INVER GROVE HEIGHTS CITY COUNCIL AGENDA
Monday, January 28, 2019
8150 BARBARA AVENUE
7:00 P.M.

1. CALL TO ORDER
2. ROLL CALL
3. PRESENTATIONS
4. CONSENT AGENDA – All items on the Consent Agenda are considered routine and have been made available to the City Council at least two days prior to the meeting; the items will be enacted in one motion. There will be no separate discussion of these items unless a Council member or citizen so requests, in which event the item will be removed from this Agenda and considered in normal sequence.

   A. Minutes of January 7, 2019 City Council Meeting Minutes
   B. Resolution Approving Disbursements for Period Ending January 23, 2019
   C. Approval of Individual Massage Therapist Min Su with Sunny Asian Massage
   D. Approve of Rental Licenses
   E. Consider Pay Voucher No. 2 for City Project No. 2018-13 – Public Works Maintenance Facility HVAC Improvements
   F. Consider Resolution Accepting Proposal for Water System Modeling and Review Services from Stantec Consulting Services Inc. (Stantec) for Industrial Equities Site 2 at Outlot C, Gene Worrells Church Acres
   G. Honsa Surveying – Case No. 18-61VAC; Consider a Resolution Approving the Vacation of Existing Drainage and Utility Easements within Lot 2, Block 2, Deka Estates
   H. Consider Purchase of Golf Car Fleet
   I. Consider Purchase of Golf Course Capital Equipment 2019
   J. Consider Resolution and Authorize Execution of a Tax Increment Financing Development Agreement and Escrow Agreement with Hampton Senior Care of Inver Grove Heights, LLC Concerning the Scenic Hills Development
   K. Authorization to Proceed with Posting and Hiring of the Community Development Director Position
   L. Supplemental Council Meeting Minutes Regarding Recessed Council Meeting Held on Monday, December 17, 2018
   M. Summary of Performance Evaluation; January 28, 2019 Council Meeting
   N. Personnel Action

5. PUBLIC COMMENT: Public comment provides an opportunity for the public to address the Council on items that are not on the Agenda. Comments will be limited to three (3) minutes per person
6. PUBLIC HEARING:

   A. Consider Application for Lawful Purpose Gambling Premises Permit with Merrick

Inc. at Overboard Bar & Grill, 4455 64th Street East

7. REGULAR AGENDA:

COMMUNITY DEVELOPMENT:

A. Consider First Reading of Ordinances Amending City Code 5-5-6, 5-5-12, and 5-9-2 Concerning Nuisance Noise, Creation of a New Chapter 14 to Title 4 Creating a Permit for a Large Assembly, And Creation of a New Chapter 15 to Title 4 Concerning Excessive Consumption of City Services

B. Discount Storage; Consider the following for property located at 10805 Rich Valley Boulevard;

   a) A Resolution relating to a Comprehensive Plan Amendment to change the land use from RDR, Rural Density Residential to LI, Light Industrial

   b) An Ordinance Amendment to Rezone the Property from A, Agricultural to I-1, Limited Industry District

C. City of Inver Grove Heights; Consider the First Reading of an Ordinance to Allow Transient Lodging (short-term rentals) as an Interim Use in Residential Zoning Districts

ADMINISTRATION:

D. Consider Second and Third Reading of Ordinance Amending Inver Grove Heights City Code Title 4, Chapter 1, Sections 4, 5 ,6, and 14 to Permit the Issuance of On-Sale Brew Pub Liquor Licenses and Off-Sale Brew Pub Malt Liquor Licenses

FIRE DEPARTMENT:

E. Consider Authorizing the Inver Grove Heights Fire Department to Order the Replacement Vehicles for both Ladder 35 and Rescue 10 before February 1, 2019 and Prepay the Full Cost of Each Truck at the time they are Ordered.

8. MAYOR & COUNCIL COMMENTS:

9. EXECUTIVE SESSION:

A. Pursuant to Minn. Stat. § 13D.05, Subd. 3(c), a Closed Session to Consider and Develop Offers and Counteroffers and to Review Confidential Non-Public Appraisal Data relating to the Possible Sale of Surplus Fire Station No. 2 Real Property

10. ADJOURN:

INVER GROVE HEIGHTS CITY COUNCIL WORK SESSION
MONDAY, JANUARY 7, 2019 6:00 PM - 8150 BARBARA AVENUE

A. CALL TO ORDER: The City Council of Inver Grove Heights met in Work Session on Monday, January 7, 2019, in the Inver Grove Heights Council Chambers. Mayor George Tourville called the meeting to order at 6:00 p.m. The Pledge of Allegiance was recited.
Roll Call: Present were Mayor Tourville; Councilmembers Bartholomew, Perry, Piekarski Krech, and Dietrich.
Staff: City Administrator Joe Lynch, City Attorney Tim Kuntz, Community Development Director Janice Gundlach, Human Resources Manager Janet Shefchik, and City Clerk Michelle Tesser.

B. SWEARING IN CEREMONY

Mayor Tourville stated that the Honorable Judge Thomas Pugh is here this evening to assist with the Swearing-In Ceremony.

Honorable Judge Thomas Pugh stated that he was pleased to be here and began with the Oath, Swearing In, and signing with Brenda Dietrich for the position of Councilmember. Rosemary Piekarski Krech was next for the Oath, Swearing In, and signing for the position of Councilmember. Mayor George Tourville was next for the Oath, Swearing In, and signing for Mayor. Photos were taken.

Mayor Tourville stated that last week there was an unfortunate situation that involved a hit and run. The suspect did end up coming forward. He stated that he wanted to acknowledge the family and friends of Haimanot Gebremedhin, who was from Inver Grove Heights and was a Mother, Grandmother, and friend of many. More information on this situation will be coming.

1) <u>MCGROARTY PARK</u>

City Administrator Joe Lynch stated that this item was before the City Council in 2018. At that time there were some questions regarding the item so it was tabled for further research and information.

Community Development Director Janice Gundlach stated that this item was before the City Council in August 2018 and was a preliminary and final plat application and that the Planning Commission recommended denial. The City Council tabled the item at that time. She stated that there was confusion over the ownership of the parcels and that Dakota County has corrected those issues. The second issue was that there was concern from the homes on the other side of the street regarding the view of the parking lot. She stated that the parcel is 13 acres in size. The subdivision would create a lot of 2.5 acres that would be sold for a proposed parking lot. It would be located at the closest point, 445 feet away, and over 600 feet from the nearest homes. She stated that notes from the Planning Commission packet indicate they intend to keep the tree line along the road to shield view of the lot. She stated that the last issue was the development potential and commented that they may not have fully resolved that issue. It is zoned and guided for Office PUD. This does not mean they couldn't pursue an office development as there are other acres in the area that remain in City ownership that could be utilized for future office. She displayed a map of the location for the Council to view.

Councilmember Piekarski Krech asked about the cul de sac depicted on the map near the property they are discussing and asked if that is proposed to be put in. Community Development Director Gundlach responded that is from the proposed preliminary and final plat that was before the Council for consideration in August. She commented that if the Council moves forward with that plat, those lines illustrate what that would do to the 13.25-acre parcel. The cul de sac would not be constructed at this time, it would be platted to accommodate future development. She stated that the new parking lot would be accessible by the existing parking lot off of the AmericInn property.

City Administrator Lynch stated that the cul-de-sac creates a second entry and exit point and a way to get additional water and sewer service. He commented that one of the ideas from AmericInn would be to have a Conference Center. As it stands today, they would not be able to supply that with the existing service line that comes off of Blaine Avenue. There would be a need for additional water and sewer service if they did a Conference Center for approximately 200 people. He stated that the City has attained a number of parcels over the years and it was Council's direction to try to reduce the number of parcels to see if they can put some of them back into productive use. He stated that AmericInn approached the City because they have a Park and Fly operation operating off site. Their wish was to have that on property that they own, it would be fenced, have security on site, and more convenient to have nearby. AmericInn wanted to have a two-acre parcel so they can park the vehicles on their property, but an additional half acre was needed for stormwater purposes making it a 2.5-acre parcel.

Councilmember Bartholomew referenced the map and a small, less than one-acre parcel left to the north and asked if there was thought to selling that acre, not allowing parking on it and having it stay as open space. He commented that he doesn't see that small space as developable. City Administrator Lynch responded that they spoke with AmericInn about that space and due to the topography, they were not interested. He stated that he spoke with NDCTV and they were potentially interested in picking that parcel up for buffer and the potential expansion of their parking. Nothing substantial came of that. He stated that the area is .9 acres in size and ends up being potential for stormwater for internal roads and development for the rest of the property that the City would own. Councilmember Bartholomew commented that anything that goes there would require a retaining wall.

Mayor Tourville stated that the MnDOT piece of property was discussed at the previous meeting. A letter was sent to them and they returned a letter stating that the property was being re-evaluated. He commented that he spoke with someone at MnDOT and was told there could be a change at MnDOT January 1st. There is now a new MnDOT Commissioner. He stated that the previous administration had made the assessment that anything five acres and above had to be reassessed by MnDOT to see if there was a use, if it is to be sold, or kept.

Councilmember Piekarski Krech asked if this backs up to the trail that runs along Highway 52 up to Blaine. Community Development Director Gundlach responded that she didn't believe the trail ran there, but that the plat includes a trail easement to make the connection all the way to the north at a time it becomes feasible.

Cynthia Smith, 5986 Blaine Avenue, commented that this was discussed in August with the 2040 Plan as it speaks about the area being a business park. She commented that if it is rezoned, it is moving it further and further down the neighborhood. They were told this would be a business park, different than an open parking lot. She commented that many of them would not have built in the area if they had known that. She asked that they own up to what the plan says, that it be a business park, not a parking lot. She commented that if the parking lot is placed there, they may not see it, but they would see a conference center. She stated that this wasn't just about the parking lot, but the entire stretch of property and asked that the Council take that under consideration.

Mayor Tourville stated that this went before the Planning Commission to get input from the neighborhood. He commented that they should look at it as being pro-business because it looks at a service that is lacking in Inver Grove, which is larger meeting space.

Councilmember Bartholomew asked about the underlying zoning in the area and if it permits a convention center. Community Development Director Gundlach responded that the underlying zoning is for Office PUD. If Council moves forward with the plat and the sale goes through it would require rezoning and a Comprehensive Plan change. She stated that through the PUD or the rezoning, the use could be allowed, but not under the current Office PUD.

Councilmember Bartholomew clarified and stated it would require a change in PUD, required in the Comp Plan, and required in the underlying zoning. Community Development Director Gundlach agreed and stated that it would also require a site plan approval. All of that would go through the Planning Commission and would require a new Public Hearing. Councilmember Piekarski Krech commented that they were talking about the land use. Community Development Director Gundlach responded that the preliminary and final plat to create this design was all that has been before the Council. Approving that plat provides the City the real estate to sell. She stated that for them to purchase the property and use it, they would need to make a new application for the rezoning, the guide plan change, and the site plan approval to actually development the parcel. This is to subdivide the 2.5 acres.

Councilmember Piekarski Krech asked if they would need additional parking space if they did a conference center. City Administrator Lynch responded that they would create the parking first and then do the conference center as it would use the space used by the Park and Fly operation. They would have to reduce the Park and Fly operation. He stated that they would still need to meet the parking requirements for a convention or conference center depending on the size created. Councilmember Piekarski Krech asked how zoning would work so that it could be a parking lot and conference center. She asked what an Office Park PUD would be considered as. Community Development Director Gundlach responded that she did not know what the zoning applications would be until they proposed it. She commented that it could be a case that involves this parcel and a parcel that they already own. They would determine the appropriate zoning and land use depending on information they have not yet received. She responded that she could look up information about what the zoning would be for that, but office buildings are allowed in “B” zoning which is what the hotel was zoned as.

Councilmember Dietrich commented that the Planning Commission did a good job vetting this out. She commented that the parcels should stay together for a medical facility or something similar.

Councilmember Bartholomew commented that if an Office PUD were to come in there would have to be parking. He asked if they would be converting the parking facility, and then consume some of the existing property owned by the hotel to become the actual convention center. The parking area could then be needed for the proposed complex. He stated that he was concerned with allowing this parking and having nothing come of the convention center on that existing site. City Administrator Lynch responded that there are approximately 200 cars that are parked at the AMC Theatre today. They would transfer those to this location. He stated that there isn't a timeframe, application, or preliminary plan about the conference center.

Mayor Tourville commented that if AmericInn hadn't been at that location and approached the City to state that they wanted to build a hotel, needed parking, and will have meeting rooms for larger meetings, we would ask them how much property was needed and that it would be a great amenity for Inver Grove. He commented that depending on what type of office goes into that area, there is still going to be a need for parking. He commented that another item to look into would be if it is a good idea to be parking 200 vehicles at the movie theatre. He stated that Blaine Avenue is an arterial street that is connected to five lanes on Upper 55th, which is then connected to the Highway 52 interchange. He commented that he does have concerns for the neighborhood, but the neighborhood may be better served in getting buffering. The parking is in the front with the buildings in the back. They could be parking out front.

Councilmember Piekarski Krech stated that the City has been trying to get the land from MnDOT for over 20 years. She commented that it would be good to put the land together and do something, but that hasn't happened and that she doesn't see this happening in the next five to ten years if the State is looking at the properties again. She commented that if there is a business in town that wants to expand, and if the parking lot would be on Blaine, she would say no. The parking lot is proposed to be far enough back and gives a business a chance to bring more to the City. That brings more people in to eat here and visit here. She stated that from an economic development point of view, they need to do it. Councilmember Bartholomew agreed with Councilmember Piekarski Krech that they need to start the process again and have hearings and discussions. He commented that this would be an asset to the current business and had that business not been there at this time and wanted to come in and develop, they would absolutely have considered those two acres to be a part of the plan. He stated the piece of property with the elevation that it is, it is appropriate to keep the elevation with the existing property directly to the north, anything to the south is going to drop and could hinder that type of development. He commented that they could get more information from the applicant and know what they are thinking. He suggested moving forward with this.

Mayor Tourville asked if the City Council needed to decide whether to put it on the Agenda and have further discussion or not. Community Development Director Gundlach responded that they are only being asked to act on the subdivision of the land. Decisions on the office and how it would look would go before the Planning Commission and entail more Public Hearings.

Community Development Director Gundlach responded in reference to the questions she was asked earlier and commented that she looked into the Ordinance and office is allowed in both the B1 and B2 District and the Office Park PUD. An office development in the Office PUD zone could be as tall as 60 to 80 feet. She commented that office development in the east metro is slow and if there was any interest in how long it would take, it could be awhile. She commented that the price that AmericInn is willing to pay for the property is very high. Holding out for someone else to come in may not get a price per square foot on the land as to what they are offering. She stated that the rate is almost $9.00 per square foot for the land on office projects in the metro.

Mayor Tourville stated that the piece that comes back on the Council's Agenda is for the proposal to take a look at having it be used. Another part is the water ponding. Community Development Director Gundlach responded that the proposed plat does include an easement for ponding.

Motion by Bartholomew second by Piekarski Krech to place this item on the next City Council Meeting Agenda.

Ayes: 4
Nays: 1 (Dietrich) Motion carried.

2) <u>COMMUNITY SURVEY UPDATE</u>

City Administrator Lynch stated that in 2018 the City did their first Community Survey in accordance with a National program. There was good participation. He stated that the Council asked to continue to offer that Survey and wanted to see some changes to the timeframe and discussion of the comments and go forward with communicating and producing results. He stated that he included a memo from Management Analyst Michelle Calvert, along with a Community Survey timeframe proposed for 2019. He commented that there would be a name change to the survey from Resident and Visitor Survey to Community Survey. This would be for people that live, work, come into, and visit the City. There would be updates quarterly with information posted on the Website. He stated that they need to be finished by July 1st. The survey would open April 1st and go through the end of April for all comments to be received. The appropriate Staff would respond to those that would like to be contacted. He stated that they would begin discussions with the City Council at the beginning of May. An article would be placed in Insights the first week of June, and then publish the comments by the end of June.

Councilmember Piekarski Krech asked if the Council would see the final survey questions before they go out. City Administrator Lynch responded yes. Mayor Tourville stated that there were questions geared toward people who had a well and acreage. If you say that you have a well, then don't ask them if they think the City water looks and smells ok. Some refinements could be done to fix that in the future. He commented that this needs to be done by the end of February so that the Council can see the questions in early March.

3) <u>POLICE DEPARTMENT INTERIM ADMINISTRATION AND PROCESS/SCHEDULE FOR FILLING POSITION</u>

Human Resources Manager Janet Shefchik discussed what to do in the interim and what the process would be for filling the Police Chief vacancy. She stated that she included a memo that mentions that the Deputy Chief position automatically assumes the Police Chief's responsibilities in their absence, and that will occur in the short term. The classification compensation plan that was approved in 2018 allows the City Administrator to designate an out of class assignment and corresponding pay. She stated that the Council may also formally name someone as Interim Chief. She discussed how to fill the vacancy and stated that they could have Springsted honor their triple guarantee since Chief Schnell left prior to the 24 months that was indicated in their agreement. She commented that we have paid the consulting fees, so if they did redo, we would still pay administrative fees. She stated that the best thing that came from the process was the Community Survey which has already been conducted. Staff has experience in conducting recruitments and she suggested that we would be able to do that and save the City money.

She recommended an open and transparent process so that all who qualify can apply and the best person can assume the position and invited finalists to reapply.

Mayor Tourville stated that we have an Interim right now as the Chief left last Friday. He asked the Council if they wanted to do it differently by having the Deputy Chief serve in that role on an interim basis. Councilmember Bartholomew commented that he saw no reason to change as the Interim Chief did a great job in the past and will do as well a job this time.

Councilmember Piekarski Krech asked what the rationale was for moving anyone else up. She commented that we have not had the Deputy Chief position for long. She asked if there was that much of a job change that they would need to move one of the Commanders up to Deputy Chief or if we could just have an Interim Chief and the two Command positions. Human Resources Manager Shefchik responded that was definitely an option. Mayor Tourville agreed and stated that we have an Interim Chief as the Deputy Chief unless Council says otherwise. He stated that the Council would not promote someone to be the Deputy as there is still a chain of command established. Human Resources Manager Shefchik stated that the advantage she would see would be doing out of class assignments for other command level staff as a development opportunity, and modest recognition of taking on higher level duties.

Mayor Tourville clarified that Deputy Chief Sean Folmar would now be the Interim Chief and serve in that capacity. There is a job description for that and some compensation. Councilmember Bartholomew stated that they leave everyone else where they are at.

Mayor Tourville wanted to discuss the selection process. Councilmember Piekarski Krech suggested that they use Springsted again, if they can do a more compressed process. She wants this to take place in 30 days with two weeks for applications. She commented that this process was done last year. The applications would come in within 2 weeks, they get vetted, we decide on interviews and have the decision made within 30 to 45 days at the most.

Mayor Tourville stated that they received a letter from the L.E.L.S stating that we should seek internal and external candidates and he agreed. He commented that this does not need to be another two month or longer process and agreed with a 30 to 45-day process. He stated that he wanted to go on record with the letter as he thought the Council were the only ones to receive it. City Administrator Lynch commented that he was provided with a letter as well. Councilmember Bartholomew agreed that they should stay with Springsted and agreed with a quicker process. Councilmember Dietrich commented that coming into this new, she felt that Springsted did a very thorough and in-depth search. She suggested contacting some of the priority candidates from the previous search and see if they are still available instead of paying admin fees. She stated that she wanted the current Police Department to know that we are very interested about promoting from within and value the talent that is in the Department. Councilmember Perry commented that she was against bringing in Springsted when this was done 16 months ago. Since it's part of their guarantee, she was fine with going with them again and paying the minimal administrative fees. She commented that it gets the entire pool of candidates instead of limiting themselves to what they have, not that they do not do a great job, which they do.

Mayor Tourville clarified what they were looking for and stated that they will do internal and external, condense it, and have Springsted honor the contract. He commented that this would not be an international search and that they ask those that were finalists if they are still interested. He suggested the Council pick a date that they want it to shut down. The Council agreed on Thursday, January 31st.

City Administrator Lynch stated that given the consideration of the short time frame, utilizing City Staff would be easier in terms of the turnaround. Springsted would still need to be contacted. Councilmember Piekarski Krech suggested seeing if Springsted is available first. Mayor Tourville suggested engaging Springsted but not letting them slow down the process. Both sides would honor the contract.

4) <u>SET SPECIAL LEGISLATIVE MEETING</u>

City Administrator Lynch stated that annually we have met with our supporting Agencies to get a sense of the Legislative issues and to let them know our City's priorities. He suggested setting Monday, January 14th, at 5:30 p.m. for the meeting with those representatives. He stated that we are engaging Messerli Kramer again, for lobbying efforts in funding. This would include the sales tax exemption, the Fire Station, and the extension of Argenta funding so it can be extended to the east to include down to South Robert. He commented that they would not be a part of this meeting. The meeting will be held in the Inver Grove Heights Council Chambers. Dinner will be provided.

Motion by Piekarski Krech second by Perry to meet in City Council Chambers with our Legislative group on Monday, January 14th, at 5:30 p.m.

Ayes: 5
Nays: 0 Motion carried.

Councilmember Piekarski Krech reminded everyone of the Legislative Breakfast that will be held on February 1st in Eagan. Mayor Tourville commented that those that are interested should let City Administrator Lynch know. If there are three members, they would have to announce it as a meeting.

Mayor Tourville stated that the local issues meeting is this Thursday. He asked if anyone is interested in attending. Councilmember Bartholomew and Dietrich stated that they would like to continue to go. Mayor Tourville stated he would bow out of attending the local issues meetings.

Mayor Tourville asked Councilmember Dietrich if she was interested in Progress Plus. Councilmember Dietrich responded that she didn't know a lot about it, or if she was the best equipped, but could look into it further. Councilmember Bartholomew commented that if they were looking for someone to do the Progress Plus, he would be willing to do it. City Clerk Tesser stated that if they want to designate a councilmember(s) to that meeting she can add it. Mayor Tourville stated that it's once a month on Thursdays. He asked for Ms. Tesser to add in one the Agenda and the council will designate. Mayor Tourville asked City Clerk Tesser to have it on Monday's Agenda along with the Progress Plus meeting.

C. ADJOURN:
Motion by Perry second by Dietrich to adjourn the meeting at 7:10 p.m.

Ayes: 5
Nays: 0 Motion carried.

Minutes prepared by Recording Clerk Sheri Yourczek.

AGENDA ITEM _____4B_____

CITY OF INVER GROVE HEIGHTS **REQUEST FOR COUNCIL ACTION**

Meeting Date:	January 28, 2019		**Fiscal/FTE Impact:**
Item Type:	Consent		None
Contact:	Kristi Smith 651-450-2521	X	Amount included in current budget
Prepared by:	Bill Schroepfer, Accountant		Budget amendment requested
Reviewed by:	N/A		FTE included in current complement
			New FTE requested – N/A
			Other

PURPOSE/ACTION REQUESTED

Approve the attached resolution approving disbursements for the period of January 9, 2019 to January 23, 2019.

SUMMARY

Shown below is a listing of the disbursements for the various funds for the period ending January 23, 2019. The detail of these disbursements is attached to this memo.

General & Special Revenue	$566,639.77
Debt Service & Capital Projects	1,606,939.50
Enterprise & Internal Service	360,677.60
Escrows	8,308.48
Grand Total for All Funds	$2,542,565.35

If you have any questions about any of the disbursements on the list, please call Kristi Smith, Finance Director at 651-450-2521.

Attached to this summary for your action is a resolution approving the disbursements for the period January 9, 2019 to January 23, 2019 and the listing of disbursements requested for approval.

DAKOTA COUNTY, MINNESOTA

RESOLUTION NO. _____

RESOLUTION APPROVING DISBURSEMENTS FOR THE PERIOD ENDING January 23, 2019

WHEREAS, a list of disbursements for the period ending January 23, 2019 was presented to the City Council for approval;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF INVER GROVE HEIGHTS: that payment of the list of disbursements of the following funds is approved:

General & Special Revenue	$566,639.77
Debt Service & Capital Projects	1,606,939.50
Enterprise & Internal Service	360,677.60
Escrows	8,308.48
Grand Total for All Funds	$2,542,565.35

Adopted by the City Council of Inver Grove Heights this 28th day of January, 2019.

Ayes:

Nays:

____
George Tourville, Mayor

ATTEST:

____
Michelle Tesser, City Clerk

Vendor Name	Payable Number	Post Date	Description (Item)	Account Number	Amount
ABDO, EICK & MEYERS, LLP	406553	12/31/2018	43697	101.41.2000.415.30100	1,500.00
ABDO, EICK & MEYERS, LLP	408891	12/31/2018	43697	101.41.2000.415.30100	12,000.00
ASPEN MILLS	229372	12/31/2018	55077I	101.42.4200.423.60045	2,111.85
ASPEN MILLS	229373	12/31/2018	55077I	101.42.4200.423.60045	6,771.00
ASPEN MILLS	229631	01/15/2019	1/7/19	101.42.4000.421.60045	171.40
BARNA, GUZY, & STEFFEN LTD	196742	12/31/2018	12/31/18	101.41.1100.413.30430	572.70
BOLTON & MENK, INC.	0227050	12/31/2018	X11.114659	101.43.5100.442.30300	380.00
COMCAST	1/5/19 8772 10 591 0359526	01/15/2019	8772 10 591 0359526	101.42.4200.423.30700	10.53
CULLIGAN	12/31/18 157-98459100-6	12/31/2018	157-98459100-6	101.42.4200.423.60065	123.75
DAKOTA COMMUNICATIONS CENTER	IG2019-02	01/15/2019	FEBRUARY 2019	101.42.4000.421.70502	50,680.50
DAKOTA COMMUNICATIONS CENTER	IG2019-02	01/15/2019	FEBRUARY 2019	101.42.4200.423.70502	6,740.50
DAKOTA COMMUNICATIONS CENTER	IG2019-01	01/15/2019	JANUARY 2019	101.42.4000.421.70502	50,680.50
DAKOTA COMMUNICATIONS CENTER	IG2019-01	01/15/2019	JANUARY 2019	101.42.4200.423.70502	6,740.50
DAKOTA CTY PROP TAXATION & RECORDS	1/8/19	12/31/2018	12/4/18	101.45.0000.3413000	138.00
DAKOTA ELECTRIC ASSN	12/25/18 200008029902	01/15/2019	200008029902	101.43.5400.445.30700	5,522.37
EFTPS	INV0083145	01/18/2019	FEDERAL WITHHOLDING	101.203.2030200	838.38
EFTPS	INV0083147	01/18/2019	MEDICARE WITHHOLDING	101.203.2030500	603.26
EFTPS	INV0083148	01/18/2019	SOCIAL SECURITY WITHHOLDING	101.203.2030400	1,501.02
EFTPS	INV0083171	01/18/2019	FEDERAL WITHHOLDING	101.203.2030200	46,183.46
EFTPS	INV0083173	01/18/2019	MEDICARE WITHHOLDING	101.203.2030500	14,523.46
EFTPS	INV0083174	01/18/2019	SOCIAL SECURITY WITHHOLDING	101.203.2030400	43,766.94
EFTPS	INV0083175	01/18/2019	FEDERAL WITHHOLDING	101.203.2030200	2,129.44
EFTPS	INV0083177	01/18/2019	MEDICARE WITHHOLDING	101.203.2030500	333.98
EMMONS & OLIVIER RESOURCES	00095-0060-1	12/31/2018	00095-0060	101.43.5100.442.30300	2,180.75
EYEMED	163745493	01/15/2019	JANUARY 2019	101.203.2032700	218.52
FIRSTSCRIBE	2479255	12/31/2018	12/1/18	101.43.5100.442.40044	250.00
FIRSTSCRIBE	2479567	01/15/2019	1/1/19	101.43.5100.442.40044	250.00
FRIENDS OF THE MISSISSIPPI RIVER	IGH-12/20/18	12/31/2018	1/1/18-12/20/18	101.44.6000.451.30700	1,275.00
FRIENDS OF THE MISSISSIPPI RIVER	IGH-12/20/18	12/31/2018	1/1/18-12/20/18	101.44.6000.451.70501	1,970.00
GALLS INC	011515645	12/31/2018	1002151449	101.42.4200.423.60045	1,766.25
GALLS INC	011515646	12/31/2018	1002151449	101.42.4200.423.60045	2,950.35
GALLS INC	011531441	12/31/2018	1002151449	101.42.4200.423.60045	5,273.36
GENESIS EMPLOYEE BENEFITS ACH ONLY	INV0083154	01/18/2019	HSA ELECTION-FAMILY	101.203.2032500	3,373.18
GENESIS EMPLOYEE BENEFITS ACH ONLY	INV0083155	01/18/2019	HSA ELECTION-SINGLE	101.203.2032500	4,609.05
GENESIS EMPLOYEE BENEFITS, INC	IN1437197	12/31/2018	Payroll	101.41.1100.413.30550	39.52
GENESIS EMPLOYEE BENEFITS, INC	IN1437197	12/31/2018	Payroll	101.41.2000.415.30550	84.69
GENESIS EMPLOYEE BENEFITS, INC	IN1437197	12/31/2018	Payroll	101.42.4000.421.30550	275.28
GENESIS EMPLOYEE BENEFITS, INC	IN1437197	12/31/2018	Payroll	101.42.4200.423.30550	21.50
GENESIS EMPLOYEE BENEFITS, INC	IN1437197	12/31/2018	Payroll	101.43.5000.441.30550	12.75
GENESIS EMPLOYEE BENEFITS, INC	IN1437197	12/31/2018	Payroll	101.43.5100.442.30550	52.77
GENESIS EMPLOYEE BENEFITS, INC	IN1437197	12/31/2018	Payroll	101.43.5200.443.30550	39.00
GENESIS EMPLOYEE BENEFITS, INC	IN1437197	12/31/2018	Payroll	101.44.6000.451.30550	48.86
GENESIS EMPLOYEE BENEFITS, INC	IN1437197	12/31/2018	Payroll	101.45.3000.419.30550	10.15
GENESIS EMPLOYEE BENEFITS, INC	IN1437197	12/31/2018	Payroll	101.45.3200.419.30550	16.92
GENESIS EMPLOYEE BENEFITS, INC	IN1437197	12/31/2018	Payroll	101.45.3300.419.30550	36.50
GOODPOINTE TECHNOLOGY, INC.	3889	01/15/2019	2019	101.43.5100.442.40044	2,740.00
GRAINGER	9039463626	12/31/2018	806460150	101.43.5200.443.60016	387.84
HILLYARD INC	603272510	12/31/2018	274086	101.42.4200.423.60011	67.78
ICMA RETIREMENT TRUST - 457	INV0083140	01/18/2019	ICMA-AGE <49 %	101.203.2031400	502.81
ICMA RETIREMENT TRUST - 457	INV0083149	01/18/2019	457 - ROTH AGE 50+	101.203.2031400	100.00
ICMA RETIREMENT TRUST - 457	INV0083156	01/18/2019	ICMA-AGE <49 %	101.203.2031400	6,946.66
ICMA RETIREMENT TRUST - 457	INV0083157	01/18/2019	ICMA-AGE <49	101.203.2031400	5,035.00
ICMA RETIREMENT TRUST - 457	INV0083158	01/18/2019	ICMA-AGE 50+ %	101.203.2031400	448.99
ICMA RETIREMENT TRUST - 457	INV0083159	01/18/2019	ICMA-AGE 50+	101.203.2031400	5,514.79
ICMA RETIREMENT TRUST - 457	INV0083160	01/18/2019	ICMA (EMPLOYER SHARE ADMIN)	101.203.2031400	88.57
ICMA RETIREMENT TRUST - 457	INV0083168	01/18/2019	ROTH IRA (AGE 49 & UNDER)	101.203.2032400	2,052.29
ICMA RETIREMENT TRUST - 457	INV0083169	01/18/2019	ROTH IRA (AGE 50 & OVER)	101.203.2032400	500.00
ICMA RETIREMENT TRUST - 457	INV0083170	01/18/2019	ROTH-AGE <49 %	101.203.2032400	134.55
ING DIRECT	INV0083178	01/18/2019	MSRS-HCSP	101.203.2032200	9,883.10
INNOVATIVE OFFICE SOLUTIONS	SUM-044557	12/31/2018	S28777	101.41.1100.413.60065	147.64
INNOVATIVE OFFICE SOLUTIONS	SUM-044557	12/31/2018	S28777	101.43.5100.442.60040	222.64
INNOVATIVE OFFICE SOLUTIONS	SUM-044557	12/31/2018	S28777	101.44.6000.451.60045	152.63
INNOVATIVE OFFICE SOLUTIONS	SUM-044557	12/31/2018	S28777	101.45.3200.419.60010	100.47
INNOVATIVE OFFICE SOLUTIONS	SUM-044557	12/31/2018	S28777	101.45.3300.419.60040	33.18
INTOXIMETERS	SO-0141291	01/15/2019	C000MNINV0	101.42.4000.421.60065	40.00
KENISON, TERRI	DECEMBER 2018	12/31/2018	DECEMBER 2018	101.42.4200.423.30700	850.00
KIMLEY-HORN & ASSOCIATES, INC.	12410645	12/31/2018	160509035.2	101.43.5100.442.30300	1,362.10
LEVANDER, GILLEN & MILLER P.A.	12/31/18 92000E	12/31/2018	92000E	101.42.4000.421.30410	18,530.85
LEVANDER, GILLEN & MILLER P.A.	81000E 12/31/18 Community D	12/31/2018	Legal	101.42.4000.421.30420	156.00

