

REGULAR ROSEAU CITY COUNCIL MEETING **DRAFT**
MONDAY – August 7, 2023, at 5:00 P.M.

In person meeting
121 Center Street East Suite 201
Roseau, MN 56751

The Regular monthly meeting of the Roseau City Council was held on the above date, time, and place. Members present were, Mayor Dan Fabian, Council members: Pat Novacek, Amy Bassingthwaite, Brady Johnson, and Mary Hayes. Absent: None. Others present were Community Development Coordinator Todd Peterson, City Superintendent David Drown, Fire Chief Leon Huot, Police Chief Marc Hodge, Liquor Store Manager Niki Johnson, City Attorney Michelle Moren, Clerk-Treasurer Beth Carlson, Roseau County Commissioner Jack Swanson, and Tom Johnson – Intercept Industries.

Mayor Dan Fabian called the meeting to order, and the Pledge of Allegiance was said.

Councilmember Pat Novacek motioned, Councilmember Amy Bassingthwaite seconded, and it was carried by unanimous vote to approve the July 10, 2023, regular meeting minutes as written.

Councilmember Amy Bassingthwaite motioned, Councilmember Mary Hayes seconded, and it was carried by unanimous vote to approve the July 27, 2023, special meeting minutes as written.

There was general discussion on the new Cannabis and THC laws. To date, there have been no applicants for the City of Roseau Cannabinoids License.

There was discussion on the study the City of Roseau staff and legal council will conduct regarding the moratorium on the operations of cannabis businesses within the City of Roseau. County Commissioner Swanson stated that the County has to allow at least 1 cannabis business in the County per the state law that requires at least 1 cannabis business in a County for every 12,500 residents.

5:10 Public Hearing – City Subsidy Policy

Councilmember Brady Johnson motioned, Councilmember Amy Bassingthwaite seconded, and it was carried by unanimous vote to open the public hearing on the City of Roseau/Roseau Economic Development Authority Amended and Restated Business Subsidy Policy.

CDC Peterson informed council no comments were received by the City prior to the public hearing. No comments were provided at the public hearing.

CDC Peterson informed council that the City’s current business subsidy policy was out of date and did not meet the current state requirements.

Michaela Huot from Baker Tilly was present virtually . Ms. Huot informed council that prior to providing a business subsidy, cities are required to have a business subsidy policy in place that meets current Minnesota State Statutes. Ms. Huot informed council that the proposed draft amended and restated business subsidy policy is drafted to meet the business subsidy criteria as required by the Statutes as well as general City/EDA goals for providing business subsidies. It is recommended the City Council consider approval of the amended and restated business subsidy policy following the holding of this public hearing.

Councilmember Amy Bassingthwaite motioned, Councilmember Mary Hayes seconded, and it was carried by unanimous vote to close the public hearing.

Councilmember Pat Novacek motioned, Councilmember Brady Johnson seconded, and it was carried by unanimous vote to approve the City of Roseau/ Roseau Economic Development Authority Amended and Restated Business Subsidy Policy.

5:15 Public Hearing – Intercept Industries Economic Development TIF

Councilmember Amy Bassingthwaite motioned, Councilmember Brady Johnson seconded, and it was carried by unanimous vote to open the public hearing on Establishing Tax Increment Financing (Economic Development) District No. 10 within Municipal Development District No. 1 for proposed Intercept Industrial Project.

CDC Peterson informed council no comments were received by the City prior to the public hearing. No comments were provided at the public hearing.

Councilmember Pat Novacek motioned, Councilmember Mary Hayes seconded, and it was carried by unanimous vote to close the public hearing.

CDC Peterson presented to council a copy of the TIF Plan and developer agreement for review. It was asked if this could be approved as it is more than the \$150,000 which makes approving a business subsidy a requirement and if separate notice of the business subsidy would be required. Ms. Huot stated that there was notice so nothing further is required and that after this discussion, approving the business subsidy should be included.

Councilmember Amy Bassingthwaite motioned, Councilmember Pat Novacek seconded at it was carried by unanimous vote to reopen the public hearing to include approving a business subsidy.

There were no comments prior to the public hearing. Tom Johnson from Intercept Industries was present to answer questions. Mr. Johnson informed council that they were waiting on feedback from Superintendent Drown on core testing before beginning construction. Superintendent Drown stated that he had no concerns.

Mayor Fabian stated that the City of Roseau share of the tax increments captured is estimated to be \$214,418.00.

Councilmember Pat Novacek motioned, Councilmember Brady Johnson seconded, and it was carried by unanimous vote to close the public hearing.

EXTRACT OF MINUTES OF A MEETING OF THE
CITY COUNCIL OF THE CITY
OF ROSEAU, MINNESOTA

HELD: AUGUST 7, 2023

Pursuant to due call and notice thereof, a regular or special meeting of the City Council of the City of Roseau, Roseau County, Minnesota, was duly called and held at the City Hall, on August 7, 2023, at 5:00 P.M.

