

January 11, 2022

The regular meeting of the City Council of the City of Sleepy Eye was held in the Council Chambers, 200 Main Street East, Sleepy Eye, MN and via Zoom at 7:00 p.m. on the 11th day of January, 2022 per due call and notice. Mayor Wayne Pelzel and Councilors Gary Windschitl, Douglas Pelzel, Nathan Stevermer, Christina Andres, and Scott Krzmarzick were present. Also, present were City Manager Bob Elston, City Attorney Alissa Groen (via Zoom), Public Works Director Mike Hardin, Chief of Police Matt Andres, City Engineer David Palm and City Clerk Michelle Strate.

Councilor Andres moved to approve the minutes of the December 14, 2021 Regular Meeting. Councilor Pelzel seconded the motion and the motion carried with 5-0 vote.

The Public Hearing for Tax Abatement opened at 7:01 pm. Councilor Pelzel moved to approve Resolution 2-2022.

RESOLUTION NO. 2-2022
RESOLUTION APPROVING PROPERTY TAX ABATEMENTS
AND AUTHORIZING EXECUTION OF
A TAX ABATEMENT AGREEMENT

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

1. Recitals.

(a) The City proposes to approve tax abatements in connection with the construction of a 72-unit workforce apartment project (the "Project"). The City proposes to use the abatement for the Project as provided for in Minnesota Statutes, Sections 469.1812 through 469.1815 (the "Abatement Law"), from the property taxes to be levied by the City on Parcel ID Numbers 002.756.001.01.010 and 002.756.001.02020 and the adjacent right of way which will be combined to create a new parcel on which the apartment project will be constructed (the "Tax Abatement Property").

(b) On this date, the Council held a public hearing on the question of the Abatement, (as defined below) and said hearing was preceded by at least 10 days but not more than 30 days prior published notice thereof at which all interested persons appeared and were heard.

(c) It is proposed that the City will enter into a Tax Abatement Agreement (the "Tax Abatement Agreement"), which provides for the use of tax abatements to finance the Project.

(d) The City proposes to approve tax abatements on a portion of the City's share of property taxes on the Tax Abatement Property in the amount of \$580,204 for a term of up to fifteen (15) years to finance a portion of the costs of the Project.

(e) The Abatement is authorized under the Abatement Law.

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

(a) The tax abatement is the City's share of real estate taxes which relate to the Project being constructed on the Tax Abatement Property and not the real estate taxes that relate to the value of the land (the "Abatement").

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

(c) Granting the Abatement is in the public interest because it will increase (i) increase or preserve tax base; and (ii) help provide access to services for residents of the political subdivision;

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

(e) In any year, the total amount of property taxes abated by the City by this and other resolutions and agreements, does not exceed the greater of ten percent (10%) of the net tax capacity of the City for the taxes payable year to which the abatement applies or \$200,000, whichever is greater. 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.

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

(a) The Abatement shall be for up to fifteen (15) years commencing with taxes payable 2024 and shall not exceed \$580,204. The City reserves the right to modify the commencement date but the abatement period shall not exceed fifteen (15) years.

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

(c) 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 year Abatement granted under this resolution.

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

4. Approval of Tax Abatement Agreement.

(a) The Council hereby approves a Tax Abatement Agreement providing for payment of the Abatement in substantially the form submitted, and the Mayor and City Manager are hereby authorized and directed to execute the Tax Abatement Agreement on behalf of the City.

(b) The approval hereby given to the Tax Abatement 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

Tax Abatement Agreement. The execution of the Tax Abatement Agreement by the appropriate officer or officers of the City shall be conclusive evidence of the approval of the Tax Abatement Agreement in accordance with the terms hereof

Councilor Krzmarzick seconded the motion and the motion carried 5-0.

Councilor Krzmarzick made a motion to approve Resolution 3-2022.

RESOLUTION NO. 3-2022
RESOLUTION APPROVING PROPERTY TAX ABATEMENTS
AND AUTHORIZING EXECUTION OF
A TAX ABATEMENT AGREEMENT

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

1. Recitals.

(c) The City proposes to approve tax abatements in connection with the construction of a car wash in the City (the "Project"). The City proposes to use the abatement for the Project as provided for in Minnesota Statutes, Sections 469.1812 through 469.1815 (the "Abatement Law"), from the property taxes to be levied by the City on Parcel ID Number 002.757.01.03030 (the "Tax Abatement Property").

(d) On this date, the Council held a public hearing on the question of the Abatement, (as defined below) and said hearing was preceded by at least 10 days but not more than 30 days prior published notice thereof at which all interested persons appeared and were heard.

(e) It is proposed that the City will enter into a Tax Abatement Agreement (the "Tax Abatement Agreement"), which provides for the use of tax abatements to finance the Project.

(f) The City proposes to approve tax abatements on a portion of the City's share of property taxes on the Tax Abatement Property in the amount of \$45,000 for a term of up to fifteen (15) years to finance a portion of the costs of the Project.