Vendor Name	Payable Number	Post Date	Description (Item)	Account Number	Amount
LEVANDER, GILLEN & MILLER P.A.	81000E 12/31/18 Council Meet	12/31/2018	Legal	101.41.1000.413.30401	240.00
LEVANDER, GILLEN & MILLER P.A.	81000E 12/31/18 Edgar Garag	12/31/2018	Legal	101.43.5100.442.30420	50.00
LEVANDER, GILLEN & MILLER P.A.	81000E 12/31/18 Engineering	12/31/2018	Legal	101.43.5100.442.30420	754.00
LEVANDER, GILLEN & MILLER P.A.	81000E 12/31/18 Mayor/CC	12/31/2018	Legal	101.41.1000.413.30420	12,618.65
LEVANDER, GILLEN & MILLER P.A.	81000E 12/31/18 Parks	12/31/2018	Legal	101.44.6000.451.30420	269.00
LEVANDER, GILLEN & MILLER P.A.	81000E 12/31/18 Planning	12/31/2018	Legal	101.45.3200.419.30420	33.50
LEVANDER, GILLEN & MILLER P.A.	81000E 12/31/18 Public Works	12/31/2018	Legal	101.43.5000.441.30420	40.00
LILLIE SUBURBAN NEWSPAPERS	12/31/18 001363	12/31/2018	Advertising/Publishing	101.41.1100.413.50025	22.00
LILLIE SUBURBAN NEWSPAPERS	12/31/18 001363	12/31/2018	Advertising/Publishing	101.41.1100.413.50025	27.50
LILLIE SUBURBAN NEWSPAPERS	12/31/18 001363	12/31/2018	Advertising/Publishing	101.41.1100.413.50025	60.38
LILLIE SUBURBAN NEWSPAPERS	12/31/18 001363	12/31/2018	Advertising/Publishing	101.41.1100.413.50025	439.88
LILLIE SUBURBAN NEWSPAPERS	12/31/18 001363	12/31/2018	Advertising/Publishing	101.41.2000.415.50025	140.88
LILLIE SUBURBAN NEWSPAPERS	12/31/18 001363	12/31/2018	Advertising/Publishing	101.45.3200.419.50025	20.13
LOCAL GOVERNMENT INFORMATION SYSTE	46332	12/31/2018	111541	101.42.4200.423.30700	137.00
LOCAL GOVERNMENT INFORMATION SYSTE	46323	01/15/2019	106325	101.42.4000.421.70501	2,087.00
LOCAL GOVERNMENT INFORMATION SYSTE	46396	01/15/2019	106325	101.42.4000.421.70501	90.00
MCFOA	2019 DUES	01/15/2019	2019 DUES	101.42.4200.423.50070	100.00
MCFOA	2019 DUES - E. BERGUM	01/15/2019	2019 DUES ERIC BERGUM	101.42.4200.423.50070	100.00
METROPOLITAN AREA MGMT ASSOC.	2019 MEMBERSHIP DUES	01/15/2019	JOE LYNCH MEMBERSHIP	101.41.1100.413.50070	45.00
MINNEAPOLIS OXYGEN CO.	00035868	12/31/2018	01910	101.42.4200.423.30700	71.61
MINNEAPOLIS OXYGEN CO.	00035869	12/31/2018	01915	101.42.4200.423.30700	71.61
MINNESOTA DEPARTMENT OF HUMAN SER\	INV0083152	01/18/2019	JOEL JACKSON FEIN/TAXPAYER IE	101.203.2032100	294.18
MINNESOTA DEPARTMENT OF HUMAN SER\	INV0083153	01/18/2019	JOHN VERDEJA FEIN/TAXPAYER IE	101.203.2032100	158.74
MN DEPT OF LABOR & INDUSTRY	ABR0203253I	01/15/2019	000000012982	101.42.4200.423.30700	10.00
MN DEPT OF REVENUE	INV0083146	01/18/2019	STATE WITHHOLDING	101.203.2030300	488.26
MN DEPT OF REVENUE	INV0083161	01/18/2019	LEVY - LETTER ID:L0121787840	101.203.2031900	162.00
MN DEPT OF REVENUE	INV0083172	01/18/2019	STATE WITHHOLDING	101.203.2030300	22,367.33
MN DEPT OF REVENUE	INV0083176	01/18/2019	STATE WITHHOLDING	101.203.2030300	785.81
MN GLOVE & SAFETY, INC.	310494	12/31/2018	CTINVE	101.45.3300.419.60045	144.98
MN GLOVE & SAFETY, INC.	310933	12/31/2018	11/19/18	101.43.5100.442.60045	156.90
MN LIFE INSURANCE CO	JANUARY 2019	01/15/2019	POLICY #0027324	101.203.2030900	3,568.27
MUNICIPAL LEGISLATIVE COMMISSION	2019-8	01/15/2019	2019 MLC MEMBERS DUES	101.41.1000.413.50070	8,776.50
OXYGEN SERVICE COMPANY, INC	03424431	12/31/2018	04394	101.42.4000.421.60065	38.81
PERA	INV0083141	01/18/2019	PERA COORDINATED PLAN	101.203.2030600	1,573.66
PERA	INV0083142	01/18/2019	EMPLOYER SHARE (EXTRA PERA)	101.203.2030600	121.05
PERA	INV0083143	01/18/2019	PERA POLICE & FIRE PLAN	101.203.2030600	982.92
PERA	INV0083144	01/18/2019	EMPLOYER SHARE (POLICE & FIRE	101.203.2030600	1,474.38
PERA	INV0083162	01/18/2019	PERA COORDINATED PLAN	101.203.2030600	39,536.92
PERA	INV0083163	01/18/2019	EMPLOYER SHARE (EXTRA PERA)	101.203.2030600	3,042.19
PERA	INV0083164	01/18/2019	PERA DEFINED PLAN	101.203.2030600	53.46
PERA	INV0083165	01/18/2019	EMPLOYER SHARE (PERA DEFINE	101.203.2030600	53.46
PERA	INV0083166	01/18/2019	PERA POLICE & FIRE PLAN	101.203.2030600	16,316.15
PERA	INV0083167	01/18/2019	EMPLOYER SHARE (POLICE & FIRE	101.203.2030600	24,474.24
PETTY CASH-WF PURCHASE CARD FEES	DECEMBER 2018	12/31/2018	PETTY CASH	101.41.2000.415.70440	137.00
POLICE SERVICE DOGS, INC.	20190103	01/15/2019	1/3/19	101.42.4000.421.60013	1,730.00
PRECISE MRM	IN200-1019399	12/31/2018	000208	101.43.5200.443.30700	23.08
SHORT ELLIOTT HENDRICKSON, INC.	336910	12/31/2018	4340	101.43.5100.442.30300	1,204.74
SHORT ELLIOTT HENDRICKSON, INC.	360204	12/31/2018	4340	101.43.5100.442.30300	172.81
SHORT ELLIOTT HENDRICKSON, INC.	361411	01/15/2019	4340	101.43.5100.442.30300	478.99
SKILLSOFT CORPORATION	0000208178	01/15/2019	CUS020273	101.41.1100.413.30700	5,413.18
THOMSON REUTER - WEST	839522639	12/31/2018	12/1/18-12/31/18	101.42.4000.421.30700	236.24
TRACY B. HANSEN	12/27/18	12/31/2018	12/27/18	101.42.4200.423.40040	2,500.00
UNIFIRST CORPORATION	090 0457943	12/31/2018	1051948	101.43.5200.443.60045	45.99
UNIFIRST CORPORATION	090 0457943	12/31/2018	1051948	101.44.6000.451.60045	30.19
UNITED STATES TREASURY	1/7/19	01/15/2019	ANDREW BRAVO - LEVY PROCEEE	101.203.2031900	125.00
VERIFIED CREDENTIALS, INC.	288698	12/31/2018	12/31/18	101.41.1100.413.30700	117.50
VERIZON WIRELESS	9820938619	12/31/2018	Telephone	101.41.1000.413.50020	215.06
VERIZON WIRELESS	9820938619	12/31/2018	Telephone	101.41.1300.413.50020	33.34
VERIZON WIRELESS	9820938619	12/31/2018	Telephone	101.42.4000.421.50020	1,471.16
VERIZON WIRELESS	9820938619	12/31/2018	Telephone	101.42.4200.423.50020	617.14
VERIZON WIRELESS	9820938619	12/31/2018	Telephone	101.43.5100.442.50020	200.52
VERIZON WIRELESS	9820938619	12/31/2018	Telephone	101.43.5200.443.50020	385.04
VERIZON WIRELESS	9820938619	12/31/2018	Telephone	101.44.6000.451.50020	350.48
VERIZON WIRELESS	9820938619	12/31/2018	Telephone	101.45.3000.419.50020	35.01
VERIZON WIRELESS	9820938619	12/31/2018	Telephone	101.45.3300.419.50020	308.71
Fund: 101 - GENERAL FUND					**492,605.36**
GENESIS EMPLOYEE BENEFITS, INC	IN1437197	12/31/2018	Payroll	204.44.6100.452.30550	12.12
GENESIS EMPLOYEE BENEFITS, INC	IN1437484	12/31/2018	12/1/18-12/31/18	204.44.6100.452.30550	14.40
HAUN, TALIA	1/7/19	12/31/2018	REFUND	204.44.0000.3470000	47.00
IGH SENIOR CLUB	1/3/19	12/31/2018	NOVEMBER EVENTS	204.227.2271000	1,185.00
KRECH, LYNNE	1/7/19	01/15/2019	REFUND - LOW ENROLLMENT	204.44.0000.3470000	85.00
VERIZON WIRELESS	9820938619	12/31/2018	Telephone	204.44.6100.452.50020	52.93
Fund: 204 - RECREATION FUND					**1,396.45**

Vendor Name	Payable Number	Post Date	Description (Item)	Account Number	Amount
GENESIS EMPLOYEE BENEFITS, INC	IN1437197	12/31/2018	Payroll	205.44.6200.453.30550	11.00
GENESIS EMPLOYEE BENEFITS, INC	IN1437197	12/31/2018	Payroll	205.44.6200.453.30550	46.61
GENESIS EMPLOYEE BENEFITS, INC	IN1437197	12/31/2018	Payroll	205.44.6200.453.30550	12.50
GENESIS EMPLOYEE BENEFITS, INC	IN1437197	12/31/2018	Payroll	205.44.6200.453.30550	12.50
GENESIS EMPLOYEE BENEFITS, INC	IN1437197	12/31/2018	Payroll	205.44.6200.453.30550	3.50
GENESIS EMPLOYEE BENEFITS, INC	IN1437484	12/31/2018	12/1/18-12/31/18	205.44.6200.453.30550	4.80
GENESIS EMPLOYEE BENEFITS, INC	IN1437484	12/31/2018	12/1/18-12/31/18	205.44.6200.453.30550	12.80
KIM THOMAS	2022	12/31/2018	SUP FITNESS DEMOS	205.44.6200.453.30700	220.00
MEDICINE LAKE TOURS	12-17-18	01/15/2019	LEND ME A TENOR	205.44.6200.453.50090	1,292.00
NAC MECHANICAL & ELECTRICAL SERVICE	153958	12/31/2018	8712-1	205.44.6200.453.40040	8,781.49
PERFECTION PLUS, INC	1129078	01/15/2019	DECEMBER 2018	205.44.6200.453.40040	5,857.50
TOTAL CONSTRUCTION & EQUIP.	1/3/19	12/31/2018	DECEMBER RENTAL DEPOSIT	205.44.0000.3492500	1,000.00
TOTAL CONSTRUCTION & EQUIP.	7416	12/31/2018	BK18CI1147	205.44.6200.453.40040	856.42
USAQUATICS, INC	1656412/31/18	12/31/2018	12/31/18	205.44.6200.453.80200	7,200.00
VERIZON WIRELESS	9820938619	12/31/2018	Telephone	205.44.6200.453.50020	22.24
VERIZON WIRELESS	9820938619	12/31/2018	Telephone	205.44.6200.453.50020	69.47
VERIZON WIRELESS	9820938619	12/31/2018	Telephone	205.44.6200.453.50020	57.31
VERIZON WIRELESS	9820938619	12/31/2018	Telephone	205.44.6200.453.50020	69.47
Fund: 205 - COMMUNITY CENTER					**25,529.61**
EDAM	EDAM 2019	01/11/2019	EDAM 2019 REGISTRATION J. GUN	290.45.3000.419.50080	285.00
GENESIS EMPLOYEE BENEFITS, INC	IN1437197	12/31/2018	Payroll	290.45.3000.419.30550	0.35
Fund: 290 - EDA OPERATING					**285.35**
NITTI ROLLOFF SERVICES, INC.	35251	12/31/2018	12/19/18	291.45.3000.419.30700	46,823.00
Fund: 291 - EDA ACQUISITIONS					**46,823.00**
JORGENSON CONSTRUCTION INC.	PAY APPLICATION #1	12/31/2018	CITY PROJECT 2014-10	434.42.4200.423.80200	611,800.00
JORGENSON CONSTRUCTION INC.	PAY APPLICATION #2	12/31/2018	CITY PROJECT NO. 2014-10	434.42.4200.423.80200	737,675.00
VEIT & COMPANY INC	180305-1	12/31/2018	14079	434.42.4200.423.30700	1,263.00
Fund: 434 - 2014 IMPROVEMENT FUND					**1,350,738.00**
BARR ENGINEERING COMPANY	23191381.00-7	12/31/2018	INV01	437.73.5900.737.30300	6,673.29
BARR ENGINEERING COMPANY	23191381.00-8	12/31/2018	CITY PROJECT 2017-17	437.73.5900.737.30300	3,561.00
LEVANDER, GILLEN & MILLER P.A.	81000E 12/31/18 Heritage Parl	12/31/2018	Legal	437.44.5900.737.30420	296.00
M & J SERVICES, LLC	1932	12/31/2018	11/1/18	437.44.5900.737.30700	1,200.00
MCNAMARA CONTRACTING INC	PAY VO. NO. 10	12/31/2018	PROJECT NO. 2015-09D, 2017-21, 2	437.44.5900.737.80300	59,373.22
TIMOTHY & TODD & LYNDA HAY	1/10/19	01/16/2019	HAY PROPERTY ACQUISITION 43X	437.44.5900.737.80100	52,000.00
TIMOTHY ALLEN HAY	1/10/19	01/16/2019	HAY PROPERTY ACQUISITION 43X	437.44.5900.737.80100	601.00
VEIT & COMPANY INC	180305-1	12/31/2018	14079	437.44.5900.737.30700	15,583.00
WENCK ASSOCIATES, INC.	11809246	12/31/2018	B3619-0002	437.73.5900.737.30300	129.60
Fund: 437 - 2017 IMPROVEMENT FUND					**139,417.11**
AMERICAN ENGINEERING TESTING, INC.	904362	12/31/2018	INV001	438.73.5900.738.30340	3,695.75
AMERICAN ENGINEERING TESTING, INC.	904363	12/31/2018	INV001	438.42.4200.423.30300	1,096.50
AMERICAN ENGINEERING TESTING, INC.	904688	12/31/2018	INV001	438.42.4200.423.30300	1,950.00
BARR ENGINEERING COMPANY	23191399.00-3	12/31/2018	64TH STREET OUTFALL	438.73.5900.738.30340	5,463.00
GRENDAHL MECHANICAL, LLC.	PAY VO. NO. 1	12/31/2018	CITY PROJECT NO. 2018-13	438.73.5900.738.80200	9,500.00
SHORT ELLIOTT HENDRICKSON, INC.	361012	12/31/2018	4340	438.73.5900.738.30300	225.16
SRF CONSULTING GROUP, INC	10970.01-7	12/31/2018	CITY PROJECT NO. 2018-08	438.42.4200.423.30300	11,590.83
Fund: 438 - 2018 IMPROVEMENT FUND					**33,521.24**
AMERICAN ENGINEERING TESTING, INC.	904719	12/31/2018	inv001	440.74.5900.740.30340	6,936.77
BOLTON & MENK, INC.	0226251	12/31/2018	T18.117400	440.74.5900.740.30300	4,445.00
KIMLEY-HORN & ASSOCIATES, INC.	12472960	12/31/2018	160509021.3	440.74.5900.740.30300	25,788.34
KIMLEY-HORN & ASSOCIATES, INC.	12502959	12/31/2018	160509027.3	440.74.5900.740.30300	3,156.15
KIMLEY-HORN & ASSOCIATES, INC.	12706151	12/31/2018	160509027.3	440.74.5900.740.30300	3,018.35
KIMLEY-HORN & ASSOCIATES, INC.	12756270	12/31/2018	160509021.3	440.74.5900.740.30300	10,540.16
LEVANDER, GILLEN & MILLER P.A.	81000E 12/31/18 #1809D Impr	12/31/2018	Legal	440.74.5900.740.30420	330.00
LEVANDER, GILLEN & MILLER P.A.	81000E 12/31/18 55th Street C	12/31/2018	Legal	440.74.5900.740.30420	581.50
STATE OF MN - DEPT. OF TRANS.	P00009667	12/31/2018	UPPER 55TH ST PROJECT	440.74.5900.740.30300	567.32
STATE OF MN - DEPT. OF TRANS.	P00009823	12/31/2018	0000001298	440.74.5900.740.30300	815.64
Fund: 440 - PAVEMENT MANAGEMENT PROJ					**56,179.23**
EAGAN, CITY OF	12/21/18	12/31/2018	SEPTEMBER-NOVEMBER UTILITIE	441.74.5900.741.40030	4,677.48
GENESIS EMPLOYEE BENEFITS, INC	IN1437197	12/31/2018	Payroll	441.74.5900.741.30550	3.75
Fund: 441 - STORM WATER MANAGEMENT					**4,681.23**
EVERGREEN LAND SERVICES	00-12029	12/31/2018	11/19/18	446.74.5900.746.30300	480.00
EVERGREEN LAND SERVICES	00-12039	12/31/2018	12/6/18	446.74.5900.746.30300	160.00
EVERGREEN LAND SERVICES	00-12047	12/31/2018	12/20/18	446.74.5900.746.30300	176.05
EVERGREEN LAND SERVICES	00-12060	12/31/2018	12/26/18	446.74.5900.746.30300	320.00
LEVANDER, GILLEN & MILLER P.A.	81000E 12/31/18 #1503-65th S	12/31/2018	Legal	446.74.5900.746.30420	1,930.50
LEVANDER, GILLEN & MILLER P.A.	81000E 12/31/18 #1513-Impr F	12/31/2018	Legal	446.74.5900.746.30420	1,116.91
LEVANDER, GILLEN & MILLER P.A.	81000E 12/31/18 #1724 65th &	12/31/2018	Legal	446.74.5900.746.30420	27.00
LEVANDER, GILLEN & MILLER P.A.	81000E 12/31/18 impr Proj. 20	12/31/2018	Legal	446.74.5900.746.30420	121.50
XCEL ENERGY	619408367	12/31/2018	51-0012496770-5	446.74.5900.746.30700	13,487.78
Fund: 446 - NW AREA					**17,819.74**

Vendor Name	Payable Number	Post Date	Description (Item)	Account Number	Amount
BARR ENGINEERING COMPANY	23190218.00-272	12/31/2018	11/29/18	451.75.5900.751.30700	1,013.00
GENESIS EMPLOYEE BENEFITS, INC	IN1437197	12/31/2018	Payroll	451.45.3000.419.30550	3.50
MESSERLI & KRAMER, P.A.	360905	01/15/2019	CASE NO. 22369-00004	451.75.5900.751.30700	3,333.00
Fund: 451 - HOST COMMUNITY FUND					**4,349.50**
JR'S APPLIANCE DISPOSAL	96810	12/31/2018	12/20/18	454.43.5500.446.40025	233.45
Fund: 454 - LANDFILL ABATEMENT					**233.45**
ASSURE CO RISK MANAGEMENT & REGULA	8642	01/15/2019	1/1/19	501.50.7100.512.30700	4,200.00
CITY OF BLOOMINGTON	1900007	01/15/2019	1/2/19	501.50.7100.512.30700	420.00
CORE & MAIN LP	J966992	12/31/2018	099872	501.50.7100.512.75500	865.00
EAGAN, CITY OF	12/21/18	12/31/2018	SEPTEMBER-NOVEMBER UTILITIE	501.50.7100.512.40005	63,797.65
GENESIS EMPLOYEE BENEFITS, INC	IN1437197	12/31/2018	Payroll	501.50.7100.512.30550	40.73
GOPHER STATE ONE-CALL	8120470	12/31/2018	MN00435	501.50.7100.512.30700	171.45
JR'S APPLIANCE DISPOSAL	HYDRANT PERMIT #1816	12/31/2018	REFUND HYDRANT PERMIT #1816	501.207.2070300	(8.07)
JR'S APPLIANCE DISPOSAL	HYDRANT PERMIT #1816	12/31/2018	REFUND HYDRANT PERMIT #1816	501.50.0000.3813000	(113.26)
MN DEPT OF NATURAL RESOURCES	1/15/19 1980-6052	01/15/2019	1980-6052	501.50.7100.512.30700	12,690.32
TYLER TECHNOLOGIES, INC	025-246284	12/31/2018	41443	501.50.7100.512.70440	1,124.38
VERIZON WIRELESS	9820938619	12/31/2018	Telephone	501.50.7100.512.50020	378.70
WATER CONSERVATION SERVICES INC	9117	12/31/2018	1/2/1	501.50.7100.512.40043	450.48
Fund: 501 - WATER UTILITY FUND					**84,017.38**
DAKOTA CTY TREASURER	JANUARY 2019	01/15/2019	JANUARY 2019	502.207.2070100	552.00
EAGAN, CITY OF	12/21/18	12/31/2018	SEPTEMBER-NOVEMBER UTILITIE	502.51.7200.514.40015	49,864.66
GENESIS EMPLOYEE BENEFITS, INC	IN1437197	12/31/2018	Payroll	502.51.7200.514.30550	22.03
METROPOLITAN COUNCIL	0001089849	12/31/2018	5084	502.51.7200.514.40015	163,794.63
TYLER TECHNOLOGIES, INC	025-246284	12/31/2018	41443	502.51.7200.514.70440	1,124.37
Fund: 502 - SEWER UTILITY FUND					**215,357.69**
GENESIS EMPLOYEE BENEFITS, INC	IN1437197	12/31/2018	Payroll	503.52.8000.521.30550	3.50
GENESIS EMPLOYEE BENEFITS, INC	IN1437197	12/31/2018	Payroll	503.52.8500.526.30550	3.50
GENESIS EMPLOYEE BENEFITS, INC	IN1437197	12/31/2018	Payroll	503.52.8600.527.30550	25.50
GENESIS EMPLOYEE BENEFITS, INC	IN1437484	12/31/2018	12/1/18-12/31/18	503.52.8000.521.30550	32.00
MN LIFE INSURANCE CO	JANUARY 2019	01/15/2019	POLICY #0027324	503.52.8000.521.20620	(3.88)
VERIZON WIRELESS	9820938619	12/31/2018	Telephone	503.52.8500.526.50020	206.50
Fund: 503 - INVER WOOD GOLF COURSE					**267.12**
GENESIS EMPLOYEE BENEFITS, INC	IN1437197	12/31/2018	Payroll	602.00.2100.415.30550	2.21
LEVANDER, GILLEN & MILLER P.A.	81000E 12/31/18 Rauschnot Z	12/31/2018	Legal	602.00.2100.415.30420	25,870.73
Fund: 602 - RISK MANAGEMENT					**25,872.94**
EHLERS AND ASSOCIATES, INC.	79219	12/31/2018	12/31/18	603.00.5300.444.70600	4,953.75
GENESIS EMPLOYEE BENEFITS, INC	IN1437197	12/31/2018	Payroll	603.00.5300.444.30550	12.74
INNOVATIVE OFFICE SOLUTIONS	SUM-044557	12/31/2018	S28777	603.00.5300.444.60011	23.49
INNOVATIVE OFFICE SOLUTIONS	SUM-044557	12/31/2018	S28777	603.00.5300.444.60012	62.25
MID CITY SERVICES, INC.	90726	12/31/2018	11/23/18	603.00.5300.444.40065	48.00
NUSS TRUCK AND EQUIPMENT	4578347P	12/31/2018	38679B	603.00.5300.444.40041	190.82
PERFECTION PLUS, INC	1129078	01/15/2019	DECEMBER 2018	603.00.5300.444.40040	442.00
POMP'S TIRE SERVICE, INC.	980055337	12/31/2018	4502557	603.140.1450050	1,862.28
UNIFIRST CORPORATION	090 0457943	12/31/2018	1051948	603.00.5300.444.40065	169.98
UNIFIRST CORPORATION	090 0457943	12/31/2018	1051948	603.00.5300.444.60045	33.50
VERIZON WIRELESS	9820938619	12/31/2018	Telephone	603.00.5300.444.50020	112.75
Fund: 603 - CENTRAL EQUIPMENT					**7,911.56**
INNOVATIVE OFFICE SOLUTIONS	SUM-044557	12/31/2018	S28777	604.00.2200.416.60005	165.60
INNOVATIVE OFFICE SOLUTIONS	SUM-044557	12/31/2018	S28777	604.00.2200.416.60010	2,020.32
Fund: 604 - CENTRAL STORES					**2,185.92**
CULLIGAN	12/31/18 157-98503022-8	12/31/2018	157-98503022-8	605.00.7500.460.60011	131.30
GENESIS EMPLOYEE BENEFITS, INC	IN1437197	12/31/2018	Payroll	605.00.7500.460.30550	3.50
LONE OAK COMPANIES	80754	12/31/2018	UTILITY BILLS	605.00.7500.460.50035	509.29
MAILFINANCE	N7495127	12/31/2018	12/25/18	605.00.7500.460.40044	825.00
MAS COMMUNICATIONS	181200050101	01/15/2019	1/1/19-3/31/19	605.00.7500.460.40040	48.30
PERFECTION PLUS, INC	1129078	01/15/2019	DECEMBER 2018	605.00.7500.460.40040	4,512.08
Fund: 605 - CITY FACILITIES					**6,029.47**
AXON ENTERPRISES, INC.	SI-1569505	12/31/2018	115181	606.00.1400.413.60041	16,405.00
AXON ENTERPRISES, INC.	SI-1569507	12/31/2018	115181	606.00.1400.413.60041	1,600.00
GENESIS EMPLOYEE BENEFITS, INC	IN1437197	12/31/2018	Payroll	606.00.1400.413.30550	30.52
LVC COMPANIES, INC.	SOI.157692	12/31/2018	85892	606.00.1400.413.30700	1,000.00
Fund: 606 - TECHNOLOGY FUND					**19,035.52**
BARR ENGINEERING COMPANY	23190328.17-17	12/31/2018	2017 PROJECT REVIEWS	702.229.2285702	248.00
BARR ENGINEERING COMPANY	23190328.18-10	12/31/2018	2018 PROJECT REVIEWS	702.229.2306802	531.22
COTTONWOOD COUNTY	023020190105	01/15/2019	ISMAIL JAMA HURRE	702.229.2291000	300.00
CULLIGAN	12/31/18 157-98473242-8	12/31/2018	157-98473242-8	702.229.2286300	83.10
EHLERS AND ASSOCIATES, INC.	79220	12/31/2018	12/31/18	702.229.2309402	300.00
EHLERS AND ASSOCIATES, INC.	79221	12/31/2018	12/31/18	702.229.2309402	2,220.00
JR'S APPLIANCE DISPOSAL	HYDRANT PERMIT #1816	12/31/2018	REFUND HYDRANT PERMIT #1816	702.229.2294300	1,000.00

Vendor Name	Payable Number	Post Date	Description (Item)	Account Number	Amount
LEVANDER, GILLEN & MILLER P.A.	81000E 12/31/18 Scenic Hills-	12/31/2018	Legal	702.229.2284602	777.00
LEVANDER, GILLEN & MILLER P.A.	81000E 12/31/18 Forfeiture- Br	12/31/2018	Legal	702.229.2291000	24.00
LEVANDER, GILLEN & MILLER P.A.	81000E 12/31/18 Forfeiture- Do	12/31/2018	Legal	702.229.2291000	24.00
LEVANDER, GILLEN & MILLER P.A.	81000E 12/31/18 Forfeiture- Je	12/31/2018	Legal	702.229.2291000	16.00
LEVANDER, GILLEN & MILLER P.A.	81000E 12/31/18 Forfeiture- Mi	12/31/2018	Legal	702.229.2291000	52.00
LEVANDER, GILLEN & MILLER P.A.	81000E 12/31/18 Forfeiture- Sa	12/31/2018	Legal	702.229.2291000	16.00
LEVANDER, GILLEN & MILLER P.A.	81000E 12/31/18 Forfeiture- Vi	12/31/2018	Legal	702.229.2291000	540.53
LEVANDER, GILLEN & MILLER P.A.	81000E 12/31/18 Forfeiture-An	12/31/2018	Legal	702.229.2291000	16.00
LEVANDER, GILLEN & MILLER P.A.	81000E 12/31/18 Forfeiture-Na	12/31/2018	Legal	702.229.2291000	176.00
LEVANDER, GILLEN & MILLER P.A.	81000E 12/31/18 Forfeiture-Te	12/31/2018	Legal	702.229.2291000	72.00
LEVANDER, GILLEN & MILLER P.A.	81000E 12/31/18 Gerten's Gro	12/31/2018	Legal	702.229.2294602	201.50
LEVANDER, GILLEN & MILLER P.A.	81000E 12/31/18 Holiday Gas :	12/31/2018	Legal	702.229.2293402	33.00
LEVANDER, GILLEN & MILLER P.A.	81000E 12/31/18 Kamish Exc.	12/31/2018	Legal	702.229.2283801	862.00
LEVANDER, GILLEN & MILLER P.A.	81000E 12/31/18 Pine Bend La	12/31/2018	Legal	702.229.2293002	33.00
LEVANDER, GILLEN & MILLER P.A.	81000E 12/31/18 Police-Forfeit	12/31/2018	Legal	702.229.2291000	84.00
LEVANDER, GILLEN & MILLER P.A.	81000E 12/31/18 Robert Curve	12/31/2018	Legal	702.229.2285901	55.00
LEVANDER, GILLEN & MILLER P.A.	81000E 12/31/18 STOR Self St	12/31/2018	Legal	702.229.2296902	76.00
LEVANDER, GILLEN & MILLER P.A.	81000E 12/31/18 VanSchooter	12/31/2018	Legal	702.229.2297602	404.00
LEVANDER, GILLEN & MILLER P.A.	81000E 12/31/18 Wescott Tanl	12/31/2018	Legal	702.229.2308602	44.00
LILLIE SUBURBAN NEWSPAPERS	12/31/18 001363	12/31/2018	Advertising/Publishing	702.229.2296902	20.13
RAMSEY COUNTY SHERIFF'S DEPT	62SUCR17956	01/15/2019	CORINA BURCHILL RILEY	702.229.2291000	100.00
Fund: 702 - ESCROW FUND					**8,308.48**
Grand Total					**2,542,565.35**

AGENDA ITEM 4C

CITY OF INVER GROVE HEIGHTS **REQUEST FOR COUNCIL ACTION**

Consider Approval of Individual Massage Therapist License for Min Su with Sunny Asian Massage, 5798 Blackshire Path

Meeting Date: January 28, 2019
Item Type: Consent
Contact: 651-450-2513
Prepared by: Michelle Tesser
Reviewed by: N/A

Fiscal/FTE Impact:

x	None
	Amount included in current budget
	Budget amendment requested
	FTE included in current complement
	New FTE requested – N/A
	Other

PURPOSE/ACTION REQUESTED: Consider approval of an individual massage therapist license for Min Su at Sunny Asian Massage, 5798 Blackshire Path

SUMMARY:

An application has been submitted by Min Su for an individual therapeutic massage license.