The following members of the Council were present: Mayor Fabian, Councilmembers Novacek, Bassingthwaite, Johnson, and Hayes.

and the following were absent: none

Member Brady Johnson introduced the following resolution and moved for its adoption with the understanding that it would reflect the creation of at least one job:

RESOLUTION NO. 43-23

RESOLUTION ESTABLISHING TAX INCREMENT FINANCING DISTRICT NO. 10 WITHIN MUNICIPAL DEVELOPMENT DISTRICT NO. 1; APPROVING THE TAX INCREMENT FINANCING PLAN THEREFOR; AUTHORIZING AN INTERFUND LOAN; APPROVING A BUSINESS SUBSIDY; AND AUTHORIZING EXECUTION OF A DEVELOPMENT AGREEMENT

A. WHEREAS, it has been proposed that the City of Roseau, Minnesota (the "City") (1) establish Tax Increment Financing District No. 10 (the "TIF District") within Municipal Development District No. 1 (the "Development District"); (2) approve and adopt the proposed Tax Increment Financing Plan therefor under the provisions of Minnesota Statutes, Sections 469.174 to 469.1794, as amended (the "Act"); (3) authorize an Interfund Loan (hereinafter defined); (4) authorize the execution of a development agreement; and (5) and approve a business subsidy; and

B. WHEREAS, the City Council has investigated the facts and has caused to be prepared a proposed tax increment financing plan for the TIF District therein (the "TIF Plan"); and

C. WHEREAS, the City has performed all actions required by law to be performed prior to the establishment of the TIF District, and the adoption of the TIF Plan therefor, including, but not limited to, notification of Roseau County and Independent School District No. 682 (Roseau Community Schools) having taxing jurisdiction over the property to be included in the TIF District, and the holding of a public hearing upon published and mailed notice as required by law; and

D. WHEREAS, TBA, LLP (the "Developer") has requested the City to assist with the financing of certain costs incurred in connection with construction of an approximately 32,400 square industrial manufacturing facility to be located in the City and occupied by the Developer (the "Project"); and

E. WHEREAS, the Developer and the City have determined to enter into a Development Agreement providing for the City's tax increment financing assistance for the Project (the "Development Agreement"); and

F. WHEREAS, the proposed assistance by the City to the Developer as contemplated by the Development Agreement is considered a business subsidy (the "Business Subsidy") pursuant to Minnesota Statutes, Sections 116J.993 to 116J.995; and

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Roseau follows:

Tax Increment Financing District No. 10. There is hereby established in the City within the Development District, Tax Increment Financing District No. 10, an economic development tax increment financing district, the initial boundaries of which are fixed and determined as described in the TIF Plan.

Tax Increment Financing Plan. The TIF Plan is adopted as the tax increment financing plan for the TIF District, and the City Council makes the following findings:

The TIF District is an economic development district as defined in Minnesota Statutes, Section 469.174, Subd. 12, the specific basis for such determination is set forth in Section E of the TIF Plan.

The proposed development, in the opinion of the City Council, would not reasonably be expected to occur solely through private investment within the reasonably foreseeable future. The reasons for such determination are set forth in Section J(2) of the TIF Plan.

In the opinion of the City Council, 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. The reasons supporting this finding are set forth in Section J(2) of the TIF Plan.

The TIF Plan for the TIF District conforms to the general plan for development or redevelopment of the City as a whole. The reasons for supporting this finding are set forth in Section J(4) of the TIF Plan.

The TIF Plan will afford maximum opportunity, consistent with the sound needs of the City as a whole, for the development or redevelopment of the Development District by private enterprise. The reasons supporting this finding are set forth in Section J(3) of the TIF Plan.

Public Purpose. The adoption of the TIF Plan for the TIF District within the Development District conforms in all respects to the requirements of the Act and will help fulfill a need to develop an area of the State which is already built up to provide employment opportunities, to improve the tax base and to improve the general economy of the State and thereby serves a public purpose.

Certification. The Roseau County Auditor is requested to certify the original net tax capacity of the TIF District as described in TIF Plan, and to certify in each year thereafter the

amount by which the original net tax capacity has increased or decreased in accordance with the Act; and the City Administrator is authorized and directed to forthwith transmit this request to the County Auditor in such form and content as the Auditor may specify, together with a list of all properties within the TIF District for which building permits have been issued during the 18 months immediately preceding the adoption of this Resolution.

Filing. The City Administrator is further authorized and directed to file a copy of the TIF Plan for the TIF District with the Commissioner of Revenue and the Office of the State Auditor.

Administration. The administration of the Development District is assigned to the City Administrator who shall from time to time be granted such powers and duties pursuant to Minnesota Statutes, Sections 469.130 and 469.131 as the City Council may deem appropriate.

Interfund Loan. The City has determined that it may pay for certain costs (the "Qualified Costs") identified in the TIF Plan which costs may be financed on a temporary basis from the City's general fund or any other fund from which such advances may be legally made (the "Fund"). Under Minnesota Statutes, Section 469.178, Subd. 7, the City is authorized to advance or loan money from the Fund in order to finance the Qualified Costs. The City intends to reimburse itself for the payment of the Qualified Costs, plus interest thereon, from tax increments derived from the TIF District in accordance with the following terms (which terms are referred to collectively as the "Interfund Loan"):

The City shall repay to the Fund from which the Qualified Costs are initially paid, the principal amount of \$54,730 (or, if less, the amount actually paid from such fund) together with interest at 5.00% per annum (which is not more than the greater of (i) the rate specified under Minnesota Statutes, Section 270C.40, or (ii) the rate specified under Minnesota Statutes, Section 549.09) from the date of the payment.