(g) The Abatement is authorized under the Abatement Law.

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

(a) The tax abatement is the City's share of real estate taxes which relate to the Project being constructed on the Tax Abatement Property and not the real estate taxes that relate to the value of the land (the "Abatement").

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

(c) Granting the Abatement is in the public interest because it will (i) increase or preserve tax base; and (ii) provide employment opportunities in the political subdivision;

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

(e) In any year, the total amount of property taxes abated by the City by this and other resolutions and agreements, does not exceed the greater of ten percent (10%) of the net tax capacity of the City for the taxes payable year to which the abatement applies or \$200,000, whichever is greater. 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.

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

(a) The Abatement shall be for up to fifteen (15) years commencing with taxes payable 2024 and shall not exceed \$45,000. The City reserves the right to modify the commencement date but the abatement period shall not exceed fifteen (15) years.

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

(c) 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 year Abatement granted under this resolution.

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

4. Approval of Tax Abatement Agreement.

(a) The Council hereby approves a Tax Abatement Agreement providing for payment of the Abatement in substantially the form submitted, and the Mayor and City Manager are hereby authorized and directed to execute the Tax Abatement Agreement on behalf of the City.

(b) The approval hereby given to the Tax Abatement 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 Tax Abatement Agreement. The execution of the Tax Abatement Agreement by the appropriate officer or officers of the City shall be conclusive evidence of the approval of the Tax Abatement Agreement in accordance with the terms hereof

Councilor Pelzel seconded the motion and the motion carried 5-0.

The Abatement Hearing was closed at 7:13 pm.

Mayor Pelzel made the following appointments: Sean Mathiowetz to the Park Board; reappoint Darlene Tauer to the Hospital Board; reappoint Shaun Heiderscheidt to the Airport Board; reappoint Rachel Windschitl to the Library Board; reappoint Nicole Krenz and Dean Stimpert to the Planning Zoning Board and reappoint Marie Geshwind to the Housing & Development Board. Councilor Andres made a motion to accept the Mayor's appointments and Councilor Winschitl seconded the motion and the motion carried 5-0.

Councilor Stevermer made a motion to approve the designation of official City newspaper as the Sleepy Eye Herald Dispatch; and, City depositories as First Security Bank, Americana Bank and SouthPoint Financial Credit Union. Councilor Krzmarzick seconded the motion and the motion carried 5-0.

Councilor Stevermer made a motion to approve Resolution 1-2022

RESOLUTION #1-2022

ACCEPTING DONATION(S) TO THE CITY

WHEREAS, The City of Sleepy Eye, Minnesota, is generally authorized to accept donations of real and personal property pursuant to Minnesota Statutes Section 465.03 for the benefit of its citizens, and is specifically authorized to accept gifts and bequests for the benefit of the City of Sleepy Eye and its citizens pursuant to Minnesota statutes Section 471.17; and

WHEREAS, The following persons and entities have offered to contribute the cash amounts set forth below to the Dyckman Free Library, the Sleepy Eye Parks Dept. and the Sleepy Eye Ambulance Service:

<u>Name of Donor</u>	<u>Amount</u>	<u>For/In Memory of</u>
Anonymous	\$10,000	Sleepy Eye Parks Department
Anonymous	\$1,000	Sleepy Eye Ambulance Service
Anonymous	\$536.88	Dyckman Free Library
Holiday Lights in Motion	\$300.64	Sleepy Eye Ambulance Service

WHEREAS, The City Council finds that it is appropriate to accept the donations offered. **NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF SLEEPY EYE, MINNESOTA AS FOLLOWS:**

1. The donations described above are accepted and shall be used for the expenses specified by the donor. If no specific expenses are stated, they shall be used for general expenses of the department specified.

I certify that the above resolution was adopted by the City Council of the City of Sleepy Eye on January 11th, 2022.

/s/Wayne Pelzel
Wayne A. Pelzel, Mayor

I hereby certify and attest that the City Council of the City of Sleepy Eye Minnesota, did pass the above Resolution on January 11th,2022 in accordance with the Charter Provisions and state laws provided therefore.

Dated: January 11th, 2022

/s/Michelle Strate
Michelle Strate, City Clerk

State of Minnesota)
)ss.
County of Brown)

This instrument was acknowledged before me on January 11th, 2022 by Wayne A. Pelzel as Mayor, and by Michelle Strate as City Clerk, of the City of Sleepy Eye, a Municipal Corporation.

Notary Public

Councilor Windschitl seconded the motion and the motion carried 5-0.

Councilor Stevermer made a motion to grant permission to the City Clerk and City Manager to invest City funds. Councilor Windschitl seconded the motion and the motion carried 5-0.

Councilor Stevermer made a motion to the approve the Sleepy Eye Medical Center Hospital Board salaries. Councilor Windschitl seconded the motion and the motion carried 5-0.