Ms. Su paid the appropriate fees and provided insurance documentation as required by City Code. Ms. Su completed the required number of hours of therapeutic massage training, provided an insurance certificate, and is a member in good standing of a recognized professional therapeutic massage organization.

A background investigation on the applicant revealed no basis for the denial of the request.

AGENDA ITEM 4D

CITY OF INVER GROVE HEIGHTS **REQUEST FOR COUNCIL ACTION**

REQUEST FOR APPROVAL OF RENTAL HOUSING LICENSE

Meeting Date:	January 28, 2019		**Fiscal/FTE Impact:**
Item Type:	Consent	x	None
Contact:	Nicole Cook: 651-450-2491		Amount included in current budget
Prepared by:	Nicole Cook, Rental and Code Compliance Coordinator		Budget amendment requested
Reviewed by:	Joshua Otis, Commander		FTE included in current complement
			New FTE requested – N/A
			Other (Revenue)

PURPOSE/ACTION REQUESTED
The City Council is to consider approval of eight (8) rental licenses.

BACKGROUND
The City Council adopted a rental licensing ordinance that requires all rental property owners to obtain a rental license every two years. The purpose of the ordinance is to assure proper maintenance of structures to preserve neighborhood stability, protect the quality of existing rental housing stock, and maintain property values. The ordinance provides for basic safety and living standards for rentals.

ANALYSIS
The following rental license applications have been submitted:

- JOEL BROWN, PROPERTY MGR: 8555 BACARDI AVE; EMERALD HILLS
- JOEL BROWN, PROPERTY MGR: 7510 CONCORD BLVD; SKYLINE VILLAGE
- LEAH FRENNING, PROPERTY MGR: 3567 CUNEEN TRL; SINGLE FAMILY HOME
- LEAH FRENNING, PROPERTY MGR: 7075 CLEVE AVE; SINGLE FAMILY HOME
- LEAH FRENNING, PROPERTY MGR: 7928 BARBARA AVE; SINGLE FAMILY HOME
- LEAH FRENNING, PROPERTY MGR: 8655 BEVERLY WAY; SINGLE FAMILY HOME
- LEAH FRENNING, PROPERTY MGR: 2853 87TH ST E; SINGLE FAMILY HOME
- LEAH FRENNING; PROPERTY MGR: 8744 CALLAHAN TRL, SINGLE FAMILY HOME

The above applications have been found to be complete. The applications include the necessary fee payments and the BCA background checks. The Inver Grove Heights Police Chief/Designee has also reviewed the license application.

RECOMMENDATIONS
Staff and the Police Chief/Designee recommend approval of the licenses listed above.

AGENDA ITEM 4E

CITY OF INVER GROVE HEIGHTS | **REQUEST FOR COUNCIL ACTION**

Consider Pay Voucher No. 2 for City Project No. 2018-13 – Public Works Maintenance Facility HVAC Improvements

Meeting Date:	January 28, 2019		**Fiscal/FTE Impact:**
Item Type:	Consent		None
Contact:	Scott D. Thureen, 651-450-2571		Amount included in current budget
Prepared by:	Scott D. Thureen, Public Works Director		Budget amendment requested
Reviewed by:	SDT SP		FTE included in current complement
			New FTE requested – N/A
		X	Other: Central Equipment Fund

PURPOSE/ACTION REQUESTED

Consider Pay Voucher No. 2 for City Project No. 2018-13 – Public Works Maintenance Facility HVAC Improvements.

SUMMARY

The contract was awarded in the amount of $164,878 to Grendahl Mechanical, LLC on August 27, 2018 for City Project No. 2018-13.

The contractor has completed the work through December 31, 2018 in accordance with the contract plans and specifications. A letter of recommendation for payment and acceptance (attached) has been provided by SEH, Inc., the design consultant for the project.

I recommend approval of Pay Voucher No. 2 in the amount of $20,900.00 for City Project No. 2018-13.

SDT/kf

Attachments: Letter for SEH, Inc.
Pay Voucher No. 2

SEH

Building a Better World for All of Us®

January 4, 2019

RE: City of Inver Grove Heights, Minnesota
Public Works Building HVAC Improvements
SEH No. INVER 146552

Mr. Scott Thureen
Public Works Director
8150 Barbary Ave
Inver Grove Heights, MN 55077

Dear Scott:

Please find enclosed Application for Payment No. 2 for the referenced project. The quantities completed to date have been reviewed and we hereby recommend approval for payment to Grendahl Mechanical LLC in the amount of $20,900.00. This amount represents 19% of the work completed and material on hand, with 5% held for retainage.

If approved, please sign and forward payment, along with a copy of the signed pay application, to Grendahl Mechanical LLC, retaining the original for City records.

Please don't hesitate to contact me with any questions or comments. Thank you.

Sincerely,

Nicholas J. Brula

Nicholas J. Brula
Project Manager

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APPLICATION AND CERTIFICATE FOR PAYMENT

TO OWNER:
Inver Grove Heights
8150 Barbara Avenue
Inver Grove Heights, MN

FROM CONTRACTOR:
Grendahl Mechanical LLC
7101 York Avenue South, Suite 260
Edina, MN 55435

CONTRACT FOR: HVAC Systems

PROJECT:
Public Works Building I

VIA ARCHITECT:
SEH Architects and Engineers
3535 Vandals Center Drive
St. Paul, MN 55110

APPLICATION #: 1
PERIOD TO: 12/31/18
PROJECT NOS:
CONTRACT DATE: 0

Distribution to:
- [ ] Owner
- [ ] Const. Mgr
- [X] Architect
- [ ] Contractor

CONTRACTOR'S APPLICATION FOR PAYMENT

Application is made for payment, as shown below, in connection with the Contract. Continuation Sheet is attached.

1. ORIGINAL CONTRACT SUM		$ 164,878.00
2. Net change by Change Orders		$ 0.00
3. CONTRACT SUM TO DATE (Line 1 +/- 2)		$ 164,878.00
4. TOTAL COMPLETED & STORED TO DATE (Column G on Continuation Sheet)		$ 32,000.00
5. RETAINAGE:		
a. 5.0% of Completed Work (Columns D+E on Continuation Sheet)	$ 1,600.00	
b. 5.0% of Stored Material (Column F on Continuation Sheet)	$ 0.00	
Total Retainage (Line 5a + 5b or Total in Column 1 of Continuation Sheet		$ 1,600.00
6. TOTAL EARNED LESS RETAINAGE (Line 4 less Line 5 Total)		$ 30,400.00
7. LESS PREVIOUS CERTIFICATES FOR PAYMENT (Line 6 from prior Certificate)		$ 9,500.00
8. CURRENT PAYMENT DUE		$ 20,900.00
9. BALANCE TO FINISH, INCLUDING RETAINAGE (Line 3 less Line 6)	$ 134,478.00	

CHANGE ORDER SUMMARY	ADDITIONS	DEDUCTIONS
Total changes approved in previous months by Owner	$0.00	$0.00
Total approved this Month	$0.00	$0.00
TOTALS	$0.00	$0.00
NET CHANGES by Change Order	$0.00	

The undersigned Contractor certifies that to the best of the Contractor's knowledge, information and belief the Work covered by this Application for Payment has been completed in accordance with the Contract Documents, that all amounts have been paid by the Contractor for Work for which previous Certificates for Payment were issued and payments received from the Owner, and that current payment shown therein is now due.

CONTRACTOR:

By: Date: 12/27/2018

State of: Minnesota
County of: Hennepin
Subscribed and sworn to before me this 21 day of December 2018

JENNIFER LYNN WIDA
NOTARY PUBLIC
MINNESOTA
My Commission Expires Jan. 31, 2021

Notary Public: Jennifer Wida
My Commission expires: 1/31/2021

CERTIFICATE FOR PAYMENT

In accordance with Contract Documents, based on on-site observations and the data comprising application, the Architect certifies to the Owner that to the best of the Architect's knowledge, information and belief the Work has progressed as indicated, the quality of the Work is in accordance with the Contract Documents, and the Contractor is entitled to payment of the AMOUNT CERTIFIED.

AMOUNT CERTIFIED $ 20,900.00

(Attach explanation if amount certified differs from the amount applied for. Initial all figures on this application and on the Continuation Sheet that are changed to conform to the amount certified.)

ARCHITECT:

By: Date: 1/4/19

This Certificate is not negotiable. The AMOUNT CERTIFIED is payable only to the Contractor named herein. Issuance, payment and acceptance of payment are without prejudice to any rights of the Owner of Contractor under this Contract.

CONTINUATION SHEET

ATTACHMENT TO PAY APPLICATION

PROJECT:

Public Works Building HVAC Improvements

APPLICATION NUMBER: 2

APPLICATION DATE: 12/31/2018

PERIOD TO: 31-Dec-18

ARCHITECT'S PROJECT NO: 0

A	B	C	D	E	F	G		H	I
Item No.	Description of Work	Scheduled Value	Work Completed: From Previous Application (D + E)	Work Completed: This Period	Materials Presently Stored (Not In D or E)	Total Completed And Stored To Date (D + E + F)	% (G/C)	Balance To Finish (C - G)	Retainage
1	Admistration, Mobilization and Permits	24,000.00	10,000.00	7,000.00	0.00	17,000.00	71%	7,000.00	850.00
2		0.00	0.00	0.00	0.00	0.00	0%	0.00	0.00
3									
4	>>HVAC <<								
5	Demolition	5,000.00	0.00	1,000.00	0.00	1,000.00	20%	4,000.00	50.00
6	MUA equipment (furnish and install)	61,400.00	0.00	0.00	0.00	0.00	0%	61,400.00	0.00
7	EF equipment (furnish and install)	18,578.00	0.00	0.00	0.00	0.00	0%	18,578.00	0.00
8	Electrical and controls	23,000.00	0.00	10,000.00	0.00	10,000.00	43%	13,000.00	500.00
9	Ductwork fabrication and installation	18,900.00	0.00	0.00	0.00	0.00	0%	18,900.00	0.00
10	Ductwork insulation	14,000.00	0.00	4,000.00	0.00	4,000.00	29%	10,000.00	200.00
11		0.00	0.00	0.00	0.00	0.00	0%	0.00	0.00
12		0.00	0.00	0.00	0.00	0.00	0%	0.00	0.00
13		0.00	0.00	0.00	0.00	0.00	0%	0.00	0.00
14		0	0.00	0.00	0.00	0.00		0.00	0.00
15		0	0.00	0.00	0.00	0.00		0.00	0.00
16	CHANGE ORDERS	0	0.00	0.00	0.00	0.00	0%	0.00	0.00
17		0.00	0.00	0.00	0.00	0.00	0%	0.00	0.00
18		0.00	0.00	0.00	0.00	0.00	0%	0.00	0.00
19		0.00	0.00	0.00	0.00	0.00	0%	0.00	0.00
20		0.00	0.00	0.00	0.00	0.00	0%	0.00	0.00
21		0.00	0.00	0.00	0.00	0.00	0%	0.00	0.00
22		0.00	0.00	0.00	0.00	0.00	0%	0.00	0.00
23		0.00				0.00	0%	0.00	0.00
24		0.00				0.00	0%	0.00	0.00
25						0.00	0%	0.00	0.00
26						0.00	0%	0.00	0.00
27						0.00	0%	0.00	0.00
28						0.00	0%	0.00	0.00
	SUBTOTALS PAGE 2	164,878.00	10,000.00	22,000.00	0.00	32,000.00	19%	132,878.00	1,600.00

AGENDA ITEM 4F

CITY OF INVER GROVE HEIGHTS **REQUEST FOR COUNCIL ACTION**

Consider Resolution Accepting Proposal for Water System Modeling and Review Services from Stantec Consulting Services Inc. (Stantec) for Industrial Equities Site 2 at Outlot C, Gene Worrells Church Acres

Meeting Date:	January 28, 2019		Fiscal/FTE Impact:
Item Type:	Consent	☐	None
Contact:	Thomas J. Kaldunski, 651-450-2572	☐	Amount included in current budget
Prepared by:	Thomas J. Kaldunski, City Engineer	☐	Budget amendment requested
Reviewed by:	Scott D. Thureen, Public Works Director	☐	FTE included in current complement
	SDT	☐	New FTE requested – N/A
		X	Other: Developer provided escrow

PURPOSE/ACTION REQUESTED

Consider resolution accepting proposal for water system modeling and review services from Stantec for Industrial Equities Site 2 at Outlot C, Gene Worrells Church Acres.

SUMMARY

The City has received a development submittal from Industrial Equities for a second building site on Outlot C, Gene Worrells Church Acres. This site is located in the northwest area (NWA) of the City. The water requirements and industrial fire flows are to be met for this industrial site proposal.

Stantec has been selected, as part of the engineering consultant pool, to provide water system modeling review on this project. The attached proposal was received from Stantec for these services. They will do the work outlined in the scope for a not to exceed amount of $3,200. The developer has reviewed the proposal and will be providing this engineering escrow to the City.

It is recommended that the Council adopt the resolution accepting the proposal from Stantec in the amount of $3,200 for storm water review services at Industrial Equities Site 2 – Gene Worrells Church Acres.

TJK/kf

Attachments: Resolution
Sheets C4 and C5
Proposal
Email from John Allen

DAKOTA COUNTY
INVER GROVE HEIGHTS, MINNESOTA

RESOLUTION ACCEPTING A PROPOSAL FOR WATER SYSTEM MODELING AND REVIEW SERVICES FROM STANTEC CONSULTING SERVICES INC. FOR INDUSTRIAL EQUITIES SITE 2 AT OUTLOT C, GENE WORRELLS CHURCH ACRES

RESOLUTION NO. _______

WHEREAS, on January 14, 2019, Stantec Consulting Services Inc. (Stantec) submitted a proposal for water system modeling and review services for Industrial Equities Site 2 at Outlot C, Gene Worrells Church Acres; and

WHEREAS, the Stantec proposal is at a not to exceed amount of $3,200; and

WHEREAS, Industrial Equities will submit an engineering escrow in the amount of $3,200 to cover the cost of the Stantec proposal for water modeling and review services.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF INVER GROVE HEIGHTS, MN THAT:

1. The water system modeling and review proposal for Industrial Equities Site 2 at Outlot C, Gene Worrells Church Acres is hereby accepted by Council and agreeable to Industrial Equities.

2. Funding for the work will be provided from an engineering escrow submitted by Industrial Equities in the amount of $3,200.

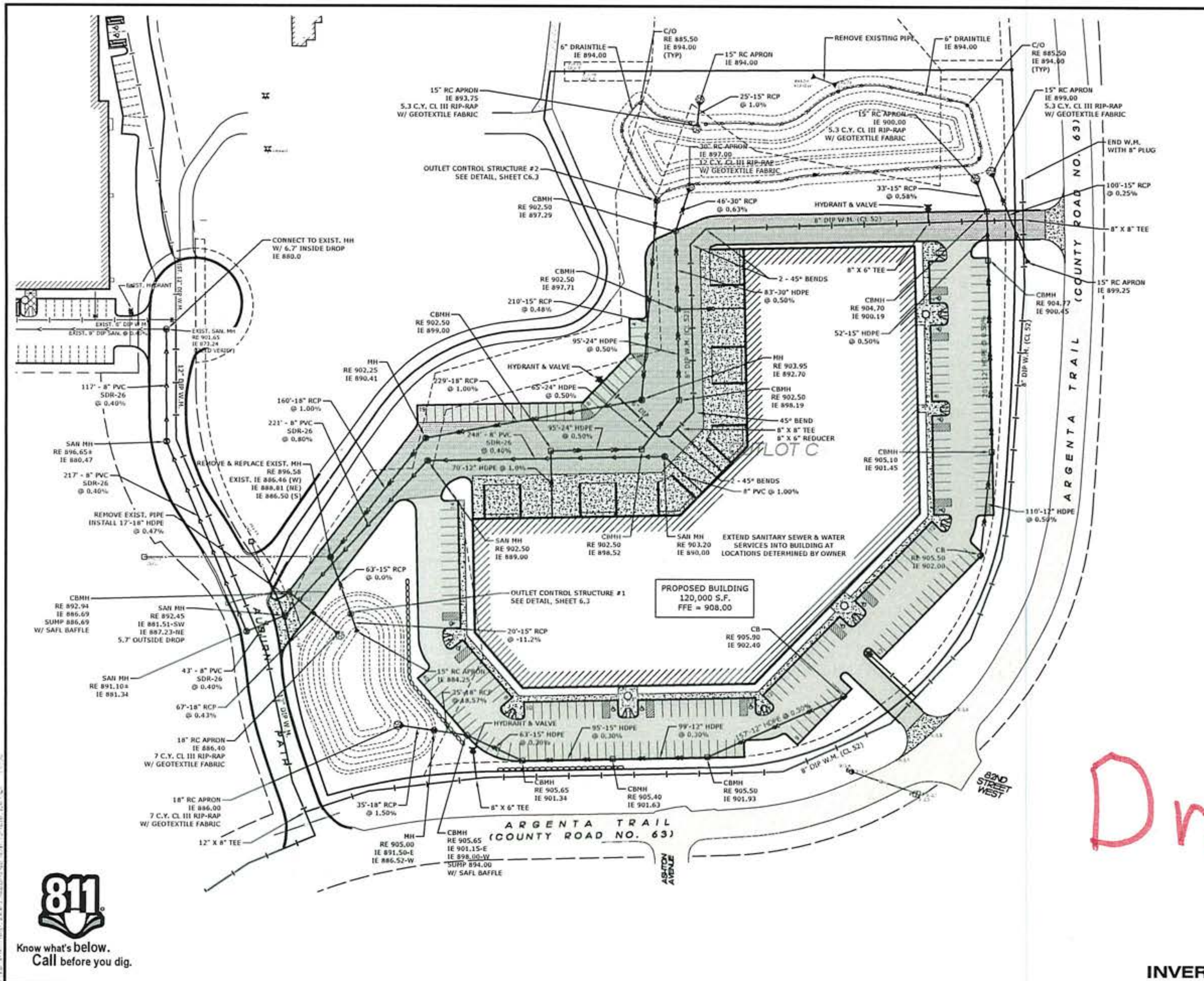
Adopted by the City Council of Inver Grove Heights this 28th day of January 2019

AYES:
NAYS:

____
George Tourville, Mayor

ATTEST:

____
Michelle Tesser, City Clerk



WATER MAIN NOTES

EXISTING WATER MAIN LOCATION AND SIZE SHALL BE VERIFIED IN THE FIELD PRIOR TO CONSTRUCTION. NOTIFY ENGINEER OF ANY DISCREPANCIES PRIOR TO ANY INSTALLATIONS.

PROVIDE PIPE INSULATION WHERE SEWER (SANITARY OR STORM) CROSSES WITHIN 18" OF WATER MAIN.

PROPOSED WATER MAIN SHALL BE DIP CL 52.

MECHANICAL JOINTS SHALL BE USED FOR WATER MAIN PIPES 4" IN DIAMETER AND LARGER. RUBBER GASKETS SHALL CONFORM TO AWWA C111 (ANSI A21.11).

MAINTAIN MINIMUM 8-FT COVER TO TOP OF ALL WATER MAIN PIPE.

TAPS OF LIVE WATER MAINS TO BE DONE BY CITY FORCES; HOWEVER, THEY SHALL BE PAID FOR AND COORDINATED BY THE CONTRACTOR.

ALL COMPONENTS OF THE WATER SYSTEM, UP TO THE WATER METER OR FIRE SERVICE EQUIPMENT, SHALL UTILIZE PROTECTIVE INTERNAL COATINGS MEETING CURRENT ANSI/AWWA STANDARDS FOR CEMENT MORTAR LINING OR SPECIAL COATINGS.

COMBINATION FIRE AND DOMESTIC SERVICES MUST TERMINATE WITH A THREAD-ON FLANGE OR AN MJ-TO-FLANGE ADAPTER.

PROPOSED FIRE HYDRANT AND ASSOCIATED VALVES TO BE INSTALLED PER STANDARD DETAILS STR-01 AND STR-02.

STORM SEWER NOTES

FIELD VERIFY SIZE, ELEVATION, AND LOCATION OF EXISTING STORM SEWER AND NOTIFY ENGINEER OF ANY DISCREPANCIES PRIOR TO ANY INSTALLATIONS.

WHEN CALLED OUT AS PIPE, STORM SEWER SHALL BE REINFORCED CONCRETE PIPE (RCP) ANSI C76 WITH R-4 GASKETS OR, IF ALLOWED BY CITY, HDPE PIPE MAY BE USED. (SEE PLAN FOR LOCATIONS WHERE RCP IS REQUIRED.) HDPE PIPE SHALL MEET THE REQUIREMENTS OF AASHTO M294, TYPE S WITH WATERTIGHT CONNECTIONS. USE SAND/GRANULAR MATERIAL FOR BACKFILLING AND COMPACTION OF HDPE/PVC PIPE IN ACCORDANCE WITH THE REQUIREMENTS OF ASTM 2321.

STORM SEWER LENGTHS INCLUDE THE LAYING LENGTH OF THE FLARED-END SECTION. LAYING LENGTH OF APRON TO BE DEDUCTED FROM PAYMENT LENGTH OF PIPE.

ALL PORTIONS OF THE STORM SEWER SYSTEM LOCATED WITHIN 10 FEET OF THE BUILDING OR WATER SERVICE LINE MUST BE TESTED IN ACCORDANCE WITH MINNESOTA RULES, PART 4715.2820.

STORM SEWER PIPES TO BE JOINED TO THE CATCH BASIN MANHOLES W/ APPROVED RESILIENT RUBBER JOINTS TO MAKE THEM GASTIGHT OR WATERTIGHT. CEMENT MORTAR JOINTS ARE PERMITTED ONLY FOR REPAIRS AND CONNECTIONS OF EXISTING LINES CONSTRUCTED WITH SUCH JOINTS.

PROPOSED RIP-RAP AT CULVERT OUTLETS INTO STORM WATER PONDS TO BE INSTALLED PER STANDARD DETAIL STM-12.

SANITARY SEWER NOTES

EXISTING SANITARY SEWER LOCATION, SIZE, AND ELEVATION SHALL BE VERIFIED IN THE FIELD PRIOR TO CONSTRUCTION. NOTIFY ENGINEER OF ANY DISCREPANCIES PRIOR TO ANY INSTALLATIONS.

PROPOSED SANITARY SEWER SHALL BE PVC SDR-26.

Draft

DRAWN BY	DESIGN BY
C.M.	C.W.P.
CHCKD BY	PROJ. NO.
C.W.P.	18-1610
ORIGINAL DATE	
NOVEMBER 1, 2018	

DATE	REVISION DESCRIPTION

I hereby certify that this plan was prepared by me or under my direct supervision and that I am a duly Licensed Professional Engineer under the laws of the State of Minnesota.

PRELIMINARY

CHARLES W. PLOWE
DATE 01.04.2019 LIC. NO. 18227

INVER GROVE HEIGHTS SITE #2
INVER GROVE HEIGHTS, MN
UTILITY PLAN

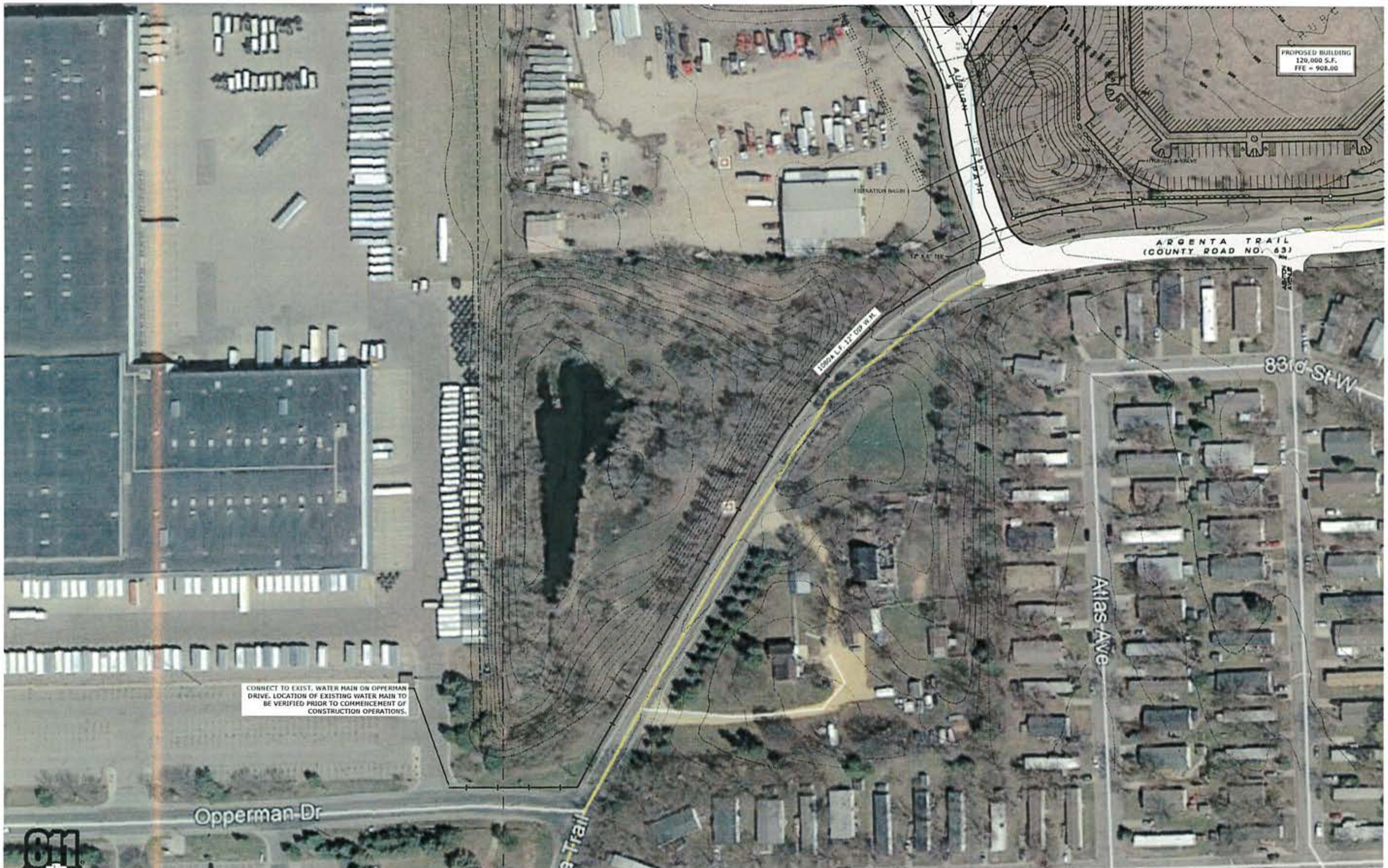
PREPARED FOR
INDUSTRIAL EQUITIES

SITE PLANNING & ENGINEERING
PLOWE ENGINEERING, INC.
6776 LAKE DRIVE
SUITE 110
LINO LAKES, MN 55014
PHONE (651) 361-8210
FAX (651) 361-8701

NORTH
1 INCH = 50 FEET

UTILITY PLAN
INVER GROVE HEIGHTS SITE #2

C4



Know what's below.
Call before you dig.

WATER MAIN CONNECTION AT OPPERMAN DRIVE
INVER GROVE HEIGHTS SITE #2

DRAWN BY C.M.	DESIGN BY C.W.P.
CHCKD BY C.W.P.	PROJ. NO. 18-1610
ORIGINAL DATE NOVEMBER 1, 2018	

DATE	REVISION DESCRIPTION

I hereby certify that this plan was prepared by me or under my direct supervision and that I am a duly Licensed Professional Engineer under the laws of the State of Minnesota.

PRELIMINARY

CHARLES W. PLOWE
DATE 01.04.2019 LIC. NO. 18227

INVER GROVE HEIGHTS SITE #2
INVER GROVE HEIGHTS, MN
WATER MAIN CONNECTION OPPERMAN DRIVE

PREPARED FOR:
INDUSTRIAL EQUITIES

SITE PLANNING & ENGINEERING
PLOWE ENGINEERING, INC.
6776 LAKE DRIVE
SUITE 110
LINO LAKES, MN 55014
PHONE: (651) 361-8210
FAX: (651) 361-8701

NORTH
0 30 60
1 INCH = 60 FEET

C5

Draft

Stantec

Stantec Consulting Services Inc.
733 Marquette Avenue Suite 1000, Minneapolis MN 55402-2309

January 14, 2019
File: 193803143

Attention: Tom Kaldunski
City Engineer
City of Inver Grove Heights
8150 Barbara Ave
Inver Grove Heights
Minnesota 55077

Dear Tom,

Reference: Hydraulic Modeling Evaluation - Industrial Equities Auburn Path

Thank you for the opportunity to serve the City of Inver Grove Heights by evaluating the water system expansion for Industrial Equities Auburn Path. This letter presents Stantec's proposal for engineering services based on the tasks list below.

HYDRAULIC MODEL PROJECT TASKS

- Add Industrial Equities water mains into the existing hydraulic model based on development plans. Model will need to include Eagan water system details from Yankee Doddle Reservoir to the site.
- Review future water connection to Inver Grove Heights water system according to *NW Water Study*.
- Review proposed water mains with respect to potential future water service to adjacent properties.
- Provide a summary of water system pressure and available fire flow in a brief memo to City.

Water system data from the City of Eagan will be required to complete the existing water supply to Industrial Equities site: including water main layout and sizes, reservoir data, pressure zone details.

Stantec proposes to provide the City with professional engineering services required to provide the tasks described above. Stantec will provide services listed for a lump sum price of $3,200.

We are truly grateful for this opportunity to be of service to you and the City. Please contact us if you have any specific questions. If this agreement is acceptable, please sign on the following page and return a copy to us.

Regards,

Stantec Consulting Services Inc.

Jason K Bordewyk

Jason K. Bordewyk PE
Associate, Water
Phone: 612 712 2020
Mobile: 651 775 5164
jason.bordewyk@stantec.com

Reference: Hydraulic Modeling Evaluation - Industrial Equities Auburn Path

By signing this proposal, The City of Inver Grove Heights authorizes Stantec to proceed with the services herein described and the Client acknowledges that it has read and agrees to be bound by the attached Professional Services Terms and Conditions.

This proposal is accepted and agreed on the Day day of January , 2019.

Per: The City of Inver Grove Heights

Tom Kladunski, City Engineer	
Print Name & Title	Signature

Attachment: Professional Services Terms and Conditions

The following Terms and Conditions are attached to and form part of a proposal for services to be performed by Consultant and together, when the CLIENT authorizes Consultant to proceed with the services, constitute the AGREEMENT. Consultant means the Stantec entity issuing the Proposal.

DESCRIPTION OF WORK: Consultant shall render the services described in the Proposal (hereinafter called the "SERVICES") to the CLIENT.

DESCRIPTION OF CLIENT: The CLIENT confirms and agrees that the CLIENT has authority to enter into this AGREEMENT on its own behalf and on behalf of all parties related to the CLIENT who may have an interest in the PROJECT.

TERMS AND CONDITIONS: No terms, conditions, understandings, or agreements purporting to modify or vary these Terms and Conditions shall be binding unless hereafter made in writing and signed by the CLIENT and Consultant. In the event of any conflict between the Proposal and these Terms and Conditions, these Terms and Conditions shall take precedence. This AGREEMENT supercedes all previous agreements, arrangements or understandings between the parties whether written or oral in connection with or incidental to the PROJECT

COMPENSATION: Payment is due to Consultant upon receipt of invoice. Failure to make any payment when due is a material breach of this AGREEMENT and will entitle Consultant, at its option, to suspend or terminate this AGREEMENT and the provision of the SERVICES. Interest will accrue on accounts overdue by 30 days at the lesser of 1.5 percent per month (18 percent per annum) or the maximum legal rate of interest. Unless otherwise noted, the fees in this agreement do not include any value added, sales, or other taxes that may be applied by Government on fees for services. Such taxes will be added to all invoices as required.