Principal and interest on the Interfund Loan ("Payments") shall be paid annually on each December 31 commencing with the date the tax increments from the TIF District are available and not otherwise pledged to and including the earlier of (a) the date the principal and accrued interest of the Interfund Loan is paid in full, or (b) the date of last receipt of tax increment from the TIF District ("Payment Dates") which Payments will be made in the amount and only to the extent of available tax increments. Payments shall be applied first to accrued interest, and then to unpaid principal.

Payments on the Interfund Loan are payable solely from the tax increment generated in the preceding twelve (12) months with respect to the TIF District and remitted to the City by Roseau County, all in accordance with Minnesota Statutes, Sections 469.174 to 469.1794, as amended. Payments on this Interfund Loan are subordinate to any outstanding or future bonds, notes or contracts secured in whole or in part with tax increment, and are on parity with any other outstanding or future interfund loans secured in whole or in part with tax increments.

The principal sum and all accrued interest payable under this Interfund Loan are pre-payable in whole or in part at any time by the .

without premium or penalty. No partial prepayment shall affect the amount or timing of any other regular payment otherwise required to be made under this Interfund Loan.

The Interfund Loan is evidence of an internal borrowing by the City in accordance with Minnesota Statutes, Section 469.178, Subd. 7, and is a limited obligation payable solely from tax increment pledged to the payment hereof under this resolution. The Interfund Loan and the interest hereon shall not be deemed to constitute a general obligation of the State of Minnesota or any political subdivision thereof, including, without limitation, the City. Neither the State of Minnesota, nor any political subdivision thereof shall be obligated to pay the principal of or interest on the Interfund Loan or other costs incident hereto except out of tax increment, and neither the full faith and credit nor the taxing power of the State of Minnesota or any political subdivision thereof is pledged to the payment of the principal of or interest on the Interfund Loan or other costs incident hereto. The City shall have no obligation to pay any principal amount of the Interfund Loan or accrued interest thereon, which may remain unpaid after the termination of the TIF District.

The City may amend the terms of the Interfund Loan at any time by resolution of the City Council, including a determination to forgive the outstanding principal amount and accrued interest to the extent permissible under law.

Development Agreement and Business Subsidy.

The Council hereby approves the Development Agreement in substantially the form submitted and the granting of the Business Subsidy as described in the Development Agreement, and the Mayor and the City Administrator are hereby authorized and directed to execute the Development Agreement on behalf of the Council.

The approval hereby given to the Development Agreement includes approval of such additional details therein as may be necessary and appropriate and such modifications thereof, deletions therefrom and additions thereto as may be necessary and appropriate and approved by the City officials authorized by this resolution to execute the Development Agreement. The execution of the Development Agreement by the appropriate officer or officers of the City shall be conclusive evidence of the approval of the Development Agreement in accordance with the terms hereof.

The motion for adoption of the foregoing resolution was duly seconded by member Pat Novacek and, after full discussion thereof, and upon a vote being taken thereof, the following voted in favor thereof: Fabian, Novacek, Bassingthwaite, Johnson, and Hayes.

and the following voted against same: none

Adopted this 7th day of August, 2023.

Mayor

Attest: _____

City Clerk

STATE OF MINNESOTA
COUNTY OF ROSEAU
CITY OF ROSEAU

I, the undersigned, being the duly qualified and acting City Clerk of the City of Roseau, Minnesota, DO HEREBY CERTIFY that I have compared the attached and foregoing extract of minutes with the original thereof on file in my office, and that the same is a full, true and complete transcript of the minutes of a meeting of the City Council of said City, duly called and held on the date therein indicated, insofar as such minutes relate to the establishment of Tax Increment Financing District No. 10 in the City, authorization of an interfund loan, authorization of execution of a development agreement and granting a business subsidy.

WITNESS my hand as such City Clerk of the City Council of the City of Roseau, Minnesota this ____ day of August, 2023.

City Clerk

5:20 Public Hearing – EDA – 9-year Economic Development TIF (Workforce Housing).

Councilmember Brady Johnson motioned, Councilmember Amy Bassingthwaite seconded, and it was carried by unanimous vote to open the public hearing on the 9-year Economic Development TIF (Workforce Housing).

CDC Peterson informed council that there were no comments received by the City prior to the public hearing. There were no comments provided at the public hearing.

Councilmember Amy Bassingthwaite motioned, Councilmember Pat Novacek seconded, and it was carried by unanimous vote to close the public hearing.

EXTRACT OF MINUTES OF A MEETING OF THE
CITY COUNCIL OF THE CITY
OF ROSEAU, MINNESOTA

HELD: AUGUST 7, 2023

Pursuant to due call and notice thereof, a regular or special meeting of the City Council of the City of Roseau, Roseau County, Minnesota, was duly called and held at the City Center in said City on August 7, 2023, at 5:00 p.m.

