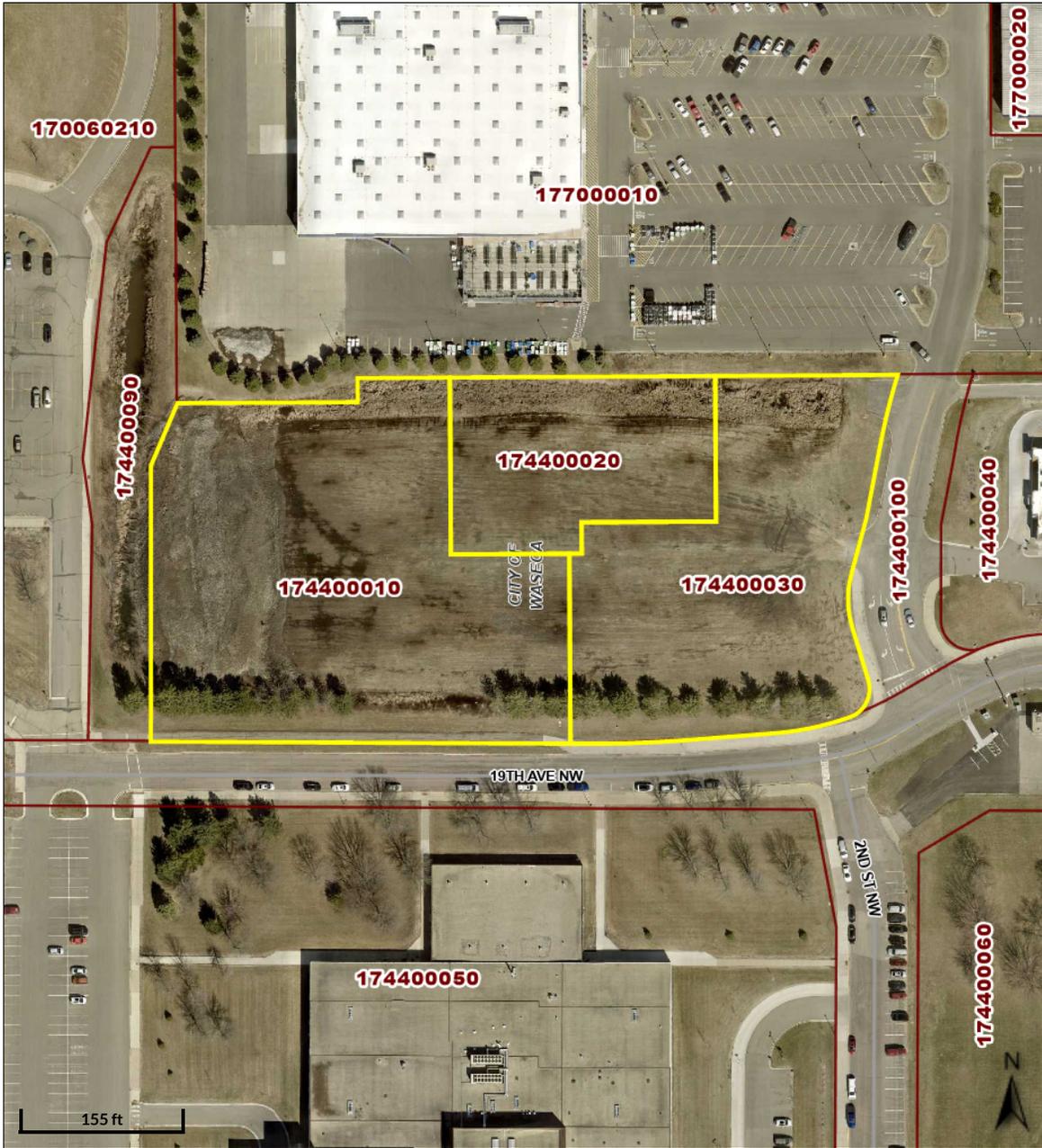
Lot 2, Block 1 Marketplace Subdivision, City of Waseca, County of Waseca

Parcel 3

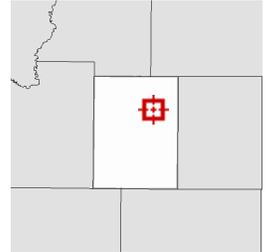
Lot 3, Block 1 Marketplace Subdivision, City of Waseca, County of Waseca

EXHIBIT B
ORDINANCE NO. 1114

DEPICTION OF CITY PROPERTY (PARCELS 1, 2, AND 3)



Overview



Legend

- Municipality
- Parcels
- U.S. and State Hwy
 - U.S. Hwy
 - State Hwy
 - County Hwy
- Local Streets
 - County Road
 - Township Road
 - Municipal State Aid
 - City Street
 - Private Street
 - Ramp
- Lakes
- County Boundary

Date created: 3/13/2024
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Developed by Schneider
GEO SPATIAL