NOTICES: Each party shall designate a representative who is authorized to act on behalf of that party. All notices, consents, and approvals required to be given hereunder shall be in writing and shall be given to the representatives of each party.

TERMINATION: Either party may terminate the AGREEMENT without cause upon thirty (30) days notice in writing. If either party breaches the AGREEMENT and fails to remedy such breach within seven (7) days of notice to do so by the non-defaulting party, the non-defaulting party may immediately terminate the Agreement. Non-payment by the CLIENT of Consultant's invoices within 30 days of Consultant rendering same is agreed to constitute a material breach and, upon written notice as prescribed above, the duties, obligations and responsibilities of Consultant are terminated. On termination by either party, the CLIENT shall forthwith pay Consultant all fees and charges for the SERVICES provided to the effective date of termination.

ENVIRONMENTAL: Except as specifically described in this AGREEMENT, Consultant's field investigation, laboratory testing and engineering recommendations will not address or evaluate pollution of soil or pollution of groundwater.

PROFESSIONAL RESPONSIBILITY: In performing the SERVICES, Consultant will provide and exercise the standard of care, skill and diligence required by customarily accepted professional practices normally provided in the performance of the SERVICES at the time and the location in which the SERVICES were performed.

INDEMNITY: The CLIENT releases Consultant from any liability and agrees to defend, indemnify and hold Consultant harmless from nay and all claims, damages, losses, and/or expenses, direct and indirect, or consequential damages, including but not limited to attorney's fees and charges and court and arbitration costs, arising out of, or claimed to arise out of, the performance of the SERVICES, excepting liability arising from the sole negligence of Consultant.

LIMITATION OF LIABILITY: It is agreed that the total amount of all claims the CLIENT may have against Consultant under this AGREEMENT, including but not limited to claims for negligence, negligent misrepresentation and/or breach of contract, shall be strictly limited to the lesser of professional fees paid to Consultant for the SERVICES or $50,000.00. No claim may be brought against Consultant more than two (2) years after the cause of action arose. As the CLIENT's sole and exclusive remedy under this AGREEMENT any claim, demand or suit shall be directed and/or asserted only against Consultant and not against any of Consultant's employees, officers or directors.

Consultant's liability with respect to any claims arising out of this AGREEMENT shall be absolutely limited to direct damages arising out of the SERVICES and Consultant shall bear no liability whatsoever for any consequential loss, injury or damage incurred by the CLIENT, including but not limited to claims for loss of use, loss of profits and/or loss of markets.

INDEMNITY FOR MOLD CLAIMS: It is understood by the parties that existing or constructed buildings may contain mold substances that can present health hazards and result in bodily injury, property damage and/or necessary remedial measures. If, during performance of the SERVICES, Consultant knowingly encounters any such substances, Consultant shall notify the CLIENT and, without liability for consequential or any other damages, suspend performance of services until the CLIENT retains a qualified specialist to abate and/or remove the mold substances. The CLIENT agrees to release and waive all claims, including consequential damages, against Consultant, its subconsultants and their officers, directors and employees arising from or in any way connected with the existence of mold on or about the project site whether during or after completion of the SERVICES. The CLIENT further agrees to indemnify and hold Consultant harmless from and against all claims, costs, liabilities and damages, including reasonable attorneys' fees and costs, arising in any way from the existence of mold on the project site whether during or after completion of the SERVICES, except for those claims, liabilities, costs or damages caused by the sole gross negligence and/or knowing or willful misconduct of Consultant. Consultant and the CLIENT waive all rights against each other for mold damages to the extent that such damages sustained by either party are covered by insurance.

DOCUMENTS: All of the documents prepared by or on behalf of Consultant in connection with the PROJECT are instruments of service for the execution of the PROJECT. Consultant retains the property and copyright in these documents, whether the PROJECT is executed or not. These documents may not be used for any other purpose without the prior written consent of Consultant. In the event Consultant's documents are subsequently reused or modified in any material respect without the prior consent of Consultant, the CLIENT agrees to defend, hold harmless and indemnify Consultant from any claims advanced on account of said reuse or modification.

Any document produced by Consultant in relation to the Services is intended for the sole use of Client. The documents may not be relied upon by any other party without the express written consent of Consultant, which may be withheld at Consultant's discretion. Any such consent will provide no greater rights to the third party than those held by the Client under the contract, and will only be authorized pursuant to the conditions of Consultant's standard form reliance letter.

Consultant cannot guarantee the authenticity, integrity or completeness of data files supplied in electronic format ("Electronic Files"). CLIENT shall release, indemnify and hold Consultant, its officers, employees, Consultant's and agents harmless from any claims or damages arising from the use of Electronic Files. Electronic files will not contain stamps or seals, remain the property of Consultant, are not to be used for any purpose other than that for which they were transmitted, and are not to be retransmitted to a third party without Consultant's written consent.

FIELD SERVICES: Consultant shall not be responsible for construction means, methods, techniques, sequences or procedures, or for safety precautions and programs in connection with work on the PROJECT, and shall not be responsible for any contractor's failure to carry out the work in accordance with the contract documents. Consultant shall not be responsible for the acts or omissions of any contractor, subcontractor, any of their agents or employees, or any other persons performing any of the work in connection with the PROJECT. Consultant shall not be the prime contractor or similar under any occupational health and safety legislation.

GOVERNING LAW/COMPLIANCE WITH LAWS: The AGREEMENT shall be governed, construed and enforced in accordance with the laws of the jurisdiction in which the majority of the SERVICES are performed. Consultant shall observe and comply with all applicable laws, continue to provide equal employment opportunity to all qualified persons, and to recruit, hire, train, promote and compensate persons in all jobs without regard to race, color, religion, sex, age, disability or national origin or any other basis prohibited by applicable laws.

DISPUTE RESOLUTION: If requested in writing by either the CLIENT or Consultant, the CLIENT and Consultant shall attempt to resolve any dispute between them arising out of or in connection with this AGREEMENT by entering into structured non-binding negotiations with the assistance of a mediator on a without prejudice basis. The mediator shall be appointed by agreement of the parties. If a dispute cannot be settled within a period of thirty (30) calendar days with the mediator, if mutually agreed, the dispute shall be referred to arbitration pursuant to laws of the jurisdiction in which the majority of the SERVICES are performed or elsewhere by mutual agreement.

ASSIGNMENT: The CLIENT and Consultant shall not, without the prior written consent of the other party, assign the benefit or in any way transfer the obligations under these Terms and Conditions or any part hereof.

SEVERABILITY: If any term, condition or covenant of the AGREEMENT is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions of the AGREEMENT shall be binding on the CLIENT and Consultant.

Email from J. Allen

Kathy Fischer

From:	Thomas J. Kaldunski, P.E.
Sent:	Tuesday, January 22, 2019 2:10 PM
To:	'John Allen'; Kathy Fischer
Cc:	Mike Edwards; Allan Hunting; Charles Plowe Sr; Dan Helling; Jeff Schadegg; LRose@levander.com
Subject:	RE: Water System Modeling - Industrial Equities - second site on Auburn Path- Escrow

Hi John , Deliver the check to Kathy at the engineering window.

Tom

From: John Allen <jnanaples@gmail.com>
Sent: Tuesday, January 22, 2019 1:10 PM
To: Thomas J. Kaldunski, P.E. <tkaldunski@invergroveheights.org>
Cc: Mike Edwards <medwards@invergroveheights.org>; Allan Hunting <ahunting@invergroveheights.org>; Charles Plowe Sr <chuck@plowe.com>; Dan Helling <dhelling@invergroveheights.org>; Jeff Schadegg <jschadegg@invergroveheights.org>; LRose@levander.com
Subject: Re: Water System Modeling - Industrial Equities - second site on Auburn Path

Thank you Tom by this email I am approving and asking DeeAnn to deliver a check to you today. John

On Tue, Jan 22, 2019 at 12:56 PM Thomas J. Kaldunski, P.E. <tkaldunski@invergroveheights.org> wrote:

Mr. Allen,

The city is reviewing the proposed watermain loop from your first site to the second site and on to a connection on Opperman Drive in Eagan . I have received a proposal from Stantec , our water system consultant . They are prepared to model the water system to ensure adequate fire flows are available to this site with the proposed 12 inch looped main . A copy of their proposal is attached . The budget for this scope is a Note to Exceed amount of $3,200 . This work modeling the system will start once you provide the funds for this activity .

Tom

Tom Kaldunski | City Engineer

Tel: 651-450-2572 | Fax: 651-450-2502

City of Inver Grove Heights | 8150 Barbara Ave | Inver Grove Heights | Minnesota | 55077

AGENDA ITEM 4G

CITY OF INVER GROVE HEIGHTS **REQUEST FOR COUNCIL ACTION**

HONSA SURVEYING – Case No. 18-61VAC

Meeting Date:	January 28, 2019
Item Type:	Consent Agenda
Contact:	Allan Hunting 651.450.2554
Prepared by:	Allan Hunting, City Planner
Reviewed by:	Janice Gundlach, Director

Fiscal/FTE Impact:

X	None
	Amount included in current budget
	Budget amendment requested
	FTE included in current complement
	New FTE requested – N/A
	Other

PURPOSE/ACTION REQUESTED

Consider a Resolution relating to a Vacation of drainage and utility easements within Lot 2, Block 2, Deka Estates

- Requires 4/5th's vote.
- 60-day Deadline: February 8, 2019 (first 60-days)

Holiday Station Stores recently replatted two lots into one. The original Deka Estates lot contains standard five foot perimeter drainage and utility easements. New easements will be dedicated when the new plat is recorded. The old easements need to be vacated.

ANALYSIS

The applicant has provided a map and legal descriptions of the easements that need to be vacated. Engineering and Planning agree that the easements need to be vacated as they no longer serve a purpose.

RECOMMENDATION

Planning Division: Planning and Engineering recommends approval of the request as proposed.

Planning Commission: Recommends approval of the vacation of easements (9-0).

Attachment:

Vacation Resolution
Notice of Completion of Vacation
Planning Commission Recommendation
Planning Report

CITY OF INVER GROVE HEIGHTS
DAKOTA COUNTY, MINNESOTA

RESOLUTION NO. 19-________

RESOLUTION PROVIDING FOR THE VACATION OF PERIMETER DRAINAGE AND UTILITY EASEMENTS WITHIN THE PLAT OF DEKA ESTATES BY RESOLUTION PURSUANT TO MINNESOTA STATUTES SECTION 462.358, SUBD. 7 AND SECTION 412.851

WHEREAS, pursuant to Minnesota Statutes, Section 462.358, Subd. 7 and Minnesota Statutes, Section 412.851, the City Council of the City of Inver Grove Heights desires on its own motion to vacate the following described easement situated in the City of Inver Grove Heights, Dakota County, State of Minnesota, to wit:

> **All drainage and utility easements contained within Lot 2, Block 2, Deka Estates, according to the recorded plat thereof, Dakota County, Minnesota, as delineated and dedicated on said DEKA ESTATES**

WHEREAS, a public hearing on the vacation of the Easement was preceded by two (2) weeks' published and posted notice in accordance with Minnesota Statutes Section 412.851. Notice of the public hearing was mailed to each property owner affected by the proposed vacation at least ten (10) days before the hearing in accordance with Minnesota Statutes Section 412.851.

WHEREAS, a public hearing on the vacation of the Easement was held by the Planning Commission of Inver Grove Heights on January 14, 2019, in the City Council Chambers at 8150 Barbara Avenue, Inver Grove Heights, Minnesota. At the public hearing, all persons interested were afforded an opportunity to present their views and objections to the granting of said petition.

WHEREAS, the Planning Commission of Inver Grove Heights recommended to the Council that it approve the vacation of the Easement.

WHEREAS, the City Council of Inver Grove Heights has determined that the land described in the Easement is no longer needed for the use and purpose recited in the Easement.

WHEREAS, the City Council of Inver Grove Heights has determined that the proposed vacation of said Easement would be in the public interest.

WHEREAS, at least four-fifths majority vote of the City Council is in favor of this resolution.

Resolution No. _________

NOW THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF INVER GROVE HEIGHTS, MINNESOTA:

1. That the City Council of the City of Inver Grove Heights, pursuant to Minnesota Statutes, Section 462.358, Subd. 7 and Minnesota Statutes, Section 412.851, hereby vacates the Easement situate in the City of Inver Grove Heights, Dakota County, Minnesota, to wit:

   All drainage and utility easements contained within Lot 2, Block 2, Deka Estates, according to the recorded plat thereof, Dakota County, Minnesota, as delineated and dedicated on said DEKA ESTATES

2. That the easement vacation authorized by this resolution shall only be effective following the recording of a Notice of Completion, pursuant to Minnesota Statutes, Section 412.851.

Adopted by the City Council of Inver Grove Heights this 28th day of January, 2019.

____
George Tourville, Mayor

ATTEST:

____
Michelle Tesser, City Clerk

CITY OF INVER GROVE HEIGHTS
DAKOTA COUNTY, MINNESOTA

NOTICE OF COMPLETION OF VACATION OF DRAINAGE AND UTILITY EASEMENTS ON LOT 2, BLOCK 2, DEKA ESTATES, DAKOTA COUNTY, MINNESOTA

TO WHOM IT MAY CONCERN:

PLEASE TAKE NOTICE:

1. Pursuant to Minnesota Statutes, Section 462.358, Subd. 7 and Minnesota Statutes, Section 412.851, the City Council of the City of Inver Grove Heights desires, on its own motion, to vacate the following described drainage and utility easements (hereinafter "Drainage & Utility Easements") situated in the City of Inver Grove Heights, Dakota County, State of Minnesota, to wit:

   The platted drainage and utility easements on Lot 2, Block 2, Deka Estates, Dakota County, Minnesota, dedicated to the public in the plat of Deka Estates on file and of record with the office of the County Recorder, Dakota County, Minnesota.

2. A public hearing on said Drainage & Utility Easements vacation was preceded by two (2) weeks published and posted Notice in accordance with Minnesota Statutes, Section 412.851. Notice of the public hearing was mailed to each property owner affected by the proposed vacation at least ten (10) days before the hearing in accordance with Minnesota Statutes, Section 412.851.

3. A public hearing was held by the Planning Commission of Inver Grove Heights on January 15, 2019, in the City Council Chambers at 8150 Barbara Avenue, Inver Grove Heights, Minnesota. At the public hearing, all interested persons were afforded an opportunity to present their views and objections to the granting of the vacation of the Drainage & Utility Easements.

4. At the January 15, 2019 public hearing, the Planning Commission of Inver Grove Heights recommended that the City Council approve the vacation of the Drainage & Utility Easements based on the fact that the proposed vacation of the Drainage & Utility Easements would be in the public interest.

5. On the 28th day of January, 2019, the City Council of Inver Grove Heights pursuant to Minnesota Statutes, Section 412.851, did duly adopt Resolution No. 19-____ thereby vacating the Drainage & Utility Easements described on Exhibit A.

6. That the vacation of Drainage & Utility Easements was completed by the adoption of the aforesaid resolution.

7. Upon information and belief, the undersigned states that the vacation of the Drainage & Utility Easements does affect Lot 2, Block 2, Deka Estates, according to the recorded plat thereof, Dakota County, Minnesota.

IN WITNESS WHEREOF, the City Clerk of the City of Inver Grove Heights has executed this Notice of Completion of Vacation pursuant to Minnesota Statutes Section 412.851.

CITY OF INVER GROVE HEIGHTS

By: ______________________________
Michelle Tesser, City Clerk

STATE OF MINNESOTA)
) ss.
COUNTY OF DAKOTA)

On this 28th day of January, 2019, before me a Notary Public within and for said County, personally appeared Michelle Tesser, City Clerk of the City of Inver Grove Heights, to me known to be the person described in and who executed the foregoing instrument and acknowledged that she executed the same as her free act and deed.

____
Notary Public

EXHIBIT A
DRAINAGE AND UTILITY EASEMENT BEING VACATED

The platted drainage and utility easements on Lot 2, Block 2, Deka Estates, Dakota County, Minnesota, dedicated to the public in the plat of Deka Estates on file and of record with the office of the County Recorder, Dakota County, Minnesota.

THIS INSTRUMENT DRAFTED BY:
Timothy J. Kuntz
IGH City Attorney
LeVander, Gillen, & Miller, P.A.
633 South Concord Street, Suite 400
South St. Paul, MN 55075
(651) 451-1831

AFTER RECORDING, PLEASE RETURN DOCUMENT TO:
Timothy J. Kuntz
IGH City Attorney
LeVander, Gillen & Miller, P.A.
633 South Concord Street, Suite 400
South St. Paul, MN 55075
(651) 451-1831

RECOMMENDATION TO
CITY OF INVER GROVE HEIGHTS

TO: Mayor and City Council of Inver Grove Heights

FROM: Planning Commission

DATE: January 14, 2019

SUBJECT: **HONSA SURVEYING – CASE NO. 18-61VAC**

Reading of Notice
Commissioner Simon read the public hearing notice to consider the request for a vacation of drainage and utility easements on Lot 2, Block 2 Deka Estates, for the property located south of 7020 South Robert Trail. 5 notices were mailed.

Presentation of Request
Allan Hunting, City Planner, explained the request as detailed in the report. He advised that last year Holiday Station Stores replatted two parcels as part of the approvals for the gas station reconstruction. During that process the City inadvertently neglected to vacate existing public easements on the southerly lot. Staff recommends approval of the request.

Opening of Public Hearing
There was no public testimony.

Chair Maggi closed the public hearing.

Planning Commission Recommendation
Motion by Commissioner Wippermann, second by Commissioner Simon, to approve the request for a vacation of drainage and utility easements on Lot 2, Block 2 Deka Estates, for the property located south of 7020 South Robert Trail.

Motion carried (9/0). This item goes to the City Council on January 28, 2019.

PLANNING REPORT
CITY OF INVER GROVE HEIGHTS

CASE NO: 18-61VAC

HEARING DATE: January 14, 2019

APPLICANT/PROPERTY OWNER: Honsa Surveying/Fuel Oil Service Company

REQUEST: A Vacation of public drainage and utility easements

LOCATION: Northeast corner of Hwy 3 and 70th Street

COMPREHENSIVE PLAN: Mixed Use

ZONING: B-3, General Business

REVIEWING DIVISIONS: Planning

PREPARED BY: Allan Hunting
City Planner

BACKGROUND

Last year, Holiday Station Stores replatted two parcels as part of the approvals for the gas station reconstruction. The original Deka Estates plat contained standard five foot perimeter drainage and utility easements around the parcel.

When the new plat (Holiday Station Store Inver Grove Heights) was created, the old lot lines and easements were erased. Public easements on a plat are not automatically erased when land is resubdivided. The old perimeter easements in Deka Estates need to be vacated by the City as they run through lots in the new plat.

The applicant has provided a map and legal descriptions of the easements that need to be vacated. Engineering and Planning agree that the easements need to be vacated as they no longer serve a purpose. The new plat contains all necessary drainage and utility easements.

ALTERNATIVES

A. Approval: If the Planning Commission finds the application acceptable, the following request should be recommended for approval:

- Approval of a **Vacation** of all existing perimeter drainage and utility easements within Lot 2, Block 2, Deka Estates.

B. Denial. If the Planning Commission does not favor the proposed application, the above requests should be recommended for denial. With a recommendation for denial, findings or the basis for the denial should be given.

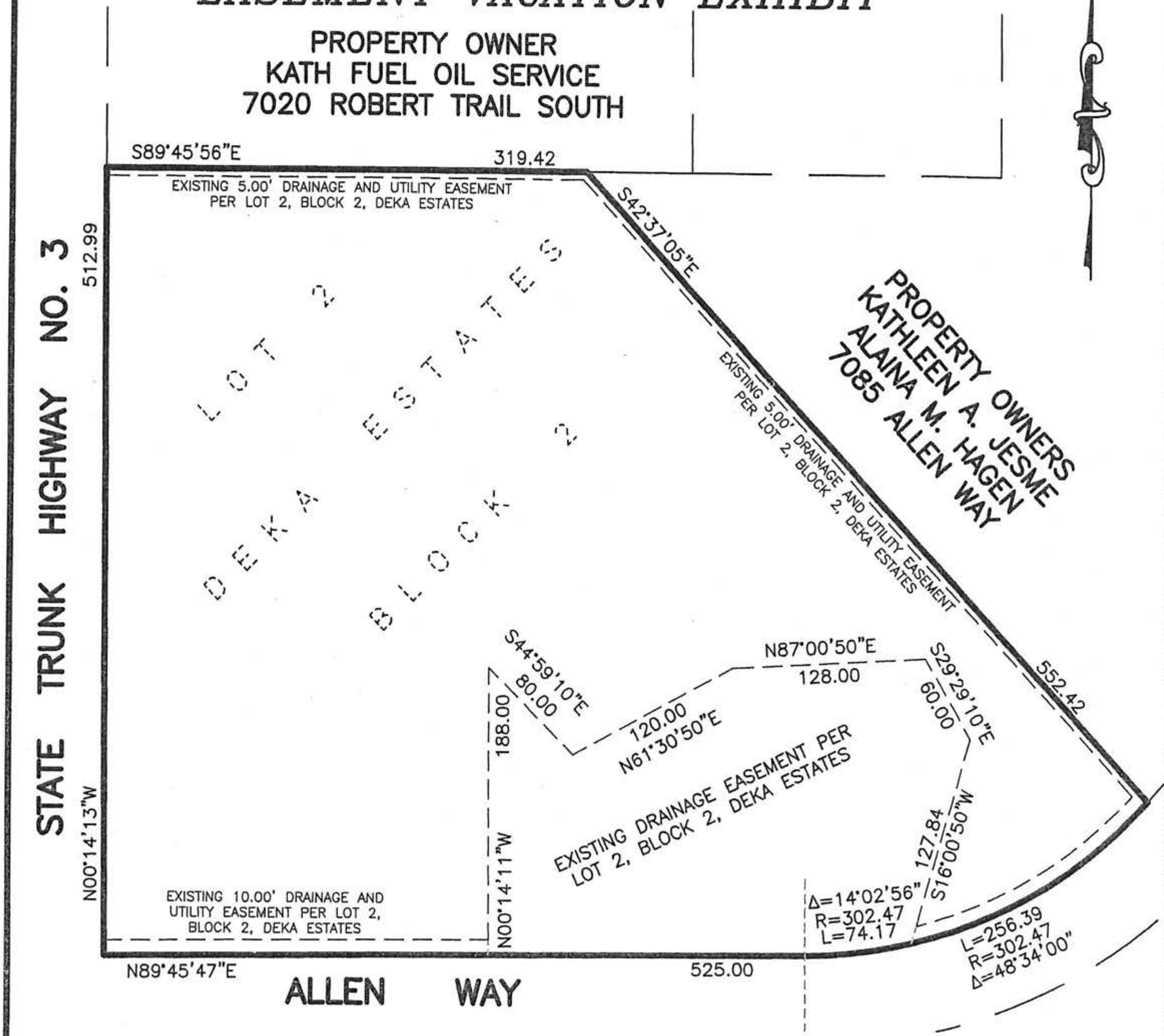
RECOMMENDATION

Planning and Engineering recommend approval of the vacation of the drainage and utility easements.

Attachments: Location map
Drainage and Utility Easement Vacation Exhibit
New Plat of Holiday Station Stores Inver Grove Heights

Location Map
Case No. 18-61

DRAINAGE AND UTILITY EASEMENT VACATION EXHIBIT



LEGAL DESCRIPTION:

ALL DRAINAGE EASEMENTS AND DRAINAGE AND UTILITY EASEMENTS CONTAINED WITHIN LOT 2, BLOCK 2, DEKA ESTATES ACCORDING TO THE PLAT ON FILE AND OF RECORD IN THE OFFICE OF THE COUNTY RECORDER, DAKOTA COUNTY, MINNESOTA.

NARRATIVE:

LOT 2, BLOCK 2, DEKA IS BEING REPLATTED AND A LARGE PORTION OF SAID LOT 2 WILL BECOME "OUTLOT A" PER THE NEW PLAT OF "HOLIDAY STATION STORE INVER GROVE HEIGHTS" AND BE COMPLETELY COVERED WITH A DRAINAGE AND UTILITY EASEMENT PER THE NEW PLAT OF "HOLIDAY STATION STORE INVER GROVE HEIGHTS".

100 0 100

SCALE : 1" = 100'

JOB NO: HOLIDAY IGH DU 2018

HONSA SURVEYING

1592 PACIFIC AVENUE, EAGAN, MN 55122 (651) 492-6725

HOLIDAY STATION STORE INVER GROVE HEIGHTS

KNOW ALL PERSONS BY THESE PRESENTS: THAT KATH FUEL OIL SERVICE CO. A MINNESOTA CORPORATION, OWNER OF THE FOLLOWING DESCRIBED PROPERTY:

COMMENCING AT THE NORTHWEST CORNER OF SECTION 8, TOWNSHIP 27, RANGE 22, DAKOTA COUNTY, MINNESOTA ACCORDING TO THE GOVERNMENT SURVEY THEREOF THENCE RUNNING EAST 450.00 FEET; THENCE SOUTH 250.00 FEET; THENCE WEST 450.00 FEET; THENCE NORTH 250.00 FEET TO THE POINT OF BEGINNING.

TOGETHER WITH

LOT2, BLOCK 2, DEKA ESTATES ACCORDING TO THE PLAT ON FILE AND OF RECORD IN THE OFFICE OF THE COUNTY RECORDER, DAKOTA COUNTY, MINNESOTA.

HAVE CAUSED THE SAME TO BE SURVEYED AND PLATTED AS HOLIDAY STATION STORE INVER GROVE HEIGHTS AND DOES HEREBY AND DEDICATE TO THE PUBLIC FOR PUBLIC USE THE PUBLIC WAY AND THE DRAINAGE UTILITY EASEMENTS AS CREATED BY THIS PLAT

SIGNED; KATH FUEL OIL SERVICE CO. A MINNESOTA CORPORATION

IN WITNESS WHEREOF SAID STEPHEN R. DAHL, PRESIDENT, KATH FUEL OIL SERVICE CO., A MINNESOTA CORPORATION HAS HEREUNTO SET HIS HAND THIS ___ DAY OF ______, 2018.

BY ______________________________
STEPHEN R. DAHL, PRESIDENT, KATH FUEL OIL SERVICE CO.

STATE OF MINNESOTA
COUNTY OF ______________
THIS INSTRUMENT WAS ACKNOWLEDGED BEFORE ME ON ______________ BY STEPHEN R. DAHL, PRESIDENT, KATH FUEL OIL SERVICE CO.

____

NOTARY NAME ______________

NOTARY PUBLIC ______________

MY COMMISSION EXPIRES ______________

I DENNIS M. HONSA DO HEREBY CERTIFY THAT THIS PLAT WAS PREPARED BY ME OR UNDER MY DIRECT SUPERVISION; THAT I AM A DULY LICENSED LAND SURVEYOR IN THE STATE OF MINNESOTA; THAT THIS PLAT IS A CORRECT REPRESENTATION OF THE BOUNDARY SURVEY; THAT ALL MATHEMATICAL DATA AND LABELS ARE CORRECTLY DESIGNATED ON THIS PLAT; THAT ALL MONUMENTS DEPICTED ON THIS PLAT HAVE BEEN, OR WILL BE CORRECTLY SET WITHIN ONE YEAR; THAT ALL WATER BOUNDARIES AND WET LANDS, AS DEFINED IN MINNESOTA STATUTES, SECTION 505.01, SUBD. 3, AS OF THE DATE OF THIS CERTIFICATE ARE SHOWN AND LABELED ON THIS PLAT; AND ALL PUBLIC WAYS ARE SHOWN AND LABELED ON THIS PLAT.

DATED THIS ______ DAY OF ________, 2018.

BY ______________________________
DENNIS M. HONSA, LICENSED LAND SURVEYOR
MINNESOTA LICENSE NO. 22440

STATE OF MINNESOTA
COUNTY OF ______________
THIS INSTRUMENT WAS ACKNOWLEDGED BEFORE ME ON ______________ BY STEPHEN R. DAHL, PRESIDENT, KATH FUEL OIL SERVICE CO.

____

NOTARY NAME ______________

NOTARY PUBLIC ______________

MY COMMISSION EXPIRES ______________

INVER GROVE HEIGHTS PLANNING COMMISSION
BE IT KNOWN THAT AT A MEETING HELD ON THIS _____ DAY _______ OF 2018, THE PLANNING COMMISSION OF THE CITY OF INVER GROVE HEIGHTS, MINNESOTA, DID HEREBY APPROVE THIS PLAT OF HOLIDAY STATION STORE INVER GROVE HEIGHTS.

BY ______________________ CHAIRMAN BY ______________________ SECRETARY

DAKOTA COUNTY PLANNING COMMISSION
BE IT KNOWN THAT AT A MEETING HELD ON THIS _____ DAY _______ OF 2018, THE PLANNING COMMISSION OF THE COUNTY OF DAKOTA, MINNESOTA, DID HEREBY APPROVE THIS PLAT OF HOLIDAY STATION STORE INVER GROVE HEIGHTS.

BY ______________________ CHAIRMAN BY ______________________ SECRETARY

CITY COUNCIL, CITY OF INVER GROVE HEIGHTS, MINNESOTA

THIS PLAT OF HOLIDAY STATION STORE INVER GROVE HEIGHTS WAS APPROVED AND ACCEPTED BY THE CITY COUNCIL OF THE CITY OF INVER GROVE HEIGHTS, MINNESOTA AT A REGULAR MEETING THEREOF HELD THIS _______ DAY OF ________, 2018, AND SAID PLAT IS IN COMPLIANCE WITH THE PROVISIONS OF MINNESOTA STATUTES, SECTION 505.03, SUBD. 2.

CITY COUNCIL, CITY OF INVER GROVE HEIGHTS,, MINNESOTA

BY: ______________________ BY: ______________________
MAYOR CLERK

COUNTY SURVEYOR

I HEREBY CERTIFY THAT IN ACCORDANCE WITH MINNESOTA STATUTES, SECTION 505.021, SUBD. 11, THIS PLAT HAS BEEN REVIEWED AND APPROVED THIS ________ DAY OF ________, 2018.