The following members of the Council were present: Mayor Fabian, Councilmembers Novacek, Bassingthwaite, Johnson, and Hayes.

and the following were absent: none

Member Pat Novacek introduced the following resolution and moved its adoption:

RESOLUTION NO. 44-23

RESOLUTION ESTABLISHING TAX INCREMENT FINANCING (ECONOMIC DEVELOPMENT) DISTRICT NO. 11 WITHIN MUNICIPAL DEVELOPMENT DISTRICT NO. 1 AND APPROVING THE TAX INCREMENT FINANCING PLAN THEREFOR

A. WHEREAS, it has been proposed that the City of Roseau, Minnesota (the "City") (1) establish Tax Increment Financing (Economic Development) District No. 11 (the "TIF District") within Municipal Development District No. 1 (the "Development District"); and (2) approve and adopt the proposed Tax Increment Financing Plan therefor under the provisions of Minnesota Statutes, Sections 469.174 to 469.1794, as amended (the "Act"); and

B. WHEREAS, the City Council has investigated the facts and has caused to be prepared a proposed tax increment financing plan for the TIF District therein (the "TIF Plan"); and

C. WHEREAS, the City has performed all actions required by law to be performed prior to the approval of the establishment of the TIF District and the adoption of the TIF Plan, including, but not limited to, notification of Roseau County and Independent School District No. 682 (Roseau Community Schools) having taxing jurisdiction over the property to be included in the TIF District and the holding of a public hearing upon published and mailed notice as required by law.

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Roseau follows:

Tax Increment Financing (Economic Development) District No. 11. There is hereby established in the City within the Development District, the TIF District, an economic development tax increment financing district, the initial boundaries of which are fixed and determined as described in the TIF Plan.

Tax Increment Financing Plan. The TIF Plan is adopted as the tax increment financing plan for the TIF District, and the City Council makes the following findings:

The TIF District is an economic development district as defined in Minnesota Statutes, Section 469.174, Subd. 12, the specific basis for such determination is set forth in Section J of the TIF Plan.

The proposed development in the opinion of the City Council, would not occur solely through private investment within the reasonably foreseeable future. The reasons for such determination are set forth in Section J(2) of the TIF Plan.

In the opinion of the City Council, 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. The reasons supporting this finding are set forth in Section J(2) of the TIF Plan.

The TIF Plan for the TIF District conforms to the general plan for development or redevelopment of the City as a whole. The reasons for supporting this finding are set forth in Section J(4) of the TIF Plan.

The TIF Plan will afford maximum opportunity, consistent with the sound needs of the City as a whole, for the development or redevelopment of the Development District by private enterprise. The reasons supporting this finding are set forth in Section J(3) of the TIF Plan.

The TIF District will be used to finance a workforce housing project under Minnesota Statutes, Section 469.176, Subd. 4c, paragraph (d):

The City is located outside of the metropolitan area, as defined in Minnesota Statutes, Section 473.121, Subd. 2;

The average vacancy rate for rental housing located in the City and in any statutory or home rule charter city located within 15 miles or less of the boundaries of the City has been three percent or less for at least the immediately preceding two-year period;

At least one business located in the City or within 15 miles of the City that employs a minimum of 20 full-time equivalent employees in aggregate has provided a written statement to the City indicating that the lack of available rental housing has impeded the ability of the business to recruit and hire employees; and

The City intends to use increments from the TIF District for the development of rental housing to serve employees of businesses located in the City or surrounding area.

The reasons and supporting facts for this finding are set forth in Section J(5) of the TIF Plan.

Section J of the TIF Plan is incorporated herein by reference.

Public Purpose. The adoption of the TIF Plan for the TIF District within the Development District conforms in all respects to the requirements of the Act and will help fulfill a need to develop an area of the State which is already built up to provide employment opportunities, to improve the tax base and to improve the general economy of the State and thereby serves a public purpose.

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

Filing. The Community Development Coordinator is further authorized and directed to file a copy of the TIF Plan for the TIF District with the Commissioner of Revenue and the Office of the State Auditor.

Interfund Loan. The City has determined that it may pay for certain costs (the "Qualified Costs") identified in the TIF Plan which costs may be financed on a temporary basis from the City's general fund or any other fund from which such advances may be legally made (the "Fund"). Under Minnesota Statutes, Section 469.178, Subd. 7, the City is authorized to advance or loan money from the Fund in order to finance the Qualified Costs. The City intends to reimburse itself for the payment of the Qualified Costs, plus interest thereon, from tax increments derived from the TIF District in accordance with the following terms (which terms are referred to collectively as the "Interfund Loan"):

The City shall repay to the Fund from which the Qualified Costs are initially paid, the principal amount of \$61,474 (or, if less, the amount actually paid from such fund) together with interest at 5.00% per annum (which is not more than the greater of (i) the rate specified under Minnesota Statutes, Section 270C.40, or (ii) the rate specified under Minnesota Statutes, Section 549.09) from the date of the payment.

Principal and interest on the Interfund Loan ("Payments") shall be paid semi-annually on each February 1 and August 1 commencing with the first February 1 or August 1 occurring after the date the tax increments from the TIF District are available and not otherwise pledged to and including the earlier of (a) the date the principal and accrued interest of the Interfund Loan is paid in full, or (b) the date of last receipt of tax increment from the TIF District ("Payment Dates") which Payments will be made in the amount and only to the extent of available tax increments. Payments shall be applied first to accrued interest, and then to unpaid principal.