The Sportsmen's Club are requesting funding from the City for a bathroom facility to be constructed at the Trap Range. Lynn Krenz, Merv Speckman and Larry Helget attending with this request. Councilor Stevermer made a motion to approve the donation of \$7500.00 and allowing them to move forward. Councilor Andres seconded the motion and the motion carried 5.0.

Councilor Stevermer called for the First Reading of Ordinance #199 To Sell Property to Sleepy Eye Multi Family LLC.

Attorney Groen reported on the following:

- A. Councilor Pelzel called for Second Reading of Ordinance #194 Establishing Snow 5th Addition. Councilor Stevermer seconded the motion and the motion carried 5.0.
- B. Councilor Pelzel called for Second Reading of Ordinance #198 Establishing Sleepy Hollow 7th Addition. Councilor Windschitl seconded the motion and the motion carried 5.0.
- C. Councilor Stevermer called for Second Reading of Ordinance #195 An Ordinance to sell a piece of property approximately 130'x150' in the Sleepy Hollow 7th Addition, pending completion of plat. Tom & Diane Stoks will pay \$16,500.00 for this property. Councilor Windschitl seconded the motion and the motion carried 5.0.
- D. Councilor Windschitl called for Second Reading of Ordinance #196 An Ordinance to sell Lot 13, Block 1 of Snow 2nd Addition. John and Karen Moosbrugger will pay \$27,575.00 for this property. Councilor Pelzel seconded the motion and the motion carried 5-0.
- E. Councilor Stevermer called for First Reading of Ordinance #200 To sell Property to Jeff & Katelyn Pietig.
- F. Councilor Pelzel made a motion to approve Resolution 4-2022.

RESOLUTION #4-2022

RESOLUTION FOR LOT SPLIT FOR SNOW'S 2ND POND TRIANGLE

WHEREAS, the City Code for the City of Sleepy Eye, Minnesota, provides that no division of an existing parcel of land within the City shall be filed, or accepted for filing, by the Brown County Recorder unless it is accompanied by a certified copy of a Resolution adopted by the City Council approving such division; and

WHEREAS, the City of Sleepy Eye (hereinafter collectively "City") is the owner of Outlot A of Snow Second Addition, City of Sleepy Eye, Brown County, Minnesota; and

WHEREAS, the City is conveying a portion of the above-described property to Jeffrey and Caitlyn Pietig, spouses married to each other, as joint tenants.

NOW, THEREFORE, BE IT RESOLVED, the City Council for the City of Sleepy Eye hereby approves the division of the real estate legally described as follows:

Outlot A of Snow Second Addition, City of Sleepy Eye, Brown County, Minnesota;

into TWO separate parcels being legally described in the attached Exhibit “A” and “B”.
Said Resolution was passed on January 11, 2022

Dated: January 11, 2022

/s/Wayne Pelzel
Wayne Pelzel, Mayor of the City of Sleepy Eye

/s/Russell Elston
Russell “Bob” Elston, City Manager

Exhibit “A”

Outlot A of Snow Second Addition, City of Sleepy Eye, Brown County, Minnesota, excepting therefrom the following parcel:

That part of the Outlot A in Snow Second Addition, City of Sleepy Eye, Brown County, Minnesota, legally described as follows:

Commencing at the southeast corner of Outlot A in Snow Second Addition, City of Sleepy Eye, Brown County, Minnesota, as the point of beginning, thence west, along the south line of Outlot A, a distance of 230 feet; thence northeasterly a distance of 366.231 feet to a point on the east line of said Outlot A, said point being 285 feet north of the southeast corner of said Outlot A; thence south, along the east line of said Outlot A, a distance of 285 feet, to the point of beginning.

Exhibit “B”

That part of the Outlot A in Snow Second Addition, City of Sleepy Eye, Brown County, Minnesota, legally described as follows:

Commencing at the southeast corner of Outlot A in Snow Second Addition, City of Sleepy Eye, Brown County, Minnesota, as the point of beginning, thence west, along the south line of Outlot A, a distance of 230 feet; thence northeasterly a distance of 366.231 feet to a point on the east line of said Outlot A, said point being 285 feet north of the southeast corner of said Outlot A; thence south, along the east line of said Outlot A, a distance of 285 feet, to the point of beginning.

Councilor Stevermer seconded the motion and the motion carried 5-0.

City Engineer David Palm reported on the following:

A. Project Updates – working on records drawings

City Manager Report

A. Set a finance meeting for January 26, 2022 at noon

Councilor Stevermer made a motion to approve the Police Report and Cash Fund Balances. Councilor Krzmarzick seconded the motion and the motion carried 5-0.

Councilor Stevermer made a motion to approve the payment of bills. Councilor Windschitl seconded the motion and the motion carried 5-0.

There was no other business.

The meeting was properly adjourned at 7:42 p.m.

Wayne Pelzel, Mayor

Michelle Strate, City Clerk