BY: ______________________
TODD B. TOLEFSON
DAKOTA COUNTY SURVEYOR

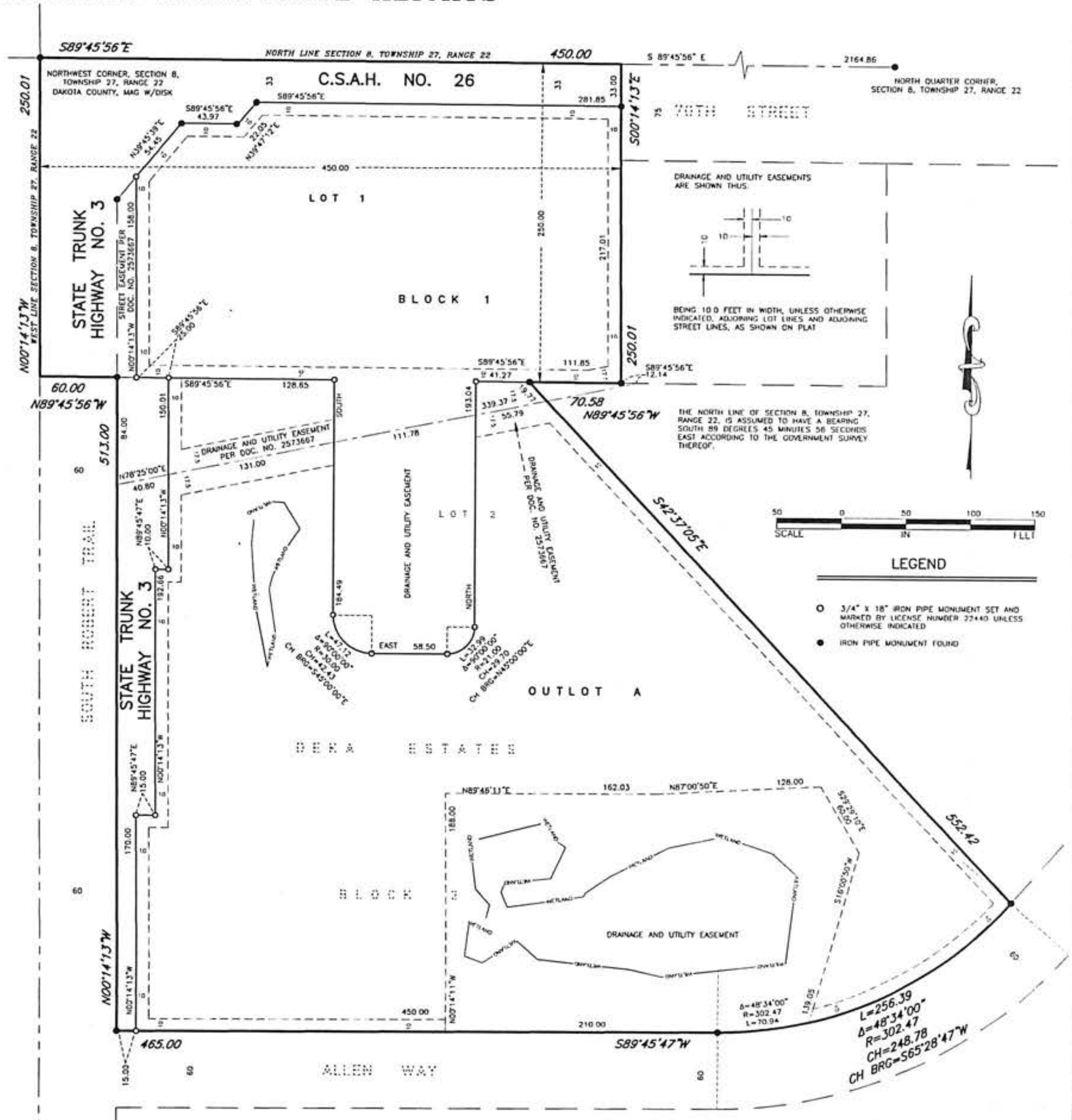
DEPARTMENT OF PROPERTY TAXATION AND RECORDS

PURSUANT TO MINNESOTA STATUES, SECTION 505.021, SUBD. 9, TAXES PAYABLE IN THE YEAR 2018 ON THE LAND HEREIN DESCRIBED HAVE BEEN PAID. ALSO PURSUANT TO MINNESOTA STATUES, SECTION 272.12, THERE ARE NO DELINQUENT TAXES AND TRANSFER ENTERED ON THIS _______ DAY OF ___________ 2018

COUNTY RECORDER

I, HEREBY CERTIFY THAT THIS PLAT OF HOLID STATION STORE INVER GROVE HEIGHTS WAS FILED IN THE OFFICE OF THE THE COUNTY RECORDER FOR PUBLIC RECORD ON THIS ______ DAY OF __________ 2018, AT ______ O'CLOCK ____M., AND WAS DULY FILED IN BOOK __________ OF PLATS, PAGE ________, AS DOCUMENT NUMBER ______________ 2018.

BY: ______________________ BY: ______________________
COUNTY RECORDER, DAKOTA COUNTY, MINNESOTA DEPUTY



HONSA SURVEYING
1592 PACIFIC AVENUE, EAGAN, MN (651) 492-6725

AGENDA ITEM 4H

CITY OF INVER GROVE HEIGHTS **REQUEST FOR COUNCIL ACTION**

Consider Purchase of Golf Car Fleet

Meeting Date:	January 28, 2019		**Fiscal/FTE Impact:**
Item Type:	Consent Agenda		None
Contact:	Matt Moynihan – 651.450.4320	X	Amount included in current budget
Prepared by:	Matt Moynihan		Budget amendment requested
Reviewed by:	Eric Carlson – Parks & Recreation		FTE included in current complement
	Kristi Smith		New FTE requested – N/A
			Other

PURPOSE/ACTION REQUESTED
Consider approval of bid for replacement of golf car fleet.

SUMMARY
Bids were accepted on January 14, 2019 for the purchase of 70 fleet cars, 2 Starter/Ranger cars, and 2 Beverage Cars for scheduled replacement of the Inver Wood golf car fleet. The low bidder, Yamaha Golf & Utility, has submitted the purchase price minus our current fleet trade in amount. The golf cars are scheduled for delivery April 1, 2019. The bids were as follows:

Bidder	Price
Yamaha Quietech (EFI)	$205,560.00
Club Car	$228,885.31
Versatile Vehicles (EZ-GO)	$217,000.00

The Inver Wood golf car fleet is scheduled for replacement this year as contemplated by the annual budget. The current fleet has been in use since the 2011 golf season. This fleet will no longer operate efficiently or provide consistent customer satisfaction.

Inver Wood Golf Course recommends council approval of the bid from Yamaha Golf & Utility in the amount of $205,560.00. The purchase of the golf cars will be financed by the Central Equipment Fund and paid back with golf course revenues over a six-year period. The annual payment amount will be $34,260.

AGENDA ITEM 4I

CITY OF INVER GROVE HEIGHTS **REQUEST FOR COUNCIL ACTION**

Consider Purchase of Golf Course Capital Equipment

Meeting Date:	January 28, 2019		**Fiscal/FTE Impact:**
Item Type:	Consent Agenda		None
Contact:	Eric Carlson 651.450.2587	X	Amount included in current budget
Prepared by:	Joel Metz		Budget amendment requested
Reviewed by:	Kristi Smith		FTE included in current complement
	Eric Carlson		New FTE requested – N/A
			Other

PURPOSE/ACTION REQUESTED
Consider approval of equipment purchase and financing for golf course maintenance equipment.

SUMMARY
In 2018 Inver Wood purchased 2 pieces of equipment and are currently repaying that balance. Unfortunately, it is time to replace another fairway unit (2004) and we believe this is also the time to incorporate “light weight greens rollers” into our agronomic program. We have budgeted $90,000 to replace and add these 3 pieces of equipment.

We are proposing the following:

Equipment	**Brand**	**Budget**	**State Contract/IPA Pricing**
(2) Greens Pro 1260	Toro	$35,000	$30,538.00
Reelmaster 3575-D (fairway)	Toro	$55,000	$50,144.98
Sub Total		*$90,000*	*$80,682.98*
Trade			($2,500)
Sales Tax			$5,570.54
Total Purchase Price			**$83,753.52**

This equipment purchase will be financed internally with a loan from the Central Equipment Fund to be repaid over 3-years from golf course revenues as follows:

Year	**Amount Paid**
2019	$27,917.84
2020	$27,917.84
2021	$27,917.84
Total	**$83,753.52**

AGENDA ITEM 4J

CITY OF INVER GROVE HEIGHTS **REQUEST FOR COUNCIL ACTION**

CONSIDER A RESOLUTION AND AUTHORIZE EXECUTION OF A TAX INCREMENT FINANCING DEVELOPMENT AGREEMENT AND ESCROW AGREEMENT WITH HAMPTON SENIOR CARE OF INVER GROVE HEIGHTS, LLC CONCERNING THE SCENIC HILLS DEVELOPMENT

Meeting Date: January 28, 2019
Item Type: Consent
Prepared by: Janice Gundlach, CD Director
Reviewed by: Janice Gundlach, CD Director
Contact: 651-450-2546

Fiscal/FTE Impact:

	None
	Amount included in current budget
	Budget amendment requested
	FTE included in current complement
	New FTE requested – N/A
x	Other

PURPOSE/ACTION REQUESTED

Adopt the Resolution provided and authorize the Mayor and City Administrator to Execute a Tax Increment Financing Development Agreement and Escrow Agreement with Hampton Senior Care of Inver Grove Heights, LLC.

Council also authorizes future revisions to the TIF Development Agreement should Dakota County be unwilling to execute the Minimum Assessment Agreement. These revisions would be limited to removal of the Minimum Assessment Agreement and replacement of language that would in effect prohibit the developer from contesting a project valuation below $4,320,000.

SUMMARY

On December 10, 2018 the City Council adopted Resolution 18-265 authorizing execution of a Tax Increment Financing Development Agreement with Dignicare Properties of Inver Grove Heights, LLC providing a $1.5 million loan to facilitate construction of a 32-unit senior rental facility. Since that time, the following events have occurred:

- The developer changed the name of the senior entity from Dignicare Properties of Inver Grove Heights to Hampton Senior Care of Inver Grove Heights, LLC.
- The developer's lender has requested the loan proceeds be placed into an escrow account prior to their disbursement following completion of certain improvements. The City's TIF attorney drafted the attached Escrow Agreement to ensure the City would get the loan proceeds returned should the developer fail to meet the obligations outlined in the TIF agreement (install lift station and connect to force main). Release of the funds from the escrow to the developer will only occur once the City authorizes the release to the escrow agent.
- The developer's lender, upon finalizing the construction financing, has requested revisions to the TIF Agreement to reflect the escrow arrangement for funds disbursement. The City's attorney has reviewed and approved all document revisions and these revisions are considered non-substantive.
- Dakota County has been non-committal regarding allowing the Minimum Assessment Agreement. The TIF statute technically states these agreements can only be executed if they are in association with a TIF District, but the City's attorney believes there is room for interpretation being the loan proceeds are funded by TIF from another district in accordance with pooling allowances on affordable housing. The Minimum Assessment Agreement also provides an added layer of security for the City's investment. If the County won't execute the Minimum Assessment Agreement (because they value

property), the agreement can be revised to remove the Minimum Assessment Agreement and, instead prohibit the developer from seeking an assessed market value less than $4,320,000.

All other deal parameters remain unchanged, including:

- The loan source is excess increment from TIF District No. 4-1 and is needed to help offset additional costs associated with Northwest Area development fees and construction of a lift-station and force-main sewer.
- The loan terms consist of a 20-year amortization schedule, but with a balloon payment at the end of year five. The loan will be interest-only for the first 18-months, then principal and interest payments thereafter. Interest will accrue at a fixed-rate of 5% annually. Payments will be made semi-annually.
- The City will not release funds (from the escrow) until the lift-station is installed and accepted by the City Engineer (with a monetary hold-back until the force main connection is made).
- The Developer Note is provided as Exhibit D to the TIF Development Agreement.
- The Note will be secured by a 2nd mortgage (Exhibit E). For the developer to secure their construction financing, the City agrees within the TIF Agreement to subordinate its interest to the 1st mortgage holder. The Subordination Agreement is attached.
- In order to meet the affordable housing requirements, the applicant agrees to execute a Declaration of Restrictive Covenants requiring annual reporting that at least 7 of the 32 units meets income and rent restrictions at 50% of the area median income.

By authorizing execution of the TIF Development Agreement and Escrow Agreement, the Council also authorizes execution of a Subordination Agreement, Consent to Assignment of TIF Development Agreement & Escrow Agreement, and a Minimum Assessment Agreement.

ATTACHMENTS

Resolution
TIF Development Agreement (revised)
Escrow Agreement
Subordination Agreement
Consent to Assignment of TIF Development Agreement & Escrow Agreement
Minimum Assessment Agreement

CITY OF INVER GROVE HEIGHTS
COUNTY OF DAKOTA
STATE OF MINNESOTA

RESOLUTION NO. __________

RESOLUTION APPROVING AND AUTHORIZING THE EXECUTION OF A DEVELOPMENT AGREEMENT WITH HAMPTON SENIOR CARE OF INVERGROVE HEIGHTS LLC

WHEREAS, the City of Inver Grove Heights, Minnesota (the "City") has established Tax Increment Financing District No. 4-1 (the "Pooling TIF District") within the expanded Development District No. 4 (the "Development District"), and adopted a Tax Increment Financing Plan (the "TIF Plan") for the purpose of financing certain improvements within the Development District pursuant to Minnesota Statutes, Sections 469.124 to 469.134, as amended, and 469.174 to 469.1794, as amended;

WHEREAS, the City has received a proposal from Hampton Senior Care of Invergrove Heights LLC, a Minnesota limited liability company (the "Developer"), that the City assist the Developer in the acquisition, construction, and equipping of an approximately 32-unit multifamily rental housing development and functionally related facilities to be located at 1407 80th Street East in the City, and the construction of a lift station (the "Project");

WHEREAS, the City has determined that it is reasonable and necessary to provide certain financial assistance to the Developer in order to facilitate Developer's plans for the Project, and to that end, has caused to be prepared a Development Agreement by and between the City and the Developer (the "Development Agreement") setting forth the terms and conditions under which the City will provide tax increment financing assistance for the Project (the "TIF Loan"); and

WHEREAS, pursuant to a resolution adopted December 10, 2018, the City approved execution of the Development Agreement; and

WHEREAS, the Developer has subsequently requested changes to provisions of the Development Agreement related to disbursement of the TIF Loan, including the deposit of the TIF Loan funds into an escrow account pursuant to an Escrow Agreement between the Developer, the City and a title company (the "Escrow Agreement") and disbursement of a portion of the TIF Loan funds at the time of completion of the lift station (rather than at completion of the Project); and

WHEREAS, in addition, the Developer's lender has requested that the City subordinate its rights to repayment of and security for the TIF Loan and consent to a collateral assignment of the Development Agreement and Escrow Agreement as security for the Developer's primary financing for the Project.

NOW, THEREFORE, BE IT RESOLVED by the City Council (the "Council") of the City of Inver Grove Heights, Minnesota (the "City"), as follows:

Section 1. Approval of Development Agreement and Related Documents.

1.01. The City finds and determines that the tax increment financing assistance to be provided to the Developer under the Development Agreement for the Project is in the public interest and will further the objectives of its general plan of economic development, housing development and redevelopment of the City, because it will provide increased affordable housing opportunities in the City, held address the need for life-cycle housing within the City and serve as an impetus for further development.

1.02. The City hereby approves the Development Agreement substantially in accordance with the terms set forth in the form presented to this Council, together with any related documents necessary in connection therewith, including without limitation the Escrow Agreement, a subordination agreement, a consent to the Developer's collateral assignment and the documents attached as exhibits to the Development Agreement (collectively, the "Development Documents") and hereby authorizes the Mayor and City Administrator to negotiate the final terms thereof and, in their discretion and at such time as they may deem appropriate, to execute the Development Documents on behalf of the City, and to carry out, on behalf of the City, the City's obligations thereunder when all conditions precedent thereto have been satisfied.

1.03. The approval hereby given to the Development Documents 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 legal counsel to the City and by the officers authorized herein to execute said documents prior to their execution; and said officers are hereby authorized to approve said changes on behalf of the City. The execution of any instrument by the appropriate officers of the City herein authorized shall be conclusive evidence of the approval of such document in accordance with the terms hereof. In the event of absence or disability of the authorized officers, any of the documents authorized by this Resolution to be executed may be executed without further act or authorization of the Council by any duly designated acting official, or by such other officer or officers of the Council as, in the opinion of counsel to the City, may act in their behalf.

1.04. Upon execution and delivery of the Development Documents, the officers and employees of the City are hereby authorized and directed to take or cause to be taken such actions as may be necessary on behalf of the City to implement the Development Documents, when all conditions precedent thereto have been satisfied, including without limitation the payment of tax increments as provided therein.

1.05. The Council hereby determines that the execution and performance of the Development Documents will help realize the public purposes of the Act.

1.06 The resolution adopted by the Board on December 10, 2018 related to approving the Development Documents, is superseded and replaced by this Resolution.

Approved by the City Council of the City of Inver Grove Heights this 28th day of January, 2019.

____
Mayor

ATTEST:

____
City Administrator

TIF DEVELOPMENT AGREEMENT

Between

CITY OF INVER GROVE HEIGHTS, MINNESOTA,

and

HAMPTON SENIOR CARE OF INVERGROVE HEIGHTS LLC,

Dated as of: January ___, 2019

This document was drafted by:
KENNEDY & GRAVEN, Chartered (JSB)
470 U.S. Bank Plaza
200 South Sixth Street
Minneapolis, Minnesota 55402
Telephone: 612-337-9300

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TIF DEVELOPMENT AGREEMENT

THIS TIF DEVELOPMENT AGREEMENT, made on or as of the ___ day of January, 2019, by and among the CITY OF INVER GROVE HEIGHTS, MINNESOTA, Minnesota municipal corporation (the "City"), and HAMPTON SENIOR CARE OF INVERGROVE HEIGHTS LLC, a Minnesota limited liability company (the "Developer").

WITNESSETH:

WHEREAS, pursuant to Minnesota Statutes, Section 469.124 through 469.134, the City formed Development District No. 4 (the "Development District") and adopted a development program therefor (the "Development Program"); and

WHEREAS, pursuant to the provisions of Minnesota Statutes, Section 469.174 through 469.1794, as amended (the "TIF Act"), the City created, within the Development District, Tax Increment Financing District No. 4-1 (the "Pooling TIF District"), and has adopted a tax increment financing plan therefor (the "TIF Plan") which provide for the use of tax increment financing in connection with certain developments within the Development District; and

WHEREAS, in order to achieve the objectives of the Development Program and particularly to make the land in the Development District available for development by private enterprise in conformance with the Development Program, the City has determined to assist with the financing of certain costs of constructing the Minimum Improvements (as hereinafter defined) to be constructed on certain property described in **Exhibit A** (the "Development Property") as more particularly set forth in this Agreement; and

WHEREAS, the City believes that the development and construction of the Minimum Improvements (defined herein) pursuant to this Agreement, and fulfillment generally of this Agreement, are in the vital and best interests of the City and the health, safety, morals, and welfare of its residents, and in accord with the public purposes and provisions of the applicable State and local laws and requirements under which the Minimum Improvements have been undertaken and the City is providing assistance in connection therewith.

NOW, THEREFORE, in consideration of the premises and the mutual obligations of the parties hereto, each of them does hereby covenant and agree with the other as follows:

ARTICLE I
DEFINITIONS

Section 1.1. Definitions. In this Agreement, unless a different meaning clearly appears from the context:

"Affiliate" means with respect to any entity (a) any corporation, partnership, limited liability company or other business entity or person controlling, controlled by or under common control with the entity, and (b) any successor to such party by merger, acquisition, reorganization or similar transaction involving all or substantially all of the assets of such party (or such Affiliate). For the purpose hereof the words "controlling", "controlled by" and "under common control with" shall mean, with respect to any corporation, partnership, limited liability company or other business entity, the ownership of 50% or more of the voting interests in such entity or possession, directly or indirectly, of the power to direct or cause the direction of management policies of such entity, whether through ownership of voting securities or by contract or otherwise.

"Affordable Rent Limit" means rent, in an amount which does not exceed 30% of 50% of Median Income as adjusted for family size in accordance with the rental restrictions of Section 42 of the Code. Rents do not include the cost of utilities paid by tenants or fees for amenities such as structured parking;

"Agreement" means this TIF Development Agreement, as the same may be from time to time modified, amended, or supplemented.

"Business Day" means any day except a Saturday, Sunday, legal holiday, a day on which the City is closed for business, or a day on which banking institutions in the City are authorized by law or executive order to close.

"Business Subsidy Act" means Minnesota Statutes, Sections 116J.993 to 116J.995, as amended.

"Certificate of Completion" means the certification provided to the Developer pursuant to Section 4.4 of this Agreement.

"City" means the City of Inver Grove Heights, Minnesota.

"City Representative" means the City Administrator of the City, or any person designated by the City Administrator to act as the City Representative for the purposes of this Agreement.

"Code" means the Internal Revenue Code of 1986, as amended.

"Construction Loan" means any loan or loans to be made to provide financing for the construction of the Minimum Improvements;

"Construction Plans" means the plans, specifications, drawings and related documents on the construction work to be performed by the Developer on the Development Property that (a) shall be as detailed as the plans, specifications, drawings and related documents that are submitted to the appropriate building officials of the City, and (b) shall include at least the following for each building: (1) site plan; (2) foundation plan; (3) underground parking plans; (4) floor plan for each floor; (5) cross sections of each (length and width); (6) elevations (all sides); (7) landscape plan; and (8) such other plans or supplements to the foregoing plans as the City may reasonably request to allow it to ascertain the nature and quality of the proposed construction work.

"County" means the County of Dakota, Minnesota.

"Declaration" means the Declaration of Restrictive Covenants in substantially the form attached hereto as **Exhibit C**.

"Developer" means Hampton Senior Care of Invergrove Heights LLC or its permitted successors and assigns.

"Development Contract" means that certain Development Contract for Plat of Scenic Hills, between the Developer and the City, to be executed in a form satisfactory to the City.

"Developer Mortgage" means the Combination Mortgage, Security Agreement, and Fixture Financing Statement from the Developer in the form attached as **Exhibit E**. The title conveyed pursuant to the Developer Mortgage shall be subject to encumbrances (the "Permitted Encumbrances") including, but not limited to, (i) all prior mortgages and encumbrances as allowed under Section VIII of this Agreement, (ii) all other encumbrances permitted under this Agreement (including, without limitation, the mortgage given or to be given to Premier Bank in connection with the Construction Loan), (iii) statutory liens for current taxes, assessments or other governmental charges not yet delinquent or the amount or validity of which is being contested in good faith by appropriate proceedings, provided an appropriate reserve is established therefor, (iv) all covenants, conditions, easements, and restrictions of record not interfering in any material respect, individually or in the aggregate, with the ordinary use or operation of the Development Property; (v) mechanics', carriers', workers', repairers' and similar liens arising or incurred in the ordinary course of business that are being contested in good faith by appropriate proceedings and for which appropriate reserves have been taken; (vi) zoning, entitlement and other similar land use regulations by any governmental body not interfering in any material respect, individually or in the aggregate, with the ordinary use or operation of the Development Property; and (vii) such other liens and encumbrances as may be approved by the City and the Developer.

"Developer Note" means the Promissory Note from the Developer in the form attached as **Exhibit D**.

"Development Property" means the real property so described in **Exhibit A** of this Agreement.

"Escrow Agent" means Custom Home Builders Title, LLC, a Minnesota limited liability company, as the escrow agent under the Escrow Agreement.

"Escrow Agreement" means the Escrow Agreement, dated as of the date hereof, between the City, the Developer, and the Escrow Agent.

"Event of Default" has the meaning given such term in Section 9.1 of this Agreement.

"Holder" means the owner of a Mortgage (other than the Developer Mortgage).

"Lift Station" means the lift station and accompanying sanitary sewer force main to be constructed as part of the "Phase I Improvements" in accordance with the Development Contract.

"Minimum Assessment Agreement" means the minimum assessment agreement, in substantially the form of the agreement attached as **Exhibit F** hereto and made a part of this Agreement, between the Developer and the City.

"Minimum Improvements" means the acquisition, construction, and equipping of an approximately 32-unit multifamily senior rental housing development and functionally related facilities to be located on the Development Property, and the construction of the Lift Station.

"Mortgage" means any mortgage made by the Developer that is secured, in whole or in part, with the Development Property and that is a permitted encumbrance pursuant to the provisions of Article VIII of this Agreement, and any refinancings of such Mortgages, including, without limitation, any mortgage given to secure the Construction Loan.

"Pooled TIF" means Tax Increment which has been received and retained by the City in accordance with the provisions of Minnesota Statutes, Section 469.177 from Tax Increment Financing District No. 4-1, and not otherwise pledged to other obligations of the Pooling TIF District.

"Qualified Costs" means the costs actually incurred in connection with the construction of the Minimum Improvements, land acquisition, construction of public roadways, appurtenances and utilities, site grading and improvements, underground and above ground utilities, and all rental housing construction costs eligible for reimbursement under the TIF Act.

"State" means the State of Minnesota.

"Tax Increment" means that portion of the real property taxes which is paid with respect to the TIF District, and which is remitted to the City as tax increment pursuant to the TIF Act. The term Tax Increment does not include any amounts retained by or payable to the State auditor under Section 469.177, subd. 11 of the TIF Act, or any amounts described in Section 469.174, subd. 25, clauses (2) through (4) of the TIF Act.

"Tax Official" means any County assessor; County auditor; County or State board of equalization, the commissioner of revenue of the State, or any State or federal district court, the tax court of the State, or the State Supreme Court.

"Termination Date" has the meaning provided in Section 10.9 hereof.

"TIF Act" means the Tax Increment Financing Act, Minnesota Statutes, Sections 469.174 to 469.1794, as amended.

"TIF District" means the City's Tax Increment Financing District No. 4-1.

"TIF Plan" means the Tax Increment Financing Plan for the TIF District adopted pursuant to the TIF Act, as the same may be amended.

"Unavoidable Delays" means delays beyond the reasonable control of the party seeking to be excused as a result thereof which are the direct result of war, terrorism, strikes, other labor troubles, prolonged adverse weather or acts of God, fire or other casualty to the Minimum Improvements, litigation commenced by third parties which, by injunction or other similar judicial action, directly results in delays, or acts of any federal, state or local governmental unit (other than the City in exercising its rights under this Agreement), which directly result in delays. Unavoidable Delays shall not include delays in the Developer's obtaining of permits or governmental approvals necessary to enable construction of the Minimum Improvements by the dates such approval and construction is required under Sections 4.2 and 4.3 of this Agreement, so long as the Construction Plans have been approved in accordance with Section 4.2 hereof.

ARTICLE II
REPRESENTATIONS AND WARRANTIES

Section 2.1. Representations by the City. The City makes the following representations as the basis for the undertaking on its part herein contained:

(a) the City is a municipal corporation duly organized and existing under the laws of the State. Under the provisions of the TIF Act, the City has the power to enter into this Agreement and carry out its obligations hereunder.

(b) the activities of the City are undertaken to foster the development of certain real property, to provide decent, safe and sanitary housing for residents in the City, and to create increased tax base in the Development District and the City as a whole.

Section 2.2. Representations and Warranties by the Developer. The Developer represents and warrants that:

(a) the Developer is a limited liability company duly organized and in good standing under the laws of the State, is not in violation of any provisions of its articles of organization, operating agreement or member control agreement, or the laws of the State, is duly authorized to transact business within the State, has power to enter into this Agreement and has duly authorized the execution, delivery and performance of this Agreement by proper action of its members.

(b) the Developer will construct, operate and maintain the Minimum Improvements in accordance with the terms of this Agreement and all local, state and federal laws and regulations (including, but not limited to, environmental, zoning, building code, energy-conservation and public health laws and regulations).

(c) the Developer has received no notice or communication from any local, state or federal official that the activities of the Developer or the City on the Development Property may be or will be in violation of any environmental law or regulation (other than those notices or communications of which the City is aware). The Developer is aware of no facts the existence of which would cause it to be in violation of or give any person a valid claim under any local, state or federal environmental law, regulation or review procedure.

(d) the Developer will obtain, in a timely manner, all required permits, licenses and approvals, and will meet, in a timely manner, all requirements of all applicable local, state and federal laws and regulations which must be obtained or met before the Minimum Improvements may be lawfully constructed.

(e) neither the execution and delivery of this Agreement, the consummation of the transactions contemplated hereby, nor the fulfillment of or compliance with the terms and conditions of this Agreement is prevented, limited by or conflicts with or results in a breach of, the terms, conditions or provisions of any organizational restriction or any evidences of indebtedness, agreement or instrument of whatever nature to which the Developer is now a party or by which it is bound, or constitutes a default under any of the foregoing.

(f) the proposed development by the Developer hereunder would not occur but for the financial assistance being provided by the City hereunder.

(g) the Developer shall promptly advise the City in writing of all litigation or claims affecting any part of the Minimum Improvements and all written complaints and charges made by any governmental authority, other than the City, materially affecting the Minimum Improvements or materially affecting the Developer or its business, which may delay or require changes in construction of the Minimum Improvements.

(h) in determining to proceed with the Minimum Improvements, the Developer has not relied on any assumptions, calculations, determinations or conclusions made by the City, their governing body members, officers or agents, including the independent contractors, consultants and legal counsel, servants and employees thereof, with respect to the calculation of projected tax credits or other revenues to be generated by the Minimum Improvements or the Developer's returns on cost or investment.

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ARTICLE III
TAX INCREMENT ASSISTANCE; CONDITIONS TO DISBURSEMENT OF LOAN AMOUNT; RELATED COVENANTS

Section 3.1. Loan. The City agrees, subject to the further provisions of this Agreement, to apply certain Pooled TIF to assist in financing certain Qualified Costs of the Minimum Improvements. As of the date of this Agreement, the City has Pooled TIF in the amount of at least $1,500,000.00 and the City will not use such amount of the Pooled TIF for any purpose other than to fund the Loan Amount (defined below); provided, however, the City may otherwise pledge additional Pooled TIF in excess of $1,500,000.00 to other obligations of the TIF District. Other than the $1,500,000 of Pooled TIF, the City neither pledges nor provides any other financial assistance to the Developer for the costs of the construction of the Minimum Improvements or other costs.

(a) In order to make development of the Minimum Improvements financially feasible, the City will loan to the Developer Pooled TIF in an amount equal to the lesser of $1,500,000 or the Qualified Costs actually incurred (the “Loan Amount”). The City shall deposit $1,500,000 with the Escrow Agent in accordance with the Escrow Agreement upon satisfaction of the following conditions:

(i) the Developer shall have executed and delivered the Developer Note in substantially the form attached as **Exhibit D**, the Developer Mortgage in substantially the form attached as **Exhibit E**; the Declaration, in accordance with Section 3.5 hereof in substantially the form attached as **Exhibit C**, and the Minimum Assessment Agreement, in substantially the form attached as **Exhibit F**, and the Developer Mortgage, the Declaration and the Minimum Assessment Agreement shall either have been recorded against the Development Property or delivered to the Escrow Agent for recording against the Development Property;

(ii) the Developer shall have delivered to the City copies of the (I) articles of organization and operating agreement of the Developer, (II) certificate of good standing for the Developer issued by the Minnesota Secretary of State; and (III) certified resolutions of the Developer authorizing the execution and delivery of this Agreement, the Developer Note, the Developer Mortgage, and all other documents to be executed by the Developer pursuant to this Agreement; and

(iii) The Developer shall have closed on a Construction Loan in an amount sufficient, together with the Loan Amount and committed equity of the Developer, to pay all costs of the construction of the Minimum Improvements.

(b) The City shall authorize the Escrow Agent to disburse the Loan Amount pursuant to the Escrow Agreement to the Developer in a single advance (except as provided in Section 3.1(c)) upon satisfaction of the following conditions:

(i) the Developer shall not then be in default of its obligations under this Agreement;

(ii) the Developer shall have submitted evidence satisfactory to the City showing the payment by the Developer of Qualified Costs in an amount equal to or greater than the Loan Amount or so much thereof as is being requested by the Developer; and

(iii) The Developer shall have caused the Lift Station to be constructed on property currently owned by the Developer or an affiliated entity at a location to be approved by the City Engineer once the final lift station design has been approved in accordance with the Development Contract; the Lift Station shall have been accepted as a public improvement by the City, in accordance with the Development Contract and City, State and federal standards as determined by the City Engineer; and the Developer shall have caused the Lift Station to be dedicated to the City.

(c) If the conditions set forth in Section 3.1(b) are satisfied except for the connection of the Lift Station to the accompanying sanitary sewer force main, the City shall authorize the Escrow Agent to disburse the Loan Amount pursuant to the Escrow Agreement to the Developer (or to the Developer's lender in connection with the Construction Loan if required by such lender) in two advances as follows:

(i) the first advance shall be disbursed pursuant to the Escrow Agreement to the Developer (or to the Developer's lender in connection with the Construction Loan if required by such lender) in the amount of the Loan Amount less $135,000 to be withheld until the Developer connects the Lift Station to the accompanying sanitary sewer force main in accordance with the Development Contract and City, State and federal standards as determined by the City Engineer; and the Developer shall have caused the sanitary sewer force main to be dedicated to the City; and

(ii) the second advance shall be disbursed pursuant to the Escrow Agreement to the Developer (or to the Developer's lender in connection with the Construction Loan if required by such lender) in the amount $135,000, upon a determination by the City Engineer that the Developer has connected the Lift Station to the accompanying sanitary sewer force main in accordance with the Development Contract and City, State and federal standards; and the Developer has caused the sanitary sewer force main to be dedicated to the City.

(d) The Loan Amount is subject to repayment by the Developer pursuant to the terms of Section 9.2(c) of this Agreement and the Developer Note.