Payments on the Interfund Loan are payable solely from the tax increment generated in the preceding six (6) months with respect to the TIF District and remitted to the City by Roseau County, all in accordance with Minnesota Statutes, Sections 469.174

to 469.1794, as amended. Payments on this Interfund Loan are subordinate to any outstanding or future bonds, notes or contracts secured in whole or in part with tax increment, and are on parity with any other outstanding or future interfund loans secured in whole or in part with tax increments.

The principal sum and all accrued interest payable under this Interfund Loan are pre-payable in whole or in part at any time by the City without premium or penalty. No partial prepayment shall affect the amount or timing of any other regular payment otherwise required to be made under this Interfund Loan.

The Interfund Loan is evidence of an internal borrowing by the City in accordance with Minnesota Statutes, Section 469.178, Subd. 7, and is a limited obligation payable solely from tax increment pledged to the payment hereof under this resolution. The Interfund Loan and the interest hereon shall not be deemed to constitute a general obligation of the State of Minnesota or any political subdivision thereof, including, without limitation, the City. Neither the State of Minnesota, nor any political subdivision thereof shall be obligated to pay the principal of or interest on the Interfund Loan or other costs incident hereto except out of tax increment, and neither the full faith and credit nor the taxing power of the State of Minnesota or any political subdivision thereof is pledged to the payment of the principal of or interest on the Interfund Loan or other costs incident hereto. The City shall have no obligation to pay any principal amount of the Interfund Loan or accrued interest thereon, which may remain unpaid after the termination of the TIF District.

The City may amend the terms of the Interfund Loan at any time by resolution of the City Council, including a determination to forgive the outstanding principal amount and accrued interest to the extent permissible under law.

The motion for adoption of the foregoing resolution was duly seconded by member Amy Bassingthwaite and, after full discussion thereof, and upon a vote being taken thereof, the following voted in favor thereof: Mayor Fabian, Councilmembers Novacek, Bassingthwaite, Johnson, and Hayes

and the following voted against same: none

Adopted this 7th day of August, 2023.

Mayor

Attest: _____
City Clerk-Treasurer

STATE OF MINNESOTA
ROSEAU COUNTY
CITY OF ROSEAU

I, the undersigned, being the duly qualified and acting City Clerk-Treasurer of the City of Roseau, Minnesota, DO HEREBY CERTIFY that I have compared the attached and foregoing extract of minutes with the original thereof on file in my office, and that the same is a full, true and complete transcript of the minutes of a meeting of the City Council of said City, duly called and held on the date therein indicated, insofar as such minutes relate to the establishment of the Tax Increment Financing (Economic Development) District No. 11 in the City.

WITNESS my hand as such City Clerk-Treasurer of the City Council of the City of Roseau, Minnesota this ____ day of August, 2023.

City Clerk-Treasurer

5:25 Public Hearing – EDA- 15 Year Tax Abatement

Councilmember Pat Novacek motioned, Councilmember Amy Bassingthwaite seconded, and it was carried by unanimous vote to open the public hearing on the EDA 15 Year Tax Abatement.

CDC Peterson stated that no comments were received by the City prior to the public hearing. No comments were provided at the public hearing.

Councilmember Amy Bassingthwaite motioned, Councilmember Brady Johnson seconded, and it was carried by unanimous vote to close the public hearing.

CDC Peterson informed council that the TIF is only 9 years which is not long enough. The Tax abatement extends financing another 15 years. The Council will only be considering abating the city portion of the taxes. The School and County will also need to consider approving their share of the abatement.

EXTRACT OF MINUTES OF A MEETING
OF THE CITY COUNCIL OF THE
CITY OF ROSEAU, MINNESOTA

HELD: August 7, 2023

Pursuant to due call and notice thereof, a regular or special meeting of the City Council of the City of Roseau, Roseau County, Minnesota, was duly called and held at the City Center in said City on August 7, 2023, at 5:00 p.m.

The following members were present: Mayor Fabian, Councilmembers Novacek, Bassingthwaite, Johnson, and Hayes.

and the following were absent: none

Member Pat Novacek introduced the following resolution and moved its adoption:

RESOLUTION APPROVING PROPERTY TAX ABATEMENTS 45-23

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

Recitals.

The City proposes to approve tax abatements in connection with the construction of a 47-unit multifamily rental housing project to be located in the City (the "Project") on property currently identified as Parcel Identification Numbers 54.0303004 and 54.0303005 (the "Tax Abatement Property"). The City proposes to use the abatement for the purposes provided for in Minnesota Statutes, Sections 469.1812 through 469.1816 (the "Abatement Law"), including the Project, from the property taxes to be levied by the City on the Tax Abatement Property.

The proposed term of the abatement will be for up to fifteen (15) years in an amount not to exceed \$566,793. The proposed abatement will apply to a portion of the City's share of real estate taxes which relate to the construction of the Project on the Tax Abatement Property and not the real estate taxes on the Tax Abatement Property that relate to the value of the land, as determined by the City (the "Abatement").