Section 3.2. Payment of Administrative Costs. The Developer will reimburse the City for all Administrative Costs incurred by the City. For the purposes of this Agreement, the term "Administrative Costs" means reasonable out of pocket costs incurred by the City, including fees paid to attorneys, the City's financial advisor, and any planning and engineering consultants retained by the City in connection with the use of the Pooled TIF for the Minimum Improvements, together with staff costs of the City, all attributable to or incurred in connection with review and analysis of the development proposed under this Agreement, any modification of the TIF Plan for the TIF District determined by the City to be necessary in order to utilize Pooled TIF to fund the Loan Amount, negotiation and preparation of this Agreement (together with any other agreements entered into between the parties hereto contemporaneously therewith or amendments thereto) and review and approvals of other documents and agreements in connection with the Project. In addition, certain engineering, environmental advisor, legal, land use, zoning, subdivision and other costs related to the development of the Development Property are required to be paid, or additional funds deposited in escrow, as provided in accordance with the City's planning, zoning, and building fee schedules. As security for Administrative Costs, the Developer deposited with the City the amount of $13,000, and the City shall pay Administrative Costs from such fund. If total Administrative Costs and legal costs exceed $13,000, the Developer remains responsible for such excess, and must pay such costs to the City within 10 days after receipt of a written invoice from the City describing the amount and nature of the costs to be reimbursed. After the Certificate of Completion has been executed and delivered, and all Administrative Costs related to such actions have been paid, the City will refund to the Developer any portion of the balance of the deposit (if any) that is not needed to cover such costs through such reimbursement date. Notwithstanding anything to the contrary herein, the Developer remains obligated to pay later Administrative Costs, including the costs of any amendments to this Agreement.

Section 3.3. Records. The City and its representatives shall have the right at all reasonable times after reasonable notice to inspect, examine and copy all books and records of the Developer relating to the Loan Amount and the Minimum Improvements.

Section 3.4. Exemption from Business Subsidy Act. The parties agree and understand that all financial assistance under this Agreement represents assistance for housing, and accordingly is not subject to the Business Subsidy Act.

Section 3.5. Affordability Covenant. The Developer hereby represents, covenants and agrees as follows:

(a) The Minimum Improvements are intended for occupancy, in part, by persons or families of low and moderate income, as defined in chapter 462A, Title II of the National Housing Act of 1934, the National Housing Act of 1959, the United States Housing Act of 1937, as amended, Title V of the Housing Act of 1949, as amended, any other similar present or future federal, state or municipal legislation, or the regulations promulgated under any of those acts.

(b) No more than 20% of the square footage of any building of the Minimum Improvements financed with the proceeds of the Pooled TIF will consist of commercial, retail or other non-residential uses.

(c) At least 20% of the units in the Minimum Improvements shall be occupied or held for occupancy by persons with incomes no greater than 50% of the area-wide median income ("Qualifying Tenants") and the Developer shall restrict rents on the units in the Minimum Improvements occupied, or held for occupancy, by Qualifying Tenants to an amount not exceeding the Affordable Rent Limit.

(d) The Developer shall file reports evidencing compliance with this Section at least annually, no later than July 1 for the prior calendar year, beginning with July 1, 2021 for the calendar year ending 2020. Such reports shall demonstrate compliance with the limits under paragraph (c), regardless of whether any units are eligible for Section 42 tax credits.

(e) Simultaneously with the execution of this Agreement, the Developer shall deliver a Declaration of Restrictive Covenants (the "Declaration") in substantially the form attached as **Exhibit C**, which Declaration requires that the Minimum Improvements meet the foregoing occupancy, income and rent requirements for the time period, subject to the terms and conditions set forth in the Declaration.

(f) For purposes of this Section, income and rent will be determined in accordance with the rules that apply under Section 42 of the Code and related regulations. To the extent the terms of this Agreement conflict with the Declaration, the terms of the Declaration shall control.

Section 3.6. Execution of Minimum Assessment Agreement.

(a) The Developer and the City agree to execute a Minimum Assessment Agreement relating to the Development Property pursuant to the provisions of Minnesota Statutes, Section 469.177, Subdivision 8, specifying the minimum market value for the Development Property for calculation of real property taxes. Specifically, the Developer shall agree to a market value for the Development Property of $4,320,000 commencing as of January 2, 2020 for taxes payable in 2021 (together, the "Minimum Market Value").

(b) Nothing in the Minimum Assessment Agreement or this Agreement limits the discretion of the County Assessor to assign a market value to the property in excess of the Minimum Market Value nor prohibits the Developer from seeking, through the exercise of legal or administrative remedies, a reduction in such market value for property tax purposes; provided however, the Developer shall not seek a reduction of such market value below the Minimum Market Value for any year so long as the Minimum Assessment Agreement remains in effect for that year.

(c) The Minimum Assessment Agreement shall remain in effect until the earlier of (i) January 31, 2023 for taxes payable in 2024, or (ii) the date on which the TIF District expires or is otherwise terminated.

(d) The Minimum Assessment Agreement shall be certified by the County Assessor as provided in Minnesota Statutes, Section 469.177, Subdivision 8, upon a finding by the County Assessor that the Minimum Market Value represents a reasonable estimate based upon the plans and specifications for the Minimum Improvements to be constructed on the Development Property and the market value previously assigned to the Development Property.

(e) Pursuant to Minnesota Statutes, Section 469.177, Subdivision 8, the Minimum Assessment Agreement shall be filed for record in the office of the county recorder of the County, and such filing shall constitute notice to any subsequent encumbrancer or purchaser of the Development Property, whether voluntary or involuntary, and such Minimum Assessment Agreement shall be binding and enforceable in its entirety against any such subsequent purchaser or encumbrancer, including the holder of any mortgage on the Development Property.

(f) The Minimum Assessment Agreement shall be filed, at the sole cost of the Developer, against the Development Property prior to any lien or encumbrance on the Development Property, including any mortgager.

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ARTICLE IV
CONSTRUCTION OF MINIMUM IMPROVEMENTS

Section 4.1. Construction of Minimum Improvements. The Developer agrees that it will construct the Minimum Improvements on the Development Property in accordance with the approved Construction Plans and will operate and maintain, preserve and keep the Minimum Improvements or cause the Minimum Improvements to be maintained, preserved and kept with the appurtenances and every part and parcel thereof, in good repair and condition.

Section 4.2. Construction Plans. Nothing in this Agreement shall be construed to relieve the Developer of its obligations to receive any required approval of the Construction Plans from any City department or State agency. In addition to the Developer's obligations to obtain and comply with any applicable permits and other requirements of City code, ordinances, regulations, requirements and procedures, the Developer shall comply with the review, construction and inspection requirements set forth in this Article IV. At the option of the City, the City's actions and approvals as set forth in this Article IV may be undertaken by the City's building official on behalf of the City.

(a) Prior to the commencement of construction of the Minimum Improvements, the Developer will deliver to the City the Construction Plans all in form and substance reasonably acceptable to the City. The Construction Plans shall be consistent with this Agreement and all applicable State and local laws and regulations and the site plan and design drawings, as approved by the City. The City shall review the Construction Plans upon submission and, within 30 days thereof, deliver to the Developer a written statement approving the Construction Plans or a written statement rejecting the Construction Plans and specifying the deficiencies in the Construction Plans. The City shall approve the Construction Plans if: (i) the Construction Plans substantially conform to the terms and conditions of this Agreement; (ii) the Construction Plans are consistent with the goals and objectives of this Agreement and the TIF Plan; (iii) the Construction Plans comply with the site plan and design drawings approved by the City; and (iv) the Construction Plans do not violate any applicable federal, State or local laws, ordinances, rules or regulations. If the Construction Plans are not approved by the City, then the Developer shall make such changes as the City may reasonably require and resubmit the Construction Plans to the City for approval, which will not be unreasonably withheld, unreasonably conditioned or unreasonably delayed.

(b) Without the City's prior written consent, no material changes shall be made to the Construction Plans for the Minimum Improvements which materially alter (a) the site plan approved by the City, (b) exterior appearance, (c) construction quality, or (d) exterior materials included in the design drawings and Construction Plans. The City shall review the change to the Construction Plans upon submission and, within 30 days thereof, deliver to the Developer a written statement approving the change to the Construction Plans or a written statement rejecting the change to the Construction Plans and specifying the deficiencies in the change to the Construction Plans. The City shall approve the change to the Construction Plans if: (i) the Construction Plans substantially conform to the terms and conditions of this Agreement; (ii) the Construction Plans are consistent with the goals and objectives of this Agreement and the TIF Plan; (iii) the Construction Plans comply with the site plan and design drawings approved by the City; and (iv) the Construction Plans do not violate any applicable federal, State or local laws, ordinances, rules or regulations. If the change to the Construction Plans is not approved by the City, then the Developer shall make such changes as the City may reasonably require and resubmit the Construction Plans to the City for approval, which will not be unreasonably withheld, unreasonably conditioned or unreasonably delayed.

(c) The approval of the Construction Plans, or any proposed amendment to the Construction Plans pursuant to this Agreement by the City does not constitute a representation or warranty by the City that the Construction Plans or the Minimum Improvements comply with any applicable building code, health or safety regulation, zoning regulation, environmental law or other law or regulation, or that the Minimum Improvements will meet the qualifications for issuance of a certificate of occupancy, or that the Minimum Improvements will meet the requirements of the Developer or any other users of the Minimum Improvements. Approval of the Construction Plans, or any proposed amendment to the Construction Plans, by the City will not constitute a waiver of an Event of Default. The Developer hereby waives any and all claims and causes of action whatsoever resulting from the review of the Construction Plans by the City and/or any changes in the Construction Plans requested by the City, provided the City shall be bound by its approval of the Construction Plans under the preceding paragraph. Neither the City, nor any employee or official of the City shall be responsible in any manner whatsoever for any defect in the Construction Plans or in any work done pursuant to the Construction Plans, including changes requested by the City.

Section 4.3. Commencement and Completion of Construction. Subject to Unavoidable Delays, the Developer must commence construction of the Minimum Improvements by March 1, 2019, and must substantially complete construction of the Minimum Improvements by December 31, 2019. Notwithstanding the foregoing, failure of the Developer to comply with such deadlines shall not be an Event of Default unless the Developer fails to commence construction of the Minimum Improvements by June 30, 2019 or the Developer fails to obtain a certificate of occupancy for all of the housing units in the Minimum Improvements by June 30, 2020. All work with respect to the Minimum Improvements to be constructed or provided by the Developer on the Development Property shall be in conformity with the Construction Plans as submitted by the Developer and approved by the City. The Developer agrees for itself, its successors and assigns, and every successor in interest to the Development Property, or any part thereof, that the Developer, and such successors and assigns, shall promptly begin and diligently prosecute to completion the development of the Development Property through the construction of the Minimum Improvements thereon, and that such construction shall in any event be commenced and completed within the period specified in this Section 4.3 of this Agreement. Prior to completion, upon the request of the City, and subject to applicable safety rules, the Developer will provide the City reasonable access to the Development Property. "Reasonable access" means at least one site inspection per week during regular business hours. During construction, marketing and rentals of the Minimum Improvements, the Developer will deliver progress reports to the City from time to time as reasonably requested by the City.

Section 4.4. Certificate of Completion.

(a) The Developer shall notify the City when construction of the Minimum Improvements has been substantially completed and the Developer has received a certificate of occupancy issued by the City for all units in the Minimum Improvements. The City shall, within

20 days after such notification, inspect the Minimum Improvements or take other means deemed adequate to the City in order to determine whether the respective Minimum Improvements have been constructed in substantial conformity with the approved Construction Plans. If the City determines that the Developer has not received a certificate of occupancy issued by the City for all units in the Minimum Improvements or that the Minimum Improvements have not been constructed in substantial conformity with the approved Construction Plans, the City shall deliver a written statement to the Developer indicating in adequate detail the specific respects in which the Minimum Improvements have not been constructed in substantial conformity with the approved Construction Plans and what measures or acts it will be necessary, in the opinion of the City, for the Developer to take or perform in order to obtain such certification. The Developer shall have a reasonable period of time to remedy such deficiencies. The City shall re-inspect the Minimum Improvements within a reasonable period of time after receiving notice that such deficiencies have been remedied in order to determine whether Minimum Improvements have been constructed in substantial conformity with the approved Construction Plans and this Agreement. Within a reasonable period of time after determining that Minimum Improvements have been constructed in substantial conformity with the approved Construction Plans, the City will furnish to the Developer a Certificate of Completion substantially in the form attached hereto as **Exhibit B** certifying the completion of the Minimum Improvements, which may be recorded against title to the Development Property at the Developer's expense.

(b) The Certificate of Completion issued for the Minimum Improvements shall be a conclusive determination (and it shall be so provided in the certification) of the satisfaction and termination of the agreements and covenants of the Developer in this Agreement solely with respect to construction of the Minimum Improvements (including the dates for beginning and completion thereof). The issuance of a Certificate of Completion shall not be construed to relieve the Developer of any approval required by any City department in connection with the construction, completion or occupancy of the Minimum Improvements nor shall it relieve the Developer of any other obligations under this Agreement. Such certification by the City shall be a conclusive determination that any remaining obligations under this Agreement, except as set forth in the Declaration, shall be solely contractual obligations of the Developer, and parties to whom the Developer expressly assigns, and who expressly assume, the Developer's, obligations under this Agreement and that the remaining covenants of the Developer, as applicable, under this Agreement, except as set forth in the Declaration, are not intended to run with title to the Development Property or bind successors in title to the Development Property. Such certification and such determination shall not constitute evidence of compliance with or satisfaction of any obligation of the Developer to any Holder of a Mortgage, or any insurer of a Mortgage, securing money loaned to finance the Minimum Improvements, or any part thereof.

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ARTICLE V
INSURANCE

Section 5.1. Insurance.

(a) The Developer or its contractor shall provide and maintain at all times during the process of constructing the Minimum Improvements an All Risk Broad Form Basis Insurance Policy and, from time to time during that period, at the request of the City, furnish the City with proof of payment of premiums on policies covering the following:

(i) Builder's risk insurance, written on the so-called "Builder's Risk -- Completed Value Basis," in an amount equal to 100% of the insurable value of the Minimum Improvements at the date of completion, and with coverage available in nonreporting form on the so-called "all risk" form of policy;

(ii) Commercial general liability insurance (including operations, contingent liability, operations of subcontractors, completed operations and contractual liability insurance) with limits against bodily injury and property damage of not less than $2,000,000 for each occurrence and as an annual aggregate (to accomplish the above-required limits, an umbrella excess liability policy may be used). The City shall be listed as an additional insured on the policy;

(iii) Workers' compensation insurance, with statutory coverage;

(iv) Employer's liability insurance, with minimum limits as follows:

(A) $500,000 bodily injury by disease per employee,

(B) $500,000 bodily injury by disease aggregate, and

(C) $500,000 bodily injury by accident; and

(v) Business automobile liability insurance (including coverage for owned, hired, and non-owned automobiles) in the minimum amount of $2,000,000 per occurrence, combined single limit for bodily injury and property damage.

(b) Upon completion of construction of the Minimum Improvements and prior to the Termination Date, the Developer shall maintain, or cause to be maintained, at its cost and expense, and from time to time at the request of the City shall furnish proof of the payment of premiums on, insurance as follows:

(i) Property insurance against physical loss and/or damage to the Minimum Improvements under a policy or policies covering such risks as are ordinarily insured against by similar businesses. The City shall be listed as a loss payee on the policy.

(ii) Commercial general public liability insurance, including personal injury liability (with employee exclusion deleted), against liability for injuries to persons and/or property, in the minimum amount of $2,000,000 for each occurrence and as an annual aggregate, and shall be endorsed to show the City as an additional insured.

(iii) Such other insurance, including workers' compensation insurance respecting all employees of the Developer and professional liability insurance in the event the Developer manages the project, in such amounts as are customarily carried by like organizations engaged in like activities of comparable size and liability exposure; provided that the Developer may be self-insured with respect to all or any part of its liability for workers' compensation.

(b) All insurance required in Article V of this Agreement shall be taken out and maintained in responsible insurance companies selected by the Developer or its contractor, as applicable, that are authorized under the laws of the State to assume the risks covered thereby. The Developer shall deposit or cause its contractor to deposit annually with the City policies evidencing all such insurance, or a certificate or certificates or binders of the respective insurers stating that such insurance is in force and effect. The Developer shall give, and each policy shall contain a provision that the insurer give, written notice to the City at least 30 days before the effective date of any cancellation or modification which reduces the coverage provided below the amounts required herein. In lieu of separate policies, the Developer or its contractor, as applicable, may maintain a single policy, blanket or umbrella policies, or a combination thereof, having the coverage required to be provided and maintained by the Developer herein, in which event the Developer or its contractor, as applicable, shall deposit with the City a certificate or certificates of the respective insurers as to the amount of coverage in force upon the Minimum Improvements.

(c) The Developer agrees to notify the City immediately in the case of damage prior to the Termination Date exceeding $500,000 in amount to, or destruction of, the Minimum Improvements or any portion thereof resulting from fire or other casualty. In such event the Developer will forthwith repair, reconstruct, and restore the Minimum Improvements to substantially the same or an improved condition or value as it existed prior to the event causing such damage and, to the extent necessary to accomplish such repair, reconstruction, and restoration, the Developer will apply the net proceeds of any insurance relating to such damage received by the Developer to the payment or reimbursement of the costs thereof. The Developer shall complete the repair, reconstruction and restoration of the Minimum Improvements, regardless of whether the net proceeds of insurance received by the Developer for such purposes are sufficient to pay for the same. Any net proceeds remaining after completion of such repairs, reconstruction, and restoration shall be the property of the Developer.

(d) The Developer and the City agree that all of the insurance provisions set forth in this Article V shall terminate upon the termination of this Agreement.

Section 5.2. Subordination. Notwithstanding anything to the contrary contained in this Article V, the rights of the City under this Article V shall, in all respects, be subject to the rights of any lender pursuant to Article VII of this Agreement.

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ARTICLE VI
DELINQUENT TAXES AND REVIEW OF TAXES

Section 6.1. Right to Collect Delinquent Taxes. The Developer acknowledges that the City is providing substantial aid and assistance by applying certain Pooled TIF to certain Qualified Costs of the Minimum Improvements by making a loan to the Developer to finance such costs. To that end, the Developer agrees for itself, its successors and assigns, that in addition to the obligation pursuant to statute to pay real estate taxes, it is also obligated by reason of this Agreement, during any time that the Developer owns the Development Property or any part thereof, to pay before delinquency all real estate taxes assessed against the Development Property and the Minimum Improvements. The Developer acknowledges that this obligation creates a contractual right on behalf of the City through the Termination Date to sue the Developer or its successors and assigns to collect delinquent real estate taxes and any penalty or interest thereon and to pay over the same as a tax payment to the county auditor. In any such suit in which the City is the prevailing party, the City shall also be entitled to recover its costs, expenses and reasonable attorney fees.

Section 6.2. Review of Taxes. The Developer agrees that prior to the Termination Date it will not cause a reduction in the real property taxes paid in respect of the Development Property through: (i) willful destruction of the Development Property or any part thereof; or (ii) willful refusal to reconstruct damaged or destroyed property. The Developer also agrees that it will not, prior to the Termination Date, apply for an exemption from or a deferral of property tax on the Development Property pursuant to any law, or transfer or permit transfer of the Development Property to any entity whose ownership or operation of the property would result in the Development Property being exempt from real property taxes under State law.

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ARTICLE VII
FINANCING

Section 7.1. Encumbrance of the Development Property. Until the date on which the Developer Note has been paid in full, without the prior written consent of the City, neither the Developer nor any successor in interest to the Developer will engage in any financing or any other transaction creating any mortgage or other encumbrance or lien upon the Development Property, or portion thereof, whether by express agreement or operation of law, or suffer any encumbrance or lien to be made on or attach to the Development Property except (a) pursuant to existing financing disclosed to the City prior to the date hereof, including without limitation, the Construction Loan, and (b) for the purpose of obtaining funds only to the extent necessary for financing or refinancing the acquisition and construction of the Development Property or the Minimum Improvements (including, but not limited to, land and building acquisition, labor and materials, professional fees, development fees, real estate taxes, reasonably required reserves, construction interest, organization and other direct and indirect costs of development and financing, costs of constructing the Minimum Improvements, and an allowance for contingencies) including without limitation regulatory agreements and land use restriction agreements in connection with such financings.

Section 7.2. Subordination and Modification. In order to facilitate the Developer obtaining financing for purchase of the Development Property and for construction of the Minimum Improvements according to the Construction Plans, the City agrees to subordinate its rights under the Developer Note and the Developer Mortgage, as applicable, to such Developer financing, including without limitation, the Construction Loan, subject to such reasonable terms and conditions as the City agrees in writing.

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ARTICLE VIII
PROHIBITIONS AGAINST ASSIGNMENT AND TRANSFER; INDEMNIFICATION

Section 8.1. Representation as to Development. The Developer represents and agrees that its undertakings pursuant to this Agreement, are, and will be for the purpose of development of the Development Property as an affordable housing facility and not for speculation in land holding.

Section 8.2. Prohibition against Transfer of Property and Agreement. The Developer represents and agrees that until the date on which the Developer Note has been paid in full:

(a) Except only by way of security for, and only for, the purpose of obtaining mortgage financing necessary or beneficial to enable the Developer or any successor in interest to the Development Property, or any part thereof, to perform its obligations under this Agreement to acquire, construct and improve the Minimum Improvements, and any refinancings of such Mortgages, or as provided in Section 8.2(e) or in the case of a foreclosure or deed in lieu of foreclosure, the Developer will not sell, assign, convey, lease or transfer in any other mode or manner (collectively, "Transfer") this Agreement, the Development Property or the Minimum Improvements, or any interest therein, without the express written consent of the City, which consent will not be unreasonably withheld, conditioned or delayed;

(b) The City shall be entitled to require that there shall be submitted to the City for review all instruments and other legal documents involved in effecting any Transfer, and as a condition to any approval of any Transfer of the Minimum Improvements or this Agreement, except as set forth in Section 8.2(a), such instruments and other legal documents shall be subject to prior written approval by the City (which approval shall not be unreasonably withheld, conditioned, or delayed);

(c) Except as set forth in Section 8.2(a), and except in the case of a foreclosure or deed in lieu of foreclosure after completion of the Minimum Improvements in accordance with Article IV hereof, the City shall be entitled to require, as conditions to any approval of any Transfer of this Agreement, the Development Property, the Minimum Improvements, or applicable portion thereof in connection therewith, that:

(i) any proposed transferee shall have the qualifications and financial responsibility, as reasonably determined by the City, necessary and adequate to fulfill the obligations undertaken in this Agreement by the Developer;

(ii) any proposed transferee, by instrument in writing satisfactory to the City shall, for itself and its successors and assigns, and expressly for the benefit of the City have expressly assumed all of the obligations of the Developer under this Agreement and agreed to be subject to all the conditions and restrictions to which the Developer is subject;

(iii) there shall be submitted to the City for review all instruments and other legal documents involved in effecting transfer, and if approved by the City, its approval shall be indicated to the Developer in writing;

(iv) the Developer and its transferees shall comply with such other conditions as the City may reasonably require in order to achieve and safeguard the purposes of the Act, the TIF Act and this Agreement; and

(v) in the absence of a specific written agreement by the City to the contrary, no such transfer or approval by the City thereof shall be deemed to relieve the Developer or any other party bound in any way by this Agreement or otherwise with respect to the construction of the Minimum Improvements, from any of its obligations with respect thereto.

(d) The Developer agrees to pay all reasonable legal fees and expenses of the City, including fees of legal counsel retained by the City to review the documents submitted to the City in connection with any Transfer.

(e) Nothing contained in this Section shall prohibit the Developer, without the consent or approval of the City, from (i) entering into leases with tenants in the ordinary course of business, (ii) entering into easement or other agreements necessary for the operation of the Minimum Improvements, or (iii) admitting or removing members or transferring direct or indirect membership interests in the Developer in accordance with the applicable organizational documents.

(f) Any and all instruments and other legal documents involved in effecting the transfer of any interest in this Agreement or the Development Property governed by this Article VIII, shall be in a form reasonably satisfactory to the City.

In the event the foregoing conditions are satisfied then the Developer shall be released from its obligation under this Agreement, as to the portion of the Development Property that is transferred, assigned or otherwise conveyed.

Section 8.3. Soils, Environmental Conditions.

(a) The Developer acknowledges that the City makes no representations or warranties as to the condition of the soils on the Development Property or its fitness for construction of the Minimum Improvements or any other purpose for which the Developer may make use of such property.

(b) Without limiting its obligations under Section 8.4 of this Agreement, the Developer further agrees that it will indemnify, defend, and hold harmless the City, and their governing body members, officers, and employees, from any claims or actions arising out of the presence, if any, of hazardous wastes or pollutants existing on or in the Development Property. Nothing in this section will be construed to limit or affect any limitations on liability of the City under State or federal law, including without limitation Minnesota Statutes Sections 466.04 and 604.02.

Section 8.4. Release and Indemnification Covenants.

(a) the Developer releases from and covenants and agrees that the City, and the governing body members, officers, agents, servants and employees thereof (collectively, the "Indemnified

Parties") shall not be liable for and agrees to indemnify and hold harmless the Indemnified Parties against any loss or damage to property or any injury to or death of any person occurring at or about or resulting from any defect in the Minimum Improvements except to the extent caused by any willful misrepresentation or any willful or wanton misconduct of the Indemnified Parties.

(b) Except for any willful misrepresentation or any willful or wanton misconduct of the Indemnified Parties, the Developer agrees to protect and defend the Indemnified Parties, now or forever, and further agrees to hold the Indemnified Parties harmless from any claim, demand, suit, action or other proceeding whatsoever by any person or entity whatsoever arising or purportedly arising from this Agreement, or the transactions contemplated hereby or the acquisition, construction, installation, ownership, maintenance and operation of the Minimum Improvements.

(c) The Indemnified Parties shall not be liable for any damage or injury to the persons or property of the Developer or its officers, agents, servants or employees or any other person who may be about the Development Property or Minimum Improvements.

(d) All covenants, stipulations, promises, agreements and obligations of the City contained herein shall be deemed to be the covenants, stipulations, promises, agreements and obligations of the City and not of any governing body member, officer, agent, servant or employee of the City in the individual capacity thereof.

(The remainder of this page is intentionally left blank.)

ARTICLE IX
EVENTS OF DEFAULT

Section 9.1. Events of Default Defined. The following shall be "Events of Default" under this Agreement and the term "Event of Default" shall mean, whenever it is used in this Agreement (unless the context otherwise provides), any one or more of the following events:

(a) Any failure by the Developer to observe or perform any material covenant, condition, obligation or agreement on its part to be observed or performed under this Agreement, the Declaration, the Developer Note, the Developer Mortgage or under any other agreement entered into between the Developer and the City in connection with development of the Development Property;

(b) If, before issuance of the Certificate of Completion for all the Minimum Improvements, the Developer shall;

(i) file any petition in bankruptcy or for any reorganization, arrangement, composition, readjustment, liquidation, dissolution, or similar relief under the United States Bankruptcy Act or under any similar federal or State law, which action is not dismissed within 60 days after filing; or

(ii) make an assignment for benefit of its creditors; or

(iii) admit in writing its inability to pay its debts generally as they become due; or

(iv) be adjudicated a bankrupt or insolvent.

Section 9.2. City Remedies on Default. Whenever any Event of Default referred to in Section 9.1 of this Agreement occurs, the City may exercise its rights under this Section 9.2 after providing 30 days written notice to the Developer of the Event of Default, but only if the Event of Default has not been cured within said 30 days or, if the Event of Default is by its nature incurable within 30 days, the Developer does not provide assurances reasonably satisfactory to the City that the Event of Default will be cured and will be cured as soon as reasonably possible.

(a) Suspend its performance under this Agreement until it receives assurances that the Developer will cure the default and continue the performance under the Agreement;

(b) Cancel and rescind or terminate the City's obligations under this Agreement; provided however, that no such termination will terminate the Developer's obligations under the Developer Note, the Developer Mortgage, or the Declaration to the extent any amount remains outstanding under the Developer Note;

(c) Demand repayment of the Loan Amount in full and foreclose the Developer Mortgage, subject to the terms of any subordination agreement entered into by the City;

(d) Take whatever action, including legal, equitable or administrative action, which may appear necessary or desirable to collect any payments due under this Agreement, or to enforce performance and observance of any obligation, agreement, or covenant under this Agreement.

Notwithstanding anything to the contrary set forth in this Agreement, members of the Developer and the lenders providing construction or permanent financing for the Minimum Improvements, including without limitation, the Construction Loan, shall have the right, but not the obligation, to cure an Event of Default during the cure period provided for the Developer, and the City agrees to accept or reject such cure on the same basis as if tendered by the Developer.

Section 9.3. No Remedy Exclusive. No remedy herein conferred upon or reserved to the City is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the City to exercise any remedy reserved to it, it shall not be necessary to give notice, other than such notice as may be required in this Article IX.

Section 9.4. No Additional Waiver Implied by One Waiver. In the event any agreement contained in this Agreement should be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other concurrent, previous or subsequent breach hereunder.

Section 9.5. Attorney Fees. Whenever any Event of Default occurs and if the City employs attorneys or incurs other expenses for the collection of payments due or to become due or for the enforcement of performance or observance of any obligation or agreement on the part of the Developer under this Agreement, the Developer shall, within 10 days of written demand by the City, pay to the City the reasonable fees of such attorneys and such other expenses so incurred by the City.

Section 9.6. Developer Remedies on Default. If the City fails to make a payment, when due in accordance with the terms of this Agreement, pursuant to Section 3.1, the Developer may, after providing the 30 days' written notice to the City of the Event of Default, as applicable, suspend or terminate its performance under this Agreement and the Declaration and/or take whatever action at law or in equity may appear necessary or desirable to the Developer to enforce performance of an outstanding payment obligation of the City under this Agreement. If the Developer terminates its obligations hereunder, this Agreement shall be deemed terminated and the Developer shall have no further obligations hereunder except as provided in Section 10.9.

Nothing in this Agreement shall entitle the Developer to make any claim against the City for any damages whatsoever, other than an outstanding payment obligation of the City under this Agreement, and the Developer's remedies are strictly limited to the foregoing. Nothing in this section will be construed to limit or affect any limitations on liability of the City under State or federal law, including without limitation Minnesota Statutes Sections 466.04 and 604.02.

ARTICLE X
ADDITIONAL PROVISIONS

Section 10.1. Conflict of Interests; City Representatives Not Individually Liable. The City and the Developer, to their actual knowledge, represent and agree that no member, official, or employee of the City shall have any personal interest, direct or indirect, in the Agreement, nor shall any such member, official, or employee participate in any decision relating to the Agreement which affects his or her personal interests or the interests of any corporation, partnership, or association in which he or she is, directly or indirectly, interested. No member, official, or employee of the City shall be personally liable to the Developer, or any successor in interest, in the event of any default or breach by the City or for any amount which may become due to the Developer or successor or on any obligations under the terms of the Agreement.

Section 10.2. Equal Employment Opportunity. The Developer, for itself and its successors and assigns, agrees that during the construction of the Minimum Improvements provided for in the Agreement it will comply with all applicable federal, State and local equal employment and non-discrimination laws and regulations.

Section 10.3. Restrictions on Use. The Developer agrees that the Developer, and such successors and assigns, shall use the Development Property and the Minimum Improvements thereon only as an affordable senior rental housing development that complies with the covenants in Section 3.5 hereof and the Declaration, which restrictions remain in effect for the respective periods described in those sections and the Declaration. Further, until the Termination Date the Developer shall not discriminate upon the basis of race, color, creed, sex or national origin in the sale, lease, or rental or in the use or occupancy of the Development Property or any improvements erected or to be erected thereon, or any part thereof.

Section 10.4. Titles of Articles and Sections. Any titles of the several parts, Articles, and Sections of the Agreement are inserted for convenience of reference only and shall be disregarded in construing or interpreting any of its provisions.

Section 10.5. Notices and Demands. Except as otherwise expressly provided in this Agreement, a notice, demand, or other communication under the Agreement by either party to the other shall be sufficiently given or delivered if it is dispatched by registered or certified mail, postage prepaid, return receipt requested, or delivered personally; and

(a) in the case of the Developer, is addressed to or delivered personally to:

the Developer: HAMPTON SENIOR CARE OF INVERGROVE HEIGHTS LLC
1341 County Road D Circle
Vadnais Heights, MN 55109

(b) in the case of the City, is addressed to or delivered personally to:

the City: CITY OF INVER GROVE HEIGHTS, MINNESOTA
Inver Grove Heights City Hall
8150 Barbara Avenue
Inver Grove Heights, MN 55077
Attention: City Administrator

or at such other address with respect to either such party as that party may, from time to time, designate in writing and forward to the other as provided in this Section.

Section 10.6. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall constitute one and the same instrument.

Section 10.7. Amendment. This Agreement may be amended only by written agreement approved by the City and the Developer.

Section 10.8. City Approval. Unless otherwise specified, any approval required by the City under this Agreement (including, without limitation, any approval given pursuant to Section 3.1(b) or Section 3.1(c)) may, in the City's discretion, be given by the City Representative.

Section 10.9. Termination. This Agreement terminates on the "Termination Date," which means the earlier of (a) the end of the Qualified Project Period as defined in the Declaration; or (b) the date this Agreement is terminated in accordance with Article IX hereof; provided however Sections 3.2, 8.3, 8.4, 9.5 and 9.6 and the Declaration shall survive any rescission, termination or expiration of this Agreement with respect to or arising out of any event, occurrence or circumstance existing prior to the date thereof; and provided further that no such termination will terminate the obligation to repay the Loan Amount (or applicable portion thereof) in accordance with the Developer Note or Section 9.2(c) until such amount is paid in full.

Section 10.10. Choice of Law and Venue. This Agreement shall be governed by and construed in accordance with the laws of the State of Minnesota. Any disputes, controversies, or claims arising out of this Agreement shall be heard in the state or federal courts of Minnesota, and all parties to this Agreement waive any objection to the jurisdiction of these courts, whether based on convenience or otherwise.

IN WITNESS WHEREOF, the City has caused this Agreement to be duly executed in its name and behalf and its seal to be hereunto duly affixed and the Developer has caused this Agreement to be duly executed in its name and behalf on or as of the date first above written.

CITY OF INVER GROVE HEIGHTS, MINNESOTA

By ______________________________
Its Mayor

By ______________________________
Its City Administrator

STATE OF MINNESOTA)
) SS.
COUNTY OF DAKOTA)

The foregoing instrument was acknowledged before me this ____ day of _________, 2019, by __________________ and __________________, the Mayor and City Administrator of the CITY OF INVER GROVE HEIGHTS, MINNESOTA, a public body politic and corporate, on behalf of the City.

____
Notary Public

HAMPTON SENIOR CARE OF INVERGROVE HEIGHTS LLC, a Minnesota limited liability company

By: ________________________________

Its: ________________________________

STATE OF MINNESOTA)
) SS.
COUNTY OF ___________)

The foregoing instrument was acknowledged before me this ____ day of ____________, 2019, by ______________, the _____________ of Hampton Senior Care of Invergrove Heights LLC, a Minnesota limited liability company, on behalf of the limited liability company.

____
Notary Public

EXHIBIT A

DEVELOPMENT PROPERTY

The Development Property described in this Agreement is located in Dakota County, Minnesota, and is described as follows:

Lot 1, Block 1, Scenic Hills, Dakota County, Minnesota

EXHIBIT B

CERTIFICATE OF COMPLETION

WHEREAS, the CITY OF INVER GROVE HEIGHTS, MINNESOTA, a Minnesota public body, corporate and politic (the "City"), and Hampton Senior Care of Invergrove Heights LLC, a Minnesota limited liability company ("the Developer") have entered into a TIF Development Agreement dated as of January ___, 2019 (the "Agreement"); and

WHEREAS, the Agreement requires the Developer to construct certain Minimum Improvements (as that term is defined in the Agreement);

WHEREAS, the Developer has constructed the Minimum Improvements (as that term is defined in the Agreement) in a manner deemed sufficient by the City to permit the execution of this certification and the release of the Development Property from the terms and conditions of the Agreement;

NOW, THEREFORE, this is to certify that the Developer has constructed the Minimum Improvements in accordance with the terms of the Agreement and that the provisions of the Agreement imposing obligations on Developer or others to construct any portion of the Minimum Improvements and the dates for the beginning and completion of such construction are hereby satisfied and terminated, and the County Recorder in and for the County of Dakota and State of Minnesota is hereby authorized to accept for recording and to record the filing of this instrument, to be a conclusive determination of the satisfactory termination of said provisions of the Agreement. Any remaining obligations under the TIF Development Agreement, excluding any obligations set forth in the Declaration of Restrictive Covenants dated as of January ___, 2019, filed _____________ as Document No. ________________, or the Combination Mortgage, Security Agreement, and Fixture Financing Statement dated as of January ___, 2019, filed _____________ as Document No. ________________, referred to therein, shall be solely contractual obligations of the Developer and parties to whom the Developer expressly assigns, and who expressly assume, the Developer's obligations under the TIF Development Agreement. The remaining covenants of the Developer under the TIF Development Agreement, except as set forth in the Declaration and the Mortgage, are not intended to run with title to the Development Property or bind successors in title to the Development Property.

Dated: _______________, 20__.

CITY OF INVER GROVE HEIGHTS, MINNESOTA

By ___________________________________
City Administrator

STATE OF MINNESOTA)
) ss.
COUNTY OF ___________)

The foregoing instrument was acknowledged before me this ___ day of _________________, 2019, by __________________ the City Administrator of the City of Inver Grove Heights, a municipal corporation under the laws of the State of Minnesota, on behalf of the municipal corporation.

____
Notary Public

THIS INSTRUMENT WAS DRAFTED BY:
Kennedy & Graven, Chartered (JSB)
470 U.S. Bank Plaza
200 South Sixth Street
Minneapolis, MN 55402
(612) 337-9300

EXHIBIT C

DECLARATION OF RESTRICTIVE COVENANTS

THIS DECLARATION OF RESTRICTIVE COVENANTS, dated January ___, 2019 (the "Declaration"), by HAMPTON SENIOR CARE OF INVERGROVE HEIGHTS LLC, a Minnesota limited liability company, its successors and assigns (the "Owner") is given for the benefit of the CITY OF INVER GROVE HEIGHTS, MINNESOTA, Minnesota municipal corporation (the "City").

RECITALS

WHEREAS, the City and the Owner entered into that certain TIF Development Agreement, dated January ___, 2019, (the "Agreement"); and

WHEREAS, pursuant to the Agreement, the Owner is obligated to cause the acquisition, construction, and equipping of an approximately 32-unit senior rental housing development and functionally related facilities (the "Project") on the property described in **EXHIBIT A** hereto (the "Property"), and to cause compliance with certain affordability covenants described in Section 3.5 of the Agreement; and

WHEREAS, Section 3.5 of the Agreement requires that the Owner execute an instrument in recordable form substantially reflecting the covenants set forth in Section 3.5 of the Agreement; and

WHEREAS, the Owner intends, declares, and covenants that the restrictive covenants set forth herein will be and are covenants running with the Property for the term described herein and binding upon all subsequent owners of the Property for the term described herein, and are not merely personal covenants of the Owner; and

WHEREAS, capitalized terms in this Declaration have the meanings provided in the Agreement unless otherwise defined herein.

NOW, THEREFORE, in consideration of the promises and covenants hereinafter set forth, and of other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Owner agrees as follows:

1. Term of Restrictions.

(a) Occupancy and Rent Restrictions. The term of the Rent Restrictions and Occupancy Restrictions set forth in Section 3 of this Declaration will commence on the date a certificate of occupancy is received from the City for all rental units in the Project and continue through the Termination Date defined below (the "Qualified Project Period").

(b) Termination of Declaration. This Declaration shall terminate on the date that is the later of (i) 15 years after the commencement of the Qualified Project Period or (ii) the date the

Developer Note (as defined in the Agreement) is paid in full. In addition, this Declaration shall terminate and be of no further force and effect in the event of foreclosure or transfer of title by deed in lieu of foreclosure upon completion of the foreclosure and expiration of the applicable redemption period, or recording of a deed in lieu of foreclosure; provided, however, that the preceding provisions of this sentence shall cease to apply and the restrictions contained herein shall be reinstated if, at any time subsequent to the termination of such provisions as the result of the foreclosure, or the delivery of a deed in lieu of foreclosure, or a similar event, the Owner or any related person (within the meaning of Section 1.103-10(e) of the Treasury Regulations) obtains an ownership interest in the Project for federal income tax purposes.

(c) Removal from Real Estate Records. After the Termination Date of this Declaration, the City will, upon request by the Owner or its successors or assigns, file any document appropriate to remove this Declaration from the real estate records of Dakota County, Minnesota.

2. Project Restrictions.

(a) The Owner represents, warrants, and covenants that:

(i) all leases of units to Qualifying Tenants (as defined in Section 3(a) hereof) will contain clauses, among others, wherein each individual lessee:

(1) certifies the accuracy of the statements made in its application and Eligibility Certification (as defined in Section 3(b) hereof); and

(2) agrees that the family income at the time the lease is executed will be deemed a substantial and material obligation of the lessee's tenancy; that the lessee will comply promptly with all requests for income and other information relevant to determining low or moderate income status from the Owner or the City, and that the lessee's failure or refusal to comply with a request for information with respect thereto will be deemed a violation of a substantial obligation of the lessee's tenancy.

(ii) the Owner will permit any duly authorized representative of the City to inspect the books and records of the Owner pertaining to the income of Qualifying Tenants residing in the Project in accordance with Section 5(a).

(b) The Owner shall not intentionally concentrate Qualifying Tenants in any floor or any area of any building in the Project.

3. Rent Restrictions and Occupancy Restrictions. The Owner represents, warrants, and covenants that:

(a) Qualifying Tenants. Throughout the Qualified Project Period, at least 20% of the units in the Project will be occupied (or treated as occupied as provided herein) or held vacant and available for occupancy by Qualifying Tenants. Qualifying Tenants means those persons and families who are determined from time to time by the Owner to have combined adjusted income that does not exceed 50% of the area-wide median family income for the Minneapolis-St. Paul-

Bloomington MSA, as that figure is determined and announced from time to time by HUD, as adjusted for family size ("Median Income") for the applicable calendar year. For purposes of this definition, the occupants of a residential unit will not be deemed to be Qualifying Tenants if all the occupants of such residential unit at any time are "students," as defined in Section 152(f)(2) of the Internal Revenue Code of 1986, as amended (the "Code"), not entitled to an exemption under the Code. The determination of whether an individual or family is of low or moderate income will be made at the time the tenancy commences and on an ongoing basis thereafter, determined at least annually. If during their tenancy a Qualifying Tenant's income exceeds 140% of the maximum income qualifying as low or moderate income for a family of its size, the next available unit (determined in accordance with the Code and applicable regulations) (the "Next Available Unit Rule") must be leased to a Qualifying Tenant or held vacant and available for occupancy by a Qualifying Tenant. If the Next Available Unit Rule is violated, the affected unit will not continue to be treated as occupied by a Qualifying Tenant.

(b) Certification of Tenant Eligibility. As a condition to initial and continuing occupancy, each person who is intended to be a Qualifying Tenant will be required annually to sign and deliver to the Owner a Certification of Tenant Eligibility substantially in the form attached as **EXHIBIT B** hereto, or in any other form as may be approved by the City (the "Eligibility Certification"), in which the prospective Qualifying Tenant certifies as to qualifying as low or moderate income. In addition, the person will be required to provide whatever other information, documents, or certifications are deemed necessary by the City to substantiate the Eligibility Certification, on an ongoing annual basis, and to verify that the tenant continues to be a Qualifying Tenant within the meaning of Section 3(a) hereof. Eligibility Certifications will be maintained on file by the Owner with respect to each Qualifying Tenant who resides in a Project unit or resided therein during the immediately preceding calendar year.

(c) Lease. The form of lease to be utilized by the Owner in renting any units in the Project to any person who is intended to be a Qualifying Tenant will provide for termination of the lease and consent by the person to immediate eviction for failure to qualify as a Qualifying Tenant as a result of any material misrepresentation made by the person with respect to the Eligibility Certification.

(d) Rent. The Owner shall restrict rents for the units in the Project occupied, or held for occupancy, by Qualifying Tenants to an amount which does not exceed 30% of 50% of Median Income. Rents do not include the cost of utilities paid by tenants or fees for amenities such as structured parking. The rent restrictions of this Section 5(d) and the occupancy restrictions of Section 5(a) are together defined as the "Rent Restrictions and Occupancy Restrictions" in this Declaration.

(e) Annual Report. The Owner covenants and agrees that during the term of this Declaration, it will prepare and submit to the City on or before July 1 of each year, beginning with July 1, 2021 for the calendar year ending 2020, a certificate substantially in the form of **EXHIBIT C** hereto, executed by the Owner, (i) identifying the tenancies and the dates of occupancy (or vacancy) for all Qualifying Tenants in the Project, including the percentage of the dwelling units of the Project which were occupied by Qualifying Tenants (or held vacant and available for occupancy by Qualifying Tenants) at all times during the year preceding the date of the certificate; and (ii) stating, that to the best knowledge of the person executing the certificate after due inquiry, all the units were rented or available for rental on a continuous basis during the year to members of the general public and that the Owner was not otherwise in default under this Declaration during the year.

(f) Notice of Non-Compliance. The Owner will immediately notify the City if at any time during the term of this Declaration fewer than 20% of the dwelling units in the Project are occupied or available for occupancy as required by the terms of this Declaration.

(g) For purposes of this Declaration income and rent will be determined in accordance with the rules that apply under Section 42 of the Code and related regulations.

4. Transfer Restrictions. The Owner covenants and agrees that the Owner will cause or require as a condition precedent to any conveyance, transfer, assignment, or any other disposition of the Project prior to the termination of the Rent Restrictions and Occupancy Restrictions provided herein (the "Transfer") that the transferee of the Project pursuant to the Transfer assume in writing, in a form acceptable to the City, all duties and obligations of the Owner under this Declaration, including this Section 4, in the event of a subsequent Transfer by the transferee prior to expiration of the Rent Restrictions and Occupancy Restrictions provided herein (the "Assumption Agreement"). The Owner will deliver the Assumption Agreement to the City prior to the Transfer.

5. Enforcement.

(a) The Owner will permit, during normal business hours and upon reasonable notice, any duly authorized representative of the City to inspect any books and records of the Owner regarding the Project with respect to the incomes of Qualifying Tenants.

(b) The Owner will submit any other information, documents or certifications requested by the City which the City deems reasonably necessary to substantiate the Owner's continuing compliance with the provisions specified in this Declaration.

(c) The Owner acknowledges that the primary purpose for requiring compliance by the Owner with the restrictions provided in this Declaration is to ensure compliance of the property with the housing affordability covenants set forth in Section 3.5 of the Agreement, and by reason thereof, the Owner, in consideration for assistance provided by the City under the Agreement that makes possible the construction of the Project (as defined in the Agreement) on the Property, hereby agrees and consents that the City will be entitled, for any breach of the provisions of this Declaration, and in addition to all other remedies provided by law or in equity, to enforce specific performance by the Owner of its obligations under this Declaration in a state court of competent jurisdiction. The Owner hereby further specifically acknowledges that the City cannot be adequately compensated by monetary damages in the event of any default hereunder.

(d) The Owner understands and acknowledges that, in addition to any remedy set forth herein for failure to comply with the restrictions set forth in this Declaration, the City may exercise any remedy available to it under Article IX of the Agreement.

6. Indemnification. The Owner hereby indemnifies, and agrees to defend and hold harmless, the City from and against all liabilities, losses, damages, costs, expenses (including reasonable attorneys' fees and expenses), causes of action, suits, allegations, claims, demands, and judgments of any nature arising from the consequences of a legal or administrative proceeding or action brought against them, or any of them, on account of any failure by the Owner to comply with the terms of this Declaration, or on account of any representation or warranty of the Owner contained herein being untrue.

7. Agent of the City. The City will have the right to appoint an agent to carry out any of its duties and obligations hereunder, and will inform the Owner of any agency appointment by written notice.

8. Severability. The invalidity of any clause, part or provision of this Declaration will not affect the validity of the remaining portions thereof.

9. Notices. All notices to be given pursuant to this Declaration must be in writing and will be deemed given when mailed by certified or registered mail, return receipt requested, to the parties hereto at the addresses set forth below, or to any other place as a party may from time to time designate in writing. The Owner and the City may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates, or other communications are sent. The initial addresses for notices and other communications are as follows:

To the City:
CITY OF INVER GROVE HEIGHTS, MINNESOTA
8150 Barbara Avenue
Inver Grove Heights, MN 55077
Attention: City Administrator

To the Owner:
HAMPTON SENIOR CARE OF INVERGROVE HEIGHTS LLC
1341 County Road D Circle
Vadnais Heights, MN 55109

10. Governing Law. This Declaration is governed by the laws of the State of Minnesota and, where applicable, the laws of the United States of America.

11. Attorneys' Fees. In case any action at law or in equity, including an action for declaratory relief, is brought against the Owner to enforce the provisions of this Declaration, the Owner agrees to pay the reasonable attorneys' fees and other reasonable expenses paid or incurred by the City in connection with the action.

12. Declaration Binding. This Declaration and the covenants contained herein will run with the real property comprising the Project and will bind the Owner and its successors and assigns and all subsequent owners of the Project or any interest therein, and the benefits will inure to the City and its successors and assigns until the Termination Date of this Declaration as provided in Section 1(b) hereof.

IN WITNESS WHEREOF, the Owner has caused this Declaration of Restrictive Covenants to be signed by its respective duly authorized representatives, as of the day and year first written above.

HAMPTON SENIOR CARE OF INVERGROVE HEIGHTS LLC, a Minnesota limited liability company

By: ________________________________

Its: ________________________________

STATE OF MINNESOTA)
) SS.
COUNTY OF ___________)

The foregoing instrument was acknowledged before me this ____ day of ____________, 2019, by ______________, the _____________ of Hampton Senior Care of Invergrove Heights LLC, a Minnesota limited liability company, on behalf of the limited liability company.

____
Notary Public

THIS INSTRUMENT WAS DRAFTED BY:
Kennedy & Graven, Chartered (JSB)
470 U.S. Bank Plaza
200 South Sixth Street
Minneapolis, MN 55402
(612) 337-9300

This Declaration is acknowledged and consented to by:

CITY OF INVER GROVE HEIGHTS, MINNESOTA

By ________________________________
Its Mayor

By ________________________________
Its City Administrator

STATE OF MINNESOTA)
) SS.
COUNTY OF DAKOTA)

The foregoing instrument was acknowledged before me this ____ day of _________, 2019, by __________________ and __________________, the Mayor and City Administrator, respectively, of the CITY OF INVER GROVE HEIGHTS, MINNESOTA, a public body politic and corporate, on behalf of the City.

____
Notary Public

EXHIBIT A TO SCENIC HILLS PROJECT
DECLARATION OF RESTRICTIVE COVENANTS

Legal Description

Lot 1, Block 1, Scenic Hills, Dakota County, Minnesota

EXHIBIT B TO DECLARATION OF RESTRICTIVE COVENANTS

Certification of Tenant Eligibility

(INCOME COMPUTATION AND CERTIFICATION)

Project: Scenic Hills 1407 80th Street East, Inver Grove Heights, MN 55077

Owner:

Unit Type: ______ 1 BR _____ 2 BR _____ 3 BR

1. I/We, the undersigned, being first duly sworn, state that I/we have read and answered fully, frankly and personally each of the following questions for all persons (including minors) who are to occupy the unit in the above apartment development for which application is made, all of whom are listed below:

Name of Members of the Household	Relationship To Head of Household	Age	Place of Employment
______________	______________	___	__________________
______________	______________	___	__________________
______________	______________	___	__________________
______________	______________	___	__________________
______________	______________	___	__________________

Income Computation

2. The anticipated income of all the above persons during the 12-month period beginning this date,

(a) including all wages and salaries, overtime pay, commissions, fees, tips and bonuses before payroll deductions; net income from the operation of a business or profession or from the rental of real or personal property (without deducting expenditures for business expansion or amortization of capital indebtedness); interest and dividends; the full amount of periodic payments received from social security, annuities, insurance policies, retirement funds, pensions, disability or death benefits and other similar types of periodic receipts; payments in lieu of earnings, such as unemployment and disability compensation, worker's compensation and severance pay; the maximum amount of public assistance available to the above persons; periodic and determinable allowances, such as alimony and child support payments and regular contributions and gifts received from persons not residing in the dwelling; and all regular pay, special pay and allowances of a member of the Armed Forces (whether or not living in the dwelling) who is the head of the household or spouse; but

(b) excluding casual, sporadic or irregular gifts; amounts which are specifically for or in reimbursement of medical expenses; lump sum additions to family assets, such as inheritances, insurance payments (including payments under health and accident insurance and workmen's compensation), capital gains and settlement for personal or property losses; amounts of educational scholarships paid directly to the student or the educational institution, and amounts paid by the government to a veteran for use in meeting the costs of tuition, fees, books and equipment, but in either case only to the extent used for these types of purposes; special pay to a serviceman head of a family who is away from home and exposed to hostile fire; relocation payments under Title II of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970; foster child care payments; the value of coupon allotments for the purchase of food pursuant to the Food Stamp Act of 1964 which is in excess of the amount actually charged for the allotments; and payments received pursuant to participation in ACTION volunteer programs, is as follows: $_____________.

3. If any of the persons described above (or whose income or contributions was included in item 2) has any savings, bonds, equity in real property or other form of capital investment, provide:

(a) the total value of all such assets owned by all such persons: $____________;

(b) the amount of income expected to be derived from such assets in the 12 month period commencing this date: $_______________; and

(c) the amount of such income which is included in income listed in item 2: $__________.

4. (a) Will all of the persons listed in item 1 above be or have they been full-time students during five calendar months of this calendar year at an educational institution (other than a correspondence school) with regular faculty and students?

Yes _________________ No ________________

(b) Is any such person (other than nonresident aliens) married and eligible to file a joint federal income tax return?

Yes _________________ No ________________

THE UNDERSIGNED HEREBY CERTIFY THAT THE INFORMATION SET FORTH ABOVE IS TRUE AND CORRECT. THE UNDERSIGNED ACKNOWLEDGE THAT THE LEASE FOR THE UNIT TO BE OCCUPIED BY THE UNDERSIGNED WILL BE CANCELLED UPON 10 DAYS WRITTEN NOTICE IF ANY OF THE INFORMATION ABOVE IS NOT TRUE AND CORRECT.

____

Head of Household

____

Spouse

FOR COMPLETION BY OWNER
(OR ITS MANAGER) ONLY

1. Calculation of Eligible Tenant Income:

(a) Enter amount entered for entire household in 2 above: $__________

(b) If the amount entered in 3(a) above is greater than $5,000, enter the greater of (i) the amount entered in 3(b) less the amount entered in 3(c) or (ii) 10% of the amount entered in 3(a): $__________

(c) TOTAL ELIGIBLE INCOME (Line 1(a) plus Line 1(b)): $__________

2. The amount entered in 1(c) is less than or equal to 50% of Median Income for the area in which the Project is located, as defined in the Declaration. 50% is necessary for status as a "Qualifying Tenant" under Section 3(a) of the Declaration.

3. Number of apartment unit assigned: ___________.

4. This apartment unit was ____ was not ____ last occupied for a period of at least 31 consecutive days by persons whose aggregate anticipated annual income as certified in the above manner upon their initial occupancy of the apartment unit was less than or equal to 50% of Median Income in the area.

5. Check as applicable: _______ Applicant qualifies as a Qualifying Tenant (tenants of at least 20% of units must meet), or ____ Applicant otherwise qualifies to rent a unit.

THE UNDERSIGNED HEREBY CERTIFIES THAT HE/SHE HAS NO KNOWLEDGE OF ANY FACTS WHICH WOULD CAUSE HIM/HER TO BELIEVE THAT ANY OF THE INFORMATION PROVIDED BY THE TENANT MAY BE UNTRUE OR INCORRECT.

HAMPTON SENIOR CARE OF INVERGROVE HEIGHTS LLC

By: ______________________________
Its: ______________________________

EXHIBIT C TO DECLARATION OF RESTRICTIVE COVENANTS

Certificate of
Continuing Program Compliance

Date: ____________________

The following information with respect to the Project located at 1407 80th Street East, Inver Grove Heights, Minnesota (the "Project"), is being provided by HAMPTON SENIOR CARE OF INVERGROVE HEIGHTS LLC (the "Owner") to the CITY OF INVER GROVE HEIGHTS, MINNESOTA, Minnesota municipal corporation (the "City"), pursuant to that certain Declaration of Restrictive Covenants, dated January ___, 2019 (the "Declaration"), with respect to the Project:

(A) The total number of residential units which are available for occupancy is 32. The total number of these units occupied by Qualifying Tenants is __________________ (at least 7).

(B) The following residential units (identified by unit number) are currently occupied by "Qualifying Tenants," as the term is defined in the Declaration:

1 BR Units:

2 BR Units:

3 BR Units:

(C) The following residential units which are included in (B) above, have been re-designated as residential units for Qualifying Tenants since ________________, 20___, the date on which the last "Certificate of Continuing Program Compliance" was filed with the City by the Owner:

Unit Number	Previous Designation of Unit (if any)	Replacing Unit Number
____________	___________________	___________________
____________	___________________	___________________

(D) The following residential units are considered to be occupied by Qualifying Tenants based on the information set forth below:

	Unit Number	*Name of Tenant*	*Number of Persons Residing in the Unit*	*Number of Bedrooms*	*Total Adjusted Gross Income*	*Date of Initial Occupancy*	*Rent*
1							
2							
3							
4							
5							
6							
7							

(E) The Owner has obtained a "Certification of Tenant Eligibility," in the form provided as EXHIBIT B to the Declaration, from each Tenant named in (D) above, and each such Certificate is being maintained by the Owner in its records with respect to the Project. Attached hereto is the most recent "Certification of Tenant Eligibility" for each Tenant named in (D) above who signed such a Certification since _______________, 20___, the date on which the last "Certificate of Continuing Program Compliance" was filed with the City by the Owner.

(F) In renting the residential units in the Project, the Owner has not given preference to any particular group or class of persons (except for persons who qualify as Qualifying Tenants); and none of the units listed in (D) above have been rented for occupancy entirely by students, no one of which is entitled to file a joint return for federal income tax purposes. All of the occupied residential units in the Project have been rented pursuant to a written lease, and the term of each lease is at least 12 months.

(G) The information provided in this "Certificate of Continuing Program Compliance" is accurate and complete, and no matters have come to the attention of the Owner which would indicate that any of the information provided herein, or in any "Certification of Tenant Eligibility" obtained from the Tenants named herein, is inaccurate or incomplete in any respect.

(H) The Project is in continuing compliance with the Declaration.

(I) The Owner certifies that as of the date hereof ___% of the residential dwelling units in the Project are occupied or held open for occupancy by Qualifying Tenants, as defined and provided in the Declaration.

(J) The rental levels for each Qualifying Tenant comply with the maximum permitted under the Declaration.

IN WITNESS WHEREOF, I have hereunto affixed my signature, on behalf of the Owner, on ____________________, 20__.

HAMPTON SENIOR CARE OF INVERGROVE HEIGHTS LLC

By: ______________________________

Its: ______________________________

EXHIBIT D

PROMISSORY NOTE

$1,500,000 January ___, 2019

Pursuant to this Promissory Note (this "Note"), HAMPTON SENIOR CARE OF INVERGROVE HEIGHTS LLC (the "Borrower"), hereby acknowledges itself to be indebted and, for value received, hereby promises to pay to the CITY OF INVER GROVE HEIGHTS, MINNESOTA or its assigns (the "Lender"), the principal sum of ONE MILLION FIVE HUNDRED THOUSAND AND 00/100 DOLLARS ($1,500,000), or such amount as is advanced and outstanding (the "Principal Amount"), with interest thereon as provided below (the "Loan").

1. As used herein, the term "TIF Development Agreement" means the TIF Development Agreement dated January ___, 2019, as the same may be amended from time to time, by and between the Lender and the Borrower. Defined terms not otherwise defined in this Note have the meaning ascribed to such defined term in the TIF Development Agreement.

2. Commencing on the date of issuance of this Note and continuing until all amounts due hereunder have been paid in full, interest shall accrue on the outstanding Principal Amount at the rate of 5.00% per annum. All interest shall be calculated on the basis of a 360-day year of twelve 30-day months.

3. This Note shall initially be payable on October 1, 2019, April 1, 2020, and October 1, 2020, in consecutive semiannual installments of all interest accrued to the date of payment.

4. Commencing April 1, 2021, and continuing on each April 1 and October 1 thereafter until April 1, 2024 (the "Maturity Date"), the Principal Amount of this Note and any interest accrued thereon shall be paid in equal semi-annual installments in an amount sufficient to fully amortize the outstanding principal balance of this Note and any interest accrued thereon over an assumed term of 240 months, with such term beginning on April 1, 2019. On the Maturity Date, all outstanding principal of this Note and accrued but unpaid interest shall be due and paid in full.

5. Upon the occurrence of any Event of Default as defined in the TIF Development Agreement, the balance of principal and interest unpaid on this Note shall become due and payable at the option of the Lender without demand or notice, said demand or notice being expressly waived, and failure to exercise said option at any time shall not constitute a waiver of the right to exercise the same at any subsequent time.

6. None of Borrower or any of Borrower's members, officers, directors, employees, or agents shall have any personal liability for Borrower's obligations related to the Loan, it being recognized by Lender that except as expressly set forth in the TIF Development Agreement, that

Borrower's obligations are nonrecourse obligations and that the Lender's remedies are limited to the security provided in connection with the Loan.

(The remainder of this page is intentionally left blank)

IN WITNESS WHEREOF, Hampton Senior Care of Invergrove Heights LLC, has caused this Promissory Note to be executed and delivered as of the date first written above.

HAMPTON SENIOR CARE OF INVERGROVE HEIGHTS LLC, a Minnesota limited liability company

By: ______________________________

Its: ______________________________

EXHIBIT E
FORM OF DEVELOPER MORTGAGE

COMBINATION MORTGAGE, SECURITY AGREEMENT, AND FIXTURE FINANCING STATEMENT

THIS MORTGAGE IS EXEMPT FROM MORTGAGE REGISTRATION TAX IMPOSED BY MINNESOTA STATUTES, §287.035, PURSUANT TO MINNESOTA STATUTES, §287.04, BECAUSE THE PRINCIPAL AMOUNT OF THE ORIGINAL MORTGAGE LOAN REFERRED TO HEREIN IS MADE UNDER A LOW AND MODERATE INCOME OR OTHER AFFORDABLE HOUSING PROGRAM AND THE MORTGAGEE IS THE CITY OF INVER GROVE HEIGHTS, MINNESOTA, A MINNESOTA MUNICIPAL CORPORATION AND A LOCAL GOVERNMENT AGENCY ORGANIZED AND EXISTING UNDER THE CONSTITUTION AND LAWS OF THE STATE OF MINNESOTA.

THIS COMBINATION MORTGAGE, SECURITY AGREEMENT, AND FIXTURE FINANCING STATEMENT (the "Mortgage") is made effective this **___** day of January, 2019, by **HAMPTON SENIOR CARE OF INVERGROVE HEIGHTS LLC**, a Minnesota limited liability company, whose address is 1341 County Road D Circle, Vadnais Heights, MN, 55109 (the "Mortgagor" or "Borrower"), in favor of **CITY OF INVER GROVE HEIGHTS, MINNESOTA**, a Minnesota municipal corporation, whose address is 8150 Barbara Avenue, Inver Grove Heights, MN 55077 (the "Mortgagee").

WITNESSETH:

That said Mortgagor hereby mortgages and conveys unto said Mortgagee and grants a security interest in those certain premises situated in the County of Dakota, State of Minnesota, and legally described on **<u>Exhibit A</u>** attached hereto and made a part hereto (the "Property").

Together with (i) all of the buildings, structures and other improvements now standing or at any time hereafter constructed or placed upon the Property; (ii) all lighting, heating, ventilating, air-conditioning, sprinkling and plumbing fixtures, water and power systems, engines and machinery, boilers, furnaces, oil burners, elevators and motors, communication systems, dynamos, transformers, electrical equipment and all other fixtures of every description located in or on, or used, or intended to be used in connection with the Property or any building now or hereafter located thereon (excluding, however, fixtures owned by tenants occupying space in any building now or hereafter located on the Property); (iii) all hereditaments, easements, appurtenances, riparian rights, rents, issues, profits, insurance proceeds, condemnation awards, mineral rights and water rights now or hereafter belonging or in any way pertaining to the Property or to any building now or hereafter located thereon and all the estates, rights and interests of the Borrower in the Property; (iv) all building materials, furniture, furnishings, maintenance equipment and all other personal property now or hereafter located in, or on, or used, or intended to be used in connection with the Property or any building now or hereafter located thereon and all replacements and additions thereto (excluding personal property owned by tenants occupying space in any building now or hereafter located on the Property); and (v) all proceeds of all of the foregoing (all of the foregoing, are collectively hereinafter referred to as the "Project" which is further described in **Exhibit C**) and the filing of this Mortgage shall constitute the filing of a financing statement in the office wherein it is filed and a carbon, photographic or other reproduction of this document may also be filed as a financing statement:

Name and Address of Debtor and Record Owner of the Property:	HAMPTON SENIOR CARE OF INVERGROVE HEIGHTS LLC 1341 County Road D Circle Inver Grove Heights, MN 55109
Names and Addresses of Secured Party:	CITY OF INVER GROVE HEIGHTS, MINNESOTA 8150 Barbara Avenue Inver Grove Heights, MN 55077 Attention: City Administrator
Description of the Types (or items) of property covered by this financing statement:	See above and **Exhibit C**
Description of real estate to which all or part of the collateral is attached or upon which it is located:	See **Exhibit A** attached hereto.