On the date hereof, the Council held a public hearing on the question of the Abatement, and said hearing was preceded by at least 10 days but not more than 30 days prior published notice thereof.

The Abatement is authorized under the Abatement Law.

Findings for the Abatement. The City Council hereby makes the following findings:

The Council expects the benefits to the City of the Abatement to at least equal or exceed the costs to the City thereof.

Granting the Abatement is in the public interest because it will increase the tax base in the City and construct public facilities.

The Tax Abatement Property is not located in a tax increment financing district.

In any year, the total amount of property taxes abated by the City by this and other existing abatement resolutions, shall not exceed ten percent (10%) of net tax capacity of the City for the taxes payable year to which the abatement applies or \$200,000, whichever is greater (the "Abatement Limit"). The City may grant other abatements permitted under the Abatement Law after the date of this resolution, provided that to the extent the total abatements in any year exceed the Abatement Limit the allocation of the Abatement Limit to such other abatements is subordinate to the Abatement granted by this resolution.

Terms of Abatement. The Abatement is hereby approved. The terms of the Abatement are as follows:

The Abatement shall be for up to fifteen (15) years commencing with taxes payable 2034 and shall not exceed \$566,793. The City reserves the right to modify the commencement date, but the abatement period shall not exceed fifteen (15) years.

The City will provide the Abatement as provided in this resolution.

In accordance with Section 469.1815 of the Act, the City will add to its levy in each year during the term of the Abatement the total estimated amount of current Abatement granted under this resolution.

The Abatement shall be subject to all the terms and limitations of the Abatement Law.

The Abatement may be modified only as agreed to in writing by the City.

The motion for the adoption of the foregoing resolution was made by member Pat Novacek and duly seconded by member Amy Bassingthwaite and, upon a vote being taken thereon after full discussion thereof, the following voted in favor thereof: Mayor Fabian, Councilmember Novacek, Bassingthwaite, Johnson, and Hayes.

and the following voted against the same: none

Whereupon said resolution was declared duly passed and adopted.

Adopted this 7th day of August, 2023.

Mayor

Attest: _____
City Clerk-Treasurer

STATE OF MINNESOTA)
) ss.
COUNTY OF ROSEAU)

I, the undersigned, being the duly qualified and acting City Clerk-Treasurer of the City of Roseau, Minnesota (the "City"), by reason of my office as City Clerk, DO HEREBY CERTIFY that I have compared the attached and foregoing extract of minutes with the original thereof on file in my office, and that the same is a full, true and complete transcript of the minutes of a meeting of the City Council of the City, duly called and held on the date therein indicated, insofar as such minutes relate to property tax abatements.

WITNESS My hand this ____ day of August, 2023.

City Clerk-Treasurer

Council member Brady Johnson motioned, Council member Amy Bassingthwaite seconded, and it was carried by unanimous vote to approve the following Consent Agenda as written.

1. Presentation of Accounts Payable claims July 1, 2023, through July 31, 2023, Batch AP07312023
CK# 74545-74572=\$131,849.62
2. Presentation of daily checks July 1, 2023, through July 31, 2023
CK# 74427-74544=\$459,222.99
E# 3476-3517=\$394,670.19
PR 7/15/23=\$48,092.47
PR 7/31/23=\$54,747.31
3. Presentation of Receipt entries June 1, 2023, through June 30, 2023.
4. Presentation of Journal entries JE053123.
5. Audit Committee review of May 2023 General Ledger checks written compared with images on the bank statement.
6. Notices and Communications –
Upcoming scheduled meetings:
 - a. September 11, 2023, Regular council meeting at 5:00 p.m.
7. Approve the use of alcohol in the:
 - a. City Center- June 1, 2024, Whitlock & Mellstrom Wedding
 - b. Memorial Arena – Pucks and Pints Octo-Beer-Fest – October 7, 2023

8. Investment–Roseau EDA Hi Fi as of 07/27/2023 is \$145,626.57.
9. Cash in bank-Regular checking as of 07/27/2023 is \$3,033,156.15.
10. Investment-Regular Hi Fi as of 07/27/2023 is \$1,569,495.89.
11. Investment Certificate of Deposit as of 07/27/2023 is \$834,914.89
12. Investment Certificate of Deposit as of 07/27/2023 is \$838,836.86.
13. Investment Certificate of Deposit as of 07/27/2023 is \$825,849.50.
14. Investment Certificate of Deposit as of 07/27/2023 is \$820,920.89.
15. Investment-Roseau EDA Money Market as of 07/27/2023 is \$204,550.70.
16. Cash in bank-Roseau EDA as of 07/27/2023 is \$25.29.
17. Salvation Army’s HeatShare Program
18. LG220 – Raffle – Roseau Fire Department Fire Hall – September 16, 2023
19. FAA – Roseau Airport Runway Protection Zone Alternatives Analysis
20. Amend May 1, 2023, Minutes – Add Resolution 37-23
21. CGMC 2023 Session Report
22. July 2023 City Revenue & Expenditures

Delegations/Petitions/Complaints

Committee Reports

Planning Commission

CDC Todd Peterson informed council that the Planning Commission met July 31, 2023, at 12:00 pm.

- Some of the problem properties on the cleanup report have been completed. Building Official Kade Paulson was not able to inspect three problem houses from the inside but from the outside they do not appear to have any major structural issues that make them a hazard, most of the issues are cosmetic.
Council discussed what options could be taken to address the issues with these properties. No action was taken.
- CDC Peterson presented the plan review for the proposed Ten01 Apartments. The plan review included the project site plan, floor plans, and elevations. The project will closely resemble the Eleven01 project and will share a stormwater pond and recreational amenities. The Planning Commission approved the Ten01 development plan as presented and determined it conformed with the City’s standards for an R-5 (High Density Multifamily) zoning district. The Ten01 will have the same footprint as the Eleven01, but more apartments. The Ten01 will have more 2 bedroom and less 3-bedroom apartments, as the 2 bedroom apartments are more in demand.
- CDC Peterson presented a project plan from Intercept Industries for the Roseau Industrial Park. Intercept Industries is proposing a new industrial manufacturing/logistics building in the Roseau Industrial Park. As part of the development Intercept Industries is seeking tax increment financing (TIF) assistance. The Planning Commission approved the site plan and development proposal.

- CDC Peterson presented a sample ordinance regulating rental housing for discussion. CDC Peterson has the sample ordinance on the City website but has not received any questions or feedback. CDC Peterson will be putting the sample ordinance in the next City newsletter.

Roseau County Commissioner

Roseau County Commissioner Jack Swanson inquired if the Kolberg property was a buildable property as the lot is small. CDC Peterson stated that it is legal to build on it as it is a lot of record.

There was general discussion on what to do with old, vacant houses on small lots. No action was taken.

Operations Committee

The Operations Committee did not meet.

Oakcrest Golf Course

The Oakcrest Golf course board did not meet.

Airport Committee

The airport committee did not meet.

EDA

The EDA did not meet.

Department Reports

Liquor Store

Liquor Store Manager Niki Johnson informed council on the following:

- Manager Johnson reviewed Liquor Store's previous month's financial report.
- Manager Johnson presented to council the new Roseau Liquor Store Logo which will be used on merchandise and staff shirts.
- Manager Johnson presented to council quotes on open air refrigeration units. There were questions on the electrical requirements. Manager Johnson will research the electrical requirements and bring her findings to the next council meeting.
- The Roseau Liquor Store is conducting a fund raiser to help raise money for the Roseau Fire Department.

Fire Department

Fire Chief Leon Huot informed council on the following:

- Chief Huot thanked Manager Johnson for the fund raiser.
- Chief Huot informed council that Fire Departments BBQ is Saturday, September 16, 2023.

Police Department

Police Chief Marc Hodge informed council on the following:

- Chief Hodge presented to council the Roseau Police Departments 2023 Body Camera Audit Overview and recommendations. This audit needs to be completed every 2 years. Chief Hodge noted that there were some changes to the policy, but there were no issues with what is in place.
- There was discussion on rifle plates in the police officer's body armor. Chief Hodge stated that the department currently has some rifle plates and more have been ordered.
- Chief Hodge informed council that Sargent Klein is retiring and has turned in his 3 week notice. Chief Hodge stated a full time position will be offered to Officer Vonasek. This will leave both part time positions open. There was discussion on how to fill the open positions in the police department. No action was taken.
- Chief Hodge informed council that the desk in Sargent Klein's office is his personal desk. Sargent Klein is willing to trade his desk for a light bar. City Attorney Moren stated that if they are of equal value, it should not be an issue.
- Chief Hodge informed council that Marco updated the firmware on the City's security cameras, but it did little to improve their function and the night vision did not improve. The lenses may need to be replaced on some cameras, the operating system may need to be changed, and cameras may need to be replaced.

Councilmember Pat Novacek thanked the Police Department and the City Crew for their work at the Roseau County Fair.

Superintendent

City Superintendent David Drown had no new business.

Mayor Fabian inquired on the lead pipe reporting. Superintendent Drown stated that the City of Roseau likely does not have many lead pipes as all of the pipes were replaced after the flood. Superintendent Drown stated that 20 different homes are tested as lead soldering was used on the pipes. Pictures of the water meters are being collected, documented, and filed as part of the required monitoring. The first sample was zero and the second sample has not come back yet.

There was discussion on the fencing and grading on the proposed dog park. No action was taken.

There was discussion on the arena, repairs on the current compressors, upgrading to a new system, and the status of the nomination as an historic site. CDC Peterson stated that the nomination application is to be submitted the end of August. If nominated, this designation would allow the City additional opportunities to seek money for improvements.

City Attorney

City Attorney Moren informed council that she is watching the League of Minnesota Cities on how the new laws concerning cannabis and use of edibles will affect the city employees.

There was discussion on; how it will be tested as it stays in a person system long after use, what amounts will be acceptable, how to tell if a person is under the influence, and City Policy. No action taken.

Community Development Coordinator

- CDC Peterson presented to council new employee leave laws effecting City Employment Policy.

- Earned Sick & Safe Time (Beginning January 1, 2024)

This new law requires employers provide employees with one hour of paid sick and safe time for every 30 hours worked up to 48 hours for the first year, and to rollover and accrue up to 80 hours in on-going years. CDC Peterson stated that based on 2022 hours worked and pay levels, if fully utilized by eligible employees it would have a budget impact of roughly \$12,000 per year.

This new law will not have much of an impact on full time employees other than the tracking of the ESST hours in payroll, as the employees already receive more that the required sick leave. The change is that all employees; seasonal, part time, election judges, on call fire fighters and council are part of the list. The state has been asked for more clarity.

- Paid Family & Medical Leave (Not in effect until January 1, 2026)

All employers will be required to pay into an insurance program established under DEED, in which employees can apply for up to 12 weeks of paid medical or family leave, or up to 20 weeks combined annually.

CDC Peterson stated that there are so many law changes, making the current employee handbook really out of date. There was discussion on the process of changing the handbook as negotiated items are part of the handbook. No action taken.

- CDC Peterson presented to council information provided by Kari Mooney, SHIP Coordinator, on the Mamava pod (a lactation/breastfeeding space). The new law (effective July 1, 2023) pertaining to lactation and nursing mothers, requires that employers provide a secure room that is not a bathroom. The Mamava pod would meet this requirement. If located at the City Center (a centralized location), it benefits city employees, the library, museum, and basically anyone working, shopping or recreating in the city as they would have access to it. The SHIP grant would cover 90 percent of the cost so a 10 percent cost match estimated at \$1,000-1,200 would be required. If the City, the NW Regional Library System, LifeCare, and SHIP each contribute, it could be placed yet this year. Council recommended talking to LifeCare to see if they are interested in contributing.
- The pedestrian bridge project over the Roseau River in the City of Roseau was selected for 2022 Active Transportation Infrastructure Program funds in the amount of \$275,000.00. CDC Peterson stated that the project is now fully funded and asked for council approval to assemble and execute the grant agreement.

Councilmember Amy Bassingthwaite motioned, Councilmember Mary Hayes seconded, and it was carried by unanimous vote to authorize CDC Peterson to assemble and execute the grant agreement for the \$275,000, 2022 Active Transportation Infrastructure Program funds.

CDC Peterson also presented to council an opinion of probable construction cost for the Roseau River Pedestrian Bridge which is \$1,713,000. Currently the estimated funding from all sources is \$1,878,000 giving the project excess funding.

CDC Peterson presented to council a proposal from Terracon a base fee of \$13,800 to provide Geotechnical Engineering services for the proposed Pedestrian Bridge, contingent on grant agreement for CRP funds.

Councilmember Pat Novacek motioned, Councilmember Amy Bassingthwaite seconded, and it was carried by unanimous vote to approve a proposal from Terracon a base fee of \$13,800 to provide Geotechnical Engineering services for the proposed Pedestrian Bridge, contingent on grant agreement for CRP funds.

- CDC Peterson informed council that the Northwest Minnesota Area Transportation Partnership selected the City of Roseau's "River Trail, Phase IV- Engineering and Design" project application for Federal Carbon Reduction Program (CRP) funding of \$253,000 in federal funds for fiscal year 2024.

Councilmember Pat Novacek motioned, Councilmember Amy Bassingthwaite seconded, and it was carried by unanimous vote to move forward with the process to receive funding for this grant.

- CDC Peterson presented to council a DNR 2010 Community Tree Survey for the City of Roseau. Grants with no cost share, are available to replenish and diversify the City of Roseau tree stock. The trees would have to be planted on public property such as boulevards, parks, golf course and other public property. Hiring a contractor to plant the trees would be an eligible expense. If council is interested CDC Peterson will put together a plan for a tree planting program.

Councilmember Amy Bassingthwaite motioned, Councilmember Mary Hayes seconded, and it was carried by unanimous vote to approve CDC Peterson putting together a plan for a tree planting grant.

- CDC Peterson provided to council Roseau Wellness Center site plans, floor plans and a budget summary amounting to \$11,451,505. CDC Peterson informed council that on August 16 there will be a Senate bonding committee meeting on the wellness center request.

Mayor Council

Council discussed the following:

- The two bids that came in for the combined Oakcrest Coulee project were way over budget which may be due to the timing as it is late in the season. The storm water permit is not close to expiration so waiting to rebid the project may be best.
- Promotions Director Sinnamon Krings had emailed a request to hold a car show on Thursday, during Crazy Days, in the City Center north parking lot. It was council consensus to close the north paring lot for the car show.
- Council discussed the bad acoustics in the council chambers. CDC Peterson stated that studies have been done a few times over the years. Each time the solution has been either to put in a false ceiling to stop the echoing and/or for everyone to use the sound system that was installed in the room.
- Council commented on the great job Josh Weckman, the City Crew and everyone else who worked to make the Baseball Tournament a success.
- Council discussed the tennis courts and ideas for a pickle ball court. Councilmember Novacek suggested that a city/school meeting should be held to discuss shared facilities.

Unfinished Business-

There being no further business Councilmember Mary Hayes motioned to adjourn the City Council regular meeting, Seconded by Councilmember Pat Novacek and it was carried by unanimous vote.

ATTEST:

Elizabeth Carlson Clerk-Treasurer

Mayor Dan Fabian