Some of the above described collateral are or shall become fixtures upon the real estate described on Exhibit A, and this financing statement is to be filed for record in the public real estate records.

This Mortgage is given in consideration of and as security for the payment of a loan (the "Loan") totaling **ONE MILLION FIVE HUNDRED THOUSAND AND 00/100 DOLLARS ($1,500,000)** or such amount that is advanced which is made to Mortgagor to finance certain costs incurred by Mortgagor in connection with the construction on the Property of the Project. The Loan is evidenced by a Promissory Note in the amount of **ONE MILLION FIVE HUNDRED THOUSAND AND 00/100 DOLLARS ($1,500,000)** of even date herewith made by Mortgagor (the "Developer Note"), with a maturity date of April 1, 2024, the terms and conditions of which are incorporated herein. The entire principal of the Loan, and all accrued interest thereon, shall be due and payable in accordance with the terms of the Developer Note. The terms, conditions and definitions contained in the Developer Note are incorporated herein.

Mortgagor makes and includes in this Mortgage the Statutory Covenants and other provisions set forth in Minnesota Statutes Section 507.15, and Mortgagor covenants with Mortgagee the following covenants:

A. To warrant title to the Property, subject to those matters set forth on **Exhibit B** attached hereto;

B. To pay the indebtedness as provided in the Developer Note;

C. To pay all taxes as applicable;

D. That the Property shall be kept in repair and no waste shall be committed and no hazardous substances or materials shall be allowed on the Property except as may be used in the ordinary course of operation of the Minimum Improvements;

E. Mortgagor shall keep any buildings on the Property insured against loss by fire and other hazards for at least the sum of the full insurable value of said buildings, for the protection of Mortgagee subject to the rights of any prior Mortgagee;

F. That the whole of the principal sum evidenced by the Developer Note, and all accrued interest thereon, shall become due after default by Mortgagor in any payment of principal or of any tax as and where due and payable, or in the performance of any other covenant, at the option of the Mortgagee, as provided hereafter and in the Developer Note; and

G. To pay, when due, the principal and interest on other mortgages, as set forth in **Exhibit D** hereto.

In case of failure to pay said taxes and assessments, prior liens or encumbrances and attorney's fees as above specified, or to insure said buildings, improvements, and fixtures and deliver the policies as aforesaid, Mortgagee may, in its sole discretion, pay such taxes, assessments, prior liens, expenses, and attorney's fees and interest thereon, or obtain such insurance, and the sums so paid shall bear interest from the date of such payment at the rate of 8.00% per annum, and shall be impressed as an additional lien upon the Property and be immediately due and payable from Mortgagor to Mortgagee and this Mortgage shall from date thereof secure the repayment of such advances with interest.

The Mortgagee, or its agents, shall have the right at all reasonable times upon prior written notice, to enter upon the Property for purposes of inspecting the Property and the Project or any part thereof. The Mortgagee shall however, have no duty to make such inspection.

Mortgagor shall not lease, sublease, encumber, sell, transfer, convey, assign or otherwise transfer all or any part of its interest in the Property without prior written consent of Mortgagee, provided however, nothing in this paragraph shall prohibit Mortgagor, without the consent or approval of the Mortgagee, from (i) entering into leases with tenants in the ordinary course of business, (ii) entering into easement or other agreements necessary for the operation of the Property or the Project, or (iii) admitting or removing members or transferring direct or indirect membership interests in the Mortgagor in accordance with the applicable organizational documents.

Subject to the terms of the Developer Note and any subordination agreement, in the event of damage or destruction to the Property, Mortgagee shall make any insurance proceeds available to Mortgagor for restoration or rebuilding so long as Mortgagor is not then in continued material default hereunder.

If default shall be made in payment of said sum when due or in any of the covenants or agreements contained herein or an Event of Default in and/or as defined in the Developer Note shall occur (and such default or Event of Default shall continue for a period of 30 days after written notice to Mortgagor from Mortgagee specifying such default or Event of Default), Mortgagee, subject to the restrictions and limitations set forth in the Developer Note, may declare immediately due and payable the entire unpaid principal balance of the Developer Note together with interest hereon, and Mortgagee, and its successors and assigns, are hereby authorized and empowered to foreclose this Mortgage by action or advertisement, pursuant to the statutes of the State of Minnesota, in such case made and provided, power being expressly granted to sell the Property at public auction and convey the same to the purchaser in fee simple and, out of the proceeds arising from such sale, to pay the principal of the Developer Note with interest, together with all legal costs and charges of such foreclosure and the maximum attorney's fees permitted by law, and to exercise and enforce any and all of its rights and remedies available after default to a secured party under Minnesota's Uniform Commercial Code.

Notwithstanding anything to the contrary set forth in this Mortgage, members of the Mortgagor and the lenders providing construction or permanent financing for the Project shall have the right, but not the obligation, to cure an Event of Default during the cure period provided for the Mortgagor, and the Mortgagee agrees to accept or reject such cure on the same basis as if tendered by the Mortgagor.

Mortgagee, prior to acceleration, shall furnish written notice to Mortgagor at the address provided above, by certified or registered United States mail, postage prepaid, specifying:

1. The event of default;

2. The action required to cure such event;

3. A date, not less than 30 days from the date the notice is mailed to Mortgagor, by which such default on or before the date specified in the notice may result in acceleration of the sums secured by this Mortgage and Sale of the Property. The notice shall further inform Mortgagor of the right to reinstate after acceleration and the right to bring a court action to assert the non-existence of a default or any

other defense of Mortgagor to acceleration and sale. If the default is not cured on or before the date specified in the notice, Mortgagee at Mortgagee's option, but subject to the restrictions and limitations in the Agreement, may declare all of the sums secured by this Mortgage to be immediately due and payable without further demand and may invoke the power of sale hereby granted and any other remedy permitted by applicable law. Notwithstanding Mortgagee's acceleration of the sums secured by this Mortgage, Mortgagor shall have the right to have any proceedings begun by Mortgagee to enforce this Mortgage discontinued at any time prior to the earlier of:

(a) Sale of the Property pursuant to the power of sale contained in this Mortgage; or

(b) A judgment enforcing this Mortgage if:

(1) Mortgagor pays Mortgagee all sums constituting the default actually existing under this Mortgage and the Developer Note at the commencement of foreclosure proceedings under this Mortgage;

(2) Mortgagor cures all breaches of any other covenants or agreements by Mortgagor contained in this Mortgage;

(3) Mortgagor pays all reasonable expenses incurred by Mortgagee in enforcing the covenants and agreements of Mortgagor contained in this mortgage and in enforcing Mortgagee's remedies as provided herein, including, but not limited to, reasonable attorney's fees; and

(4) Mortgagor takes such action as Mortgagee may reasonably require to assure that the lien of this Mortgage, Mortgagees' interest in the Property, and Mortgagor's obligation to pay the sums secured by this Mortgage and the obligations secured hereby shall remain in full force and effect as if no acceleration had occurred.

MORTGAGOR HEREBY EXPRESSLY CONSENTS TO THE FORECLOSURE AND SALE OF THE MORTGAGED PROPERTY BY ACTION PURSUANT TO MINNESOTA STATUES CHAPTER 581 OR, AT THE OPTION OF MORTGAGEE, BY ADVERTISEMENT PURSUANT TO MINNESOTA STATUTES CHAPTER 580, WHICH PROVIDES FOR SALE AFTER SERVICE OF NOTICE THEREOF UPON THE OCCUPANT OF THE MORTGAGED PROPERTY AND PUBLICATION OF SAID NOTICE FOR SIX WEEKS IN THE COUNTY IN MINNESOTA WHERE THE MORTGAGED PROPERTY IS SITUATED. MORTGAGOR ACKNOWLEDGES THAT SERVICE NEED NOT BE MADE UPON MORTGAGOR PERSONALLY UNLESS MORTGAGOR IS AN OCCUPANT AND THAT NO HEARING OF ANY TYPE IS REQUIRED IN CONNECTION WITH THE SALE. AND EXCEPT AS MAY BE PROVIDED IN SAID STATUTES AND THIS MORTGAGE,

MORTGAGOR EXPRESSLY WAIVES ANY AND ALL RIGHTS TO PRIOR NOTICE OF SALE OF THE MORTGAGED PROPERTY AND ANY AND ALL RIGHTS TO A PRIOR HEARING OF ANY TYPE IN CONNECTION WITH THE SALE OF THE MORTGAGED PROPERTY.

MORTGAGOR ACKNOWLEDGES THAT IT IS REPRESENTED BY LEGAL COUNSEL; THAT BEFORE SIGNING THIS MORTGAGE, THIS SECTION AND MORTGAGOR'S CONSTITUTIONAL RIGHTS WERE FULLY EXPLAINED BY SUCH COUNSEL; AND THAT MORTGAGOR UNDERSTANDS THE NATURE AND EXTENT OF THE RIGHTS WAIVED HEREBY AND THE EFFECT OF SUCH WAIVER.

This Mortgage and the Developer Note shall be construed in accordance with the laws of the State of Minnesota.

Mortgagor shall have the right and privilege, but not the obligation, to borrow additional funds and to further encumber the security and collateral given and pledged to Mortgagee hereunder at any time, from time to time, and as often as Mortgagor shall determine, without the consent of the Mortgagee unless required by the Agreement.

This Mortgage shall constitute a security agreement within the meaning of the Minnesota Uniform Commercial Code ("Code"), and the Mortgagor hereby grants to the Mortgagee a security interest within the meaning of the Code in the property described in **Exhibit C** attached hereto.

In addition to other obligations described herein, the Borrower is liable for:

(a) Damage to the Property or injury to persons or property as a result of hazardous materials, substances or violations of environmental laws;

(b) Application of insurance proceeds or condemnation award other than pursuant to the provisions of the Mortgage;

(c) Waste or damage to the Property; and

(d) Failure to pay real estate taxes or assessments on the Property.

All notices to be given pursuant to this Mortgagee shall be in writing and shall be deemed given when mailed by certified or registered mail, return receipt requested, to the parties hereto at the addresses set forth below, or to such other place as a party may from time to time designate in writing. The Mortgagor and the Mortgagee may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates, or other communications shall be sent. The initial addresses for notices and other communications are as follows:

To the Mortgagee:	HAMPTON SENIOR CARE OF INVERGROVE HEIGHTS LLC 1341 County Road D Circle Vadnais Heights, MN 55109
The Mortgagor:	CITY OF INVER GROVE HEIGHTS, MINNESOTA 8150 Barbara Avenue Inver Grove Heights, MN 55077 Attention: City Administrator

None of Mortgagor or any of Mortgagor's members, officers, directors, employees, or agents shall have any personal liability for Mortgagor's obligations related to the Loan, it being recognized by Lender that except as expressly set forth in the TIF Development Agreement, dated January ___, 2019, as the same may be amended from time to time, by and between the Mortgagee and the Mortgagor (the "TIF Development Agreement"), that Mortgagor's obligations are nonrecourse obligations and that the Mortgagee's remedies are limited to the security provided in connection with the Loan.

IN WITNESS WHEREOF, Mortgagor has caused this Mortgage to be duly executed as of the day and year first above written.

HAMPTON SENIOR CARE OF INVERGROVE HEIGHTS LLC, a Minnesota limited liability company

By: ________________________________

Its: ________________________________

STATE OF MINNESOTA)
) SS.
COUNTY OF ___________)

The foregoing instrument was acknowledged before me this ____ day of ____________, 2019, by ______________, the _____________ of Hampton Senior Care of Invergrove Heights LLC, a Minnesota limited liability company, on behalf of the limited liability company.

____
Notary Public

This instrument was drafted by:

KENNEDY & GRAVEN, Chartered (JSB)
470 U.S. Bank Plaza
200 South Sixth Street
Minneapolis, Minnesota 55402
Telephone: 337-9300

EXHIBIT A
to Combination Mortgage,
Assignment of Rents and Leases
and Security Agreement
LEGAL DESCRIPTION

Lot 1, Block 1, Scenic Hills, Dakota County, Minnesota

EXHIBIT B
to Combination Mortgage,
Assignment of Rents and Leases
and Security Agreement
PERMITTED ENCUMBRANCES

BORROWER: Hampton Senior Care of Invergrove Heights LLC, a Minnesota limited liability company

LENDER: Inver Grove Heights Economic Development, a Minnesota corporation

The Property is subject to the following liens and no others:

1. Mortgage, Security Agreement, Fixture Financing Statement and Assignment of Leases and Rents from Borrower in favor of Premier Bank, a Minnesota corporation, as the same may be amended from time to time.

2.

EXHIBIT C
to Combination Mortgage,
Assignment of Rents and Leases
and Security Agreement
COLLATERAL DESCRIPTION

As used herein, the term “Debtor” shall mean and include the terms “Mortgagor”, “Grantor”, and “Borrower”; and the term “Secured Party” shall mean and include the terms “Lender”, “Beneficiary”, and “Creditor”.

This Exhibit “C” is attached to, incorporated by reference in and forms a part of certain documents (collectively, the “Security Documents”), dated of even date herewith, executed and delivered by the Debtor in connection with the financing of the Project (as hereinafter defined), including (i) the Mortgage, Assignment of Rents and Security Agreement; and (ii) financing statements.

This Exhibit “C” refers to the following collateral, which may be now or hereafter located on the premises of, relate to, or be used in connection with that certain approximately 32-unit senior rental housing development described in the Agreement (the “Project”), located in Inver Grove Heights, Minnesota.

1. All materials now owned or hereafter acquired by the Debtor and intended for construction, alteration and repair of any building, structure or improvement now or hereafter erected or placed on the property described in Exhibit A (the “Property”), all of which materials shall be deemed to be included within the Project immediately upon the delivery thereof to the Project.

2. All the walks, fences, shrubbery, driveways, fixtures, machinery, apparatus, equipment, fittings, and other goods and other personal property of every kind and description whatsoever, now owned or hereafter acquired by the Debtor and attached to or contained in and used or usable in connection with any present or future operation of the Project, including, by way of example rather than of limitation, all lighting, laundry, incinerating and power equipment; all engines, boilers, machines, motors, furnaces, compressors and transformers; all generating equipment; all pumps, tanks, ducts, conduits, wire, switches, electrical equipment and fixtures, fans and switchboards; all telephone equipment; all piping, tubing, plumbing equipment and fixtures; all heating, refrigeration, air conditioning, cooling, ventilating, sprinkling, water, power and communications equipment, systems and apparatus; all water coolers and water heaters; all fire prevention, alarm and extinguishing systems and apparatus; all cleaning equipment; all lift, elevator and escalator equipment and apparatus; all partitions, shades, blinds, awnings, screens, screen doors, storm doors, exterior and interior signs, gas fixtures, stoves, ovens, refrigerators, garbage disposals, dishwashers, cabinets, mirrors, mantles, floor coverings, carpets, rugs, draperies and other furnishings and furniture installed or to be installed or used or usable in the operation of any part of the Project or facilities erected or to be erected in or upon the Property; and every renewal or replacement thereof or articles in substitution thereof, whether or not the same are now or hereafter attached to the Property in any manner; all except

for any right, title or interest therein owned by any tenant (it being agreed that all personal property owned by the Debtor and placed by it on the Property shall, so far as permitted by law, be deemed to be affixed to the Property, appropriated to its use, and covered by each of the Security Documents to which this Exhibit is attached).

3. All of the Debtor's right, title and interest in and to any and all judgments, awards of damages (including but not limited to severance and consequential damages), payments, proceeds, settlements or other compensation (collectively, the "Awards") heretofore or hereafter made, including interest thereon, and the right to receive the same, as a result of, in connection with, or in lieu of (I) any taking of the Property or any part thereof by the exercise of the power of condemnation or eminent domain, or the police power, (II) any change or alteration of the grade of any street, or (III) any other injury or decrease in the value of the Property or any part thereof (including but not limited to destruction or decrease in value by fire or other casualty), all of which Awards, rights thereto and shared therein are hereby assigned to the Secured Party, who is hereby authorized to collect and receive the proceeds thereof and to give property receipts and acquittances therefor and to apply, at its option, the net proceeds thereof, after deducting expenses of collection, as a credit upon any portion, as selected by the Secured party, of the indebtedness secured by the Security Documents.

4. All of the Debtor's right, title and interest in and to any and all payments, proceeds, settlements or other compensation heretofore and hereafter made, including interest thereon, and the right to receive the same from any and all insurance policies covering the Property or any portion thereof, or any of the other property described herein.

5. The interest of the Debtor in and to all of the rents, royalties, issues, profits, revenues, income, and other benefits of the Property other than tax credits, or arising from the use or enjoyment pertaining thereto, and all right, title and interest of the Debtor in and to, and remedies under, all contract rights, account receivable and general intangibles arising out of or in connection with any and all leases and subleases of the Property, or any part thereof, and of the other property described herein, or any part thereof, both now in existence or hereafter entered into, together with all proceeds (cash and non-cash) thereof; and including, without limitation, all cash or securities deposited thereunder to secure performance by the lessees of their obligations thereunder.

6. All of the Debtor's rights, options, powers and privileges in and to (but not the Debtor's obligations and burdens under) any construction contract, architectural and engineering agreements and management contract pertaining to the construction, development, ownership, equipping and management of the Property and all of the Debtor's rights, title, and interest in and to (but not the Debtor's obligations and burdens under) all architectural, engineering and similar plans, specifications, drawings, reports, surveys, plats, permits and the like, contracts for construction operation and maintenance of, or provision of services to, the Property or any of the other property described herein, and all sewer taps and allocations, agreements for utilities, bonds and the like, all relating to the Property.

7. All intangible personal property, accounts, licenses, permits, instruments, contract rights, and chattel paper of the Debtor relating to the Project, including but not limited to cash;

accounts receivable; bank accounts; certificates of deposit; securities; promissory notes; rents; rights (if any) amounts held in escrow; insurance proceeds; condemnation rights; deposits; judgements, liens and causes of action; warranties and guarantees. Provided, however, that the security interest granted herein shall not include any of the foregoing which do not relate to the operation of the Project or any tax credits.

8. The interest of the Debtor in any cash escrow fund and in any and all funds, securities, instruments, documents and other property which are at any time paid to, deposited with, under the control of, or in the possession of the Secured Party, or any of its agents, branches, affiliates, correspondents or others acting on its behalf, which rights shall be in addition to any right of set-off or right of lien that the Secured Party may otherwise enjoy under applicable law, regardless of whether the same arose out of or relates in any way, whether directly or indirectly, to the Project located upon the Property.

9. The interest of the Debtor in and to any and all funds created or established and held by the trustee pursuant to any indenture of trust or similar instrument authorizing the issuance of bonds or notes for the purpose of financing the Project located upon the Property.

10. All inventory, including raw materials, components, work-in-process, finished merchandise and packing and shipping materials owned by the Debtor and located on the Property.

11. Proceeds, products, returns, additions, accessions and substitutions of and to any or all of the above, but not including sale proceeds of a permitted transfer of the Project.

12. Any of the above arising or acquired by the Debtor or to which the Debtor may have a legal or beneficial interest in on the date hereof and at any time in the future.

13. Any of the above which may become fixtures by virtue of attachment to the Property.

14. All of the records and books of account now or hereafter maintained by or on behalf of the Debtor in connection with the Project.

15. All names now or hereafter used in connection with the Project and the goodwill associated therewith.

EXHIBIT F

FORM OF MINIMUM ASSESSMENT AGREEMENT

THIS AGREEMENT, dated as of this ___ day of January, 2019, is between the City of Inver Grove Heights, Minnesota (the "City") and Hampton Senior Care of Invergrove Heights LLC, a limited liability limited company (the "Developer").

WITNESSETH

WHEREAS, on or before the date hereof the City and Developer have entered into a TIF Development Agreement dated as of January ___, 2019 (the "TIF Agreement") regarding certain real property located in the City of Inver Grove Heights, Minnesota (the "City") the legal description of which is attached hereto as **Exhibit A** (the "Development Property").

WHEREAS, it is contemplated that pursuant to said Agreement, the Developer will undertake the construction an approximately 32-unit senior rental housing development and functionally related facilities, amenities and improvements to be located at 1407 80th Street East in the City (the "Project"), in accordance with plans and specifications approved by the City.

WHEREAS, the City and Developer desire to establish a minimum market value for the Development Property and the improvements constructed or to be constructed thereon, pursuant to Minnesota Statutes, Section 469.177.

WHEREAS, the Developer has acquired the Development Property.

WHEREAS, the City and the Assessor have reviewed plans and specifications for the Project.

NOW, THEREFORE, the parties to this Agreement, in consideration of the promises, covenants and agreements made by each to the other, do hereby agree as follows:

1. As of January 2, 2020, the minimum market value, which shall be assessed for the Development Property for taxes payable 2021 and in each year thereafter, shall not be less than $4,320,000.

2. The minimum market values herein established shall be of no further force and effect after assessment on or before January 31, 2023 for taxes payable in 2024.

3. This Agreement shall be recorded by the City with the County Recorder of Dakota County, Minnesota. The Developer shall pay all costs of recording.

4. Neither the preambles nor provisions of this Agreement are intended to, or shall they be construed as, modifying the terms of the TIF Agreement between the City and the Developer.

5. This Agreement shall inure to the benefit of and be binding upon the successors and assigns of the parties, shall be governed by and interpreted pursuant to Minnesota law, and

may be executed in counterparts, each of which shall constitute an original hereof and all of which shall constitute one and the same instrument.

This Instrument Drafted By:
Kennedy & Graven, Chartered
470 U.S. Bank Plaza
200 South Sixth Street
Minneapolis, MN 55402-1403

IN WITNESS WHEREOF, the City and the Developer have caused this Minimum Assessment Agreement to be executed in their names and on their behalf all as of the date set forth above.

CITY OF INVER GROVE HEIGHTS,
MINNESOTA

By ___________________________________
Mayor

By ___________________________________
City Administrator

STATE OF MINNESOTA)
) SS.
COUNTY OF DAKOTA)

The foregoing instrument was acknowledged before me this _____ day of ___________, 2019 by ______________________, the Mayor of the City of Inver Grove Heights, Minnesota, a municipal corporation organized and existing under the Constitution and laws of the State of Minnesota, on behalf of said City.

____
Notary Public

STATE OF MINNESOTA)
) SS.
COUNTY OF DAKOTA)

The foregoing instrument was acknowledged before me this _____ day of ___________, 2019 by ______________________, the City Administrator of the City of Inver Grove Heights, Minnesota, a municipal corporation organized and existing under the Constitution and laws of the State of Minnesota, on behalf of said City.

____
Notary Public

HAMPTON SENIOR CARE OF INVERGROVE HEIGHTS LLC, a Minnesota limited liability company

By: ________________________________

Its: ________________________________

STATE OF MINNESOTA)
) SS.
COUNTY OF ___________)

The foregoing instrument was acknowledged before me this ____ day of ____________, 2019, by ______________, the _____________ of Hampton Senior Care of Invergrove Heights LLC, a Minnesota limited liability company, on behalf of the limited liability company.

____
Notary Public

CERTIFICATION BY COUNTY ASSESSOR

The undersigned, having reviewed the Minimum Assessment Agreement dated as of ____________________, 2019 by and City of Inver Grove Heights, Minnesota and Hampton Senior Care of Invergrove Heights LLC, the plans and specifications for the Project, as defined in the foregoing Minimum Assessment Agreement, and the market value currently assigned to land upon which the improvements are to be constructed and being of the opinion that the minimum market value contained in the Minimum Assessment Agreement appears reasonable, hereby certifies as follows:

The undersigned Assessor, being legally responsible for the assessment of the above described property, hereby certifies that the minimum market value of $4,320,000 as of January 2, 2020, assigned to such land and improvements is reasonable.

____
County Assessor for Dakota County

STATE OF MINNESOTA)
) ss.
COUNTY OF DAKOTA)

This instrument was acknowledged before me on ____________, 2019, by _______________________, the County Assessor of Dakota County.

____
Notary Public

EXHIBIT A TO MINIMUM ASSESSMENT AGREEMENT

Legal Description of Development Property

The property located in the City of Inver Grove Heights, Dakota County, Minnesota legally described as:

Lot 1, Block 1, Scenic Hills, Dakota County, Minnesota

ESCROW AGREEMENT

THIS ESCROW AGREEMENT (the "Agreement") made and entered into as of this ______ day of January, 2019, by and among the CITY OF INVER GROVE HEIGHTS, MINNESOTA (the "City"), HAMPTON SENIOR CARE OF INVERGROVE HEIGHTS LLC (the "Developer"), and CUSTOM HOME BUILDERS TITLE, LLC, a Minnesota limited liability company (the "Escrow Agent"). All capitalized terms not otherwise defined herein shall have the meanings provided in that certain TIF Development Agreement, dated January _____, 2019 (the "TIF Agreement"), between the City and the Developer.

RECITALS

WHEREAS, pursuant to the TIF Agreement, the Developer has agreed to construct certain Minimum Improvements on the Development Property and a Lift Station located within the City; and

WHEREAS, pursuant to the TIF Agreement, the City has agreed to reimburse the Developer for certain Qualified Costs of the Minimum Improvements in the form of a loan of Pooled TIF to the Developer in an amount not to exceed $1,500,000; and

WHEREAS, the City has agreed to loan the Pooled TIF to the Developer upon the satisfaction of certain conditions set forth in Section 3.1(a) of the TIF Agreement; and

WHEREAS, the Developer's lender requires that the maximum Loan Amount be fully funded and held in an account before closing on the Developer's financing; and

WHEREAS, the City is willing to deposit the Loan Amount in an escrow fund in order to satisfy the requirements of the Developer's lender; provided, however, that the Loan Amount will be disbursed from such account only upon the satisfaction of the conditions set forth in the TIF Agreement as further set forth herein.

NOW, THEREFORE, in consideration of the covenants hereinafter set forth, and other good and valuable consideration, the receipt, adequacy and sufficiency of which are hereby acknowledged, the parties hereto do hereby agree as follows:

1. Escrow Fund Custody. Upon execution of this Agreement, and the execution and delivery of Developer Note and the Developer Mortgage by the Developer in accordance with the TIF Agreement, the City agrees to deposit into an escrow account held by the Escrow Agent the sum of $1,500,000 (the "Escrowed Funds"). The Escrow Agent does hereby acknowledge receipt of the Escrowed Funds and does hereby agree to hold the same in accordance with this Agreement separate and apart from other funds that it may hold for the City or the Developer for the duration of the term of this Agreement and disburse the same in accordance with this Agreement.

2. Obligation of Developer. The Developer shall be obligated to satisfy the terms and conditions of the TIF Agreement. Upon satisfaction of the requirements set forth in Section 3.1(b) of the TIF Agreement, the Developer shall be entitled to request, in writing to the City and

the Escrow Agent, the release of the Escrowed Funds from Escrow Agent in accordance with Section 3 hereof.

3. Disbursement of Escrowed Funds.

a. Subject to delivery to the Escrow Agent of a written acknowledgement from the City that the requirements set forth in Section 3.1(b) of the TIF Agreement have been satisfied, including a determination of the final Loan Amount, the Escrow Agent shall disburse the Escrowed Funds to the Developer (or to the Developer's lender in connection with the Construction Loan if required by such lender).

b. Alternatively, if the City delivers to the Escrow Agent a written acknowledgement that the requirements set forth in Section 3.1(b) of the TIF Agreement have been satisfied except for the connection of the Lift Station to the accompanying sanitary sewer force main, the Escrow Agent shall disburse to the Developer (or to the Developer's lender in connection with the Construction Loan if required by such lender), in accordance with a written direction from the City, the Loan Amount less $135,000 to be retained under this Agreement for disbursement in accordance with clause c below.

c. If the City has directed the Escrow Agent to disburse the Loan Amount less $135,000 in accordance with clause b above, the Escrow Agent shall disburse the final $135,000 to the Developer (or to the Developer's lender in connection with the Construction Loan if required by such lender), in accordance with a written direction and acknowledgment from the City that the requirements set forth in Section 3.1(c)(ii) of the TIF Agreement have been satisfied.

d. The City may provide its written acknowledgements and directions under this section through electronic means. All disbursements of the Loan Amount shall be made subject to the requirements of the Developer's lender, if any.

4. Disbursements to the City. If the conditions in Section 3.1(b) of the TIF Agreement have not been satisfied by June 30, 2020 or the Developer fails to commence construction of the Minimum Improvements by June 30, 2019 or the Developer fails to obtain a certificate of occupancy for all of the housing units in the Minimum Improvements by June 30, 2020, then the Escrowed Funds shall be returned in full to the City upon written direction from the City to the Escrow Agent. Pursuant to the TIF Agreement, if the Qualified Costs exceed the Escrowed Funds, the Developer shall be responsible for paying the remaining Qualified Costs. If the final Loan Amount as determined by the City in accordance with Section 3.1(a) of the TIF Agreement is less than the total Escrowed Funds, then the amount of the Escrowed Funds in excess of the Loan Amount shall be returned to the City at the written direction of the City.

5. Final Release; Termination. This Agreement shall terminate on the date upon which the Escrowed Funds are totally depleted by disbursements made pursuant to Section 3 or Section 4 hereof (the "Termination Date").

6. City's Role. The sole duties of the City shall be those described herein, and City shall be under no obligation to determine whether the Developer is complying with any

requirements of law or the terms and conditions of any other agreements among said parties. The City's sole responsibility shall be to act expressly as set forth in this Escrow Agreement. Unless otherwise specified, any approval required by the City under this Agreement (including, without limitation, any approval given pursuant to Section 3.1(b) or Section 3.1(c) of the TIF Agreement) may, in the City's discretion, be given by the City Representative.

7. Escrow Agent. The sole duties of the Escrow Agent shall be those described herein, and the Escrow Agent shall be under no obligation to determine whether the other parties hereto are complying with any requirements of law or the terms and conditions of any other agreements among said parties. The Escrow Agent may conclusively rely upon and shall be protected in acting upon any notice, consent, order or other document believed by it to be genuine and to have been signed or presented by the proper party or parties, consistent with reasonable due diligence on the Escrow Agent's part. The Escrow Agent may consult the advice of counsel with respect to any issue concerning the interpretation of its duties hereunder. The Developer hereby acknowledges such fact and shall indemnify and hold harmless the Escrow Agent form any action taken by it in good faith in reliance thereon. The Escrow Agent shall have no duty or liability to verify any such notice, consent, order or other document, and its sole responsibility shall be to act as expressly set forth in this Escrow Agreement. The Escrow Agent shall be under no obligation to institute or defend any action, suit or proceeding in connection with this Escrow Agreement. If any dispute arises with respect to the disbursement of any monies, the Escrow Agent may continue to hold the same or commence any action in interpleader and in connection therewith remit the same to a court of competent jurisdiction pending resolution of such dispute, and the Developer shall indemnify and hold harmless the Escrow Agent for any action taken by it in good faith in the execution of its duties hereunder. The Escrow Agent's fee for providing the services under this Agreement is $__________, which amount shall be paid by Developer.

8. Amendment. This Agreement is irrevocable and may be amended only by a written amendment executed by all the parties hereto.

9. Counterparts. This Agreement may be executed in separate counterparts, each of which shall constitute an original although not fully executed, but all of which, when taken together, shall constitute but one document. The signature page(s) of any counterpart may be detached from a counterpart (without impairing the legal effect of the signature(s) thereon) and attached to any other counterpart identical thereto (except for the signature page(s) attached to it) in order to physically form one document. Any counterpart that is executed and delivered by facsimile or other electronic transmission shall be deemed to have been properly executed and delivered, for all purposes hereof.

[Signature page follows.]

IN WITNESS WHEREOF, the parties hereto have executed this Escrow Agreement as of the date first above written.

CITY:

CITY OF INVER GROVE HEIGHTS, MINNESOTA

By ________________________________
Its Mayor

By ________________________________
Its City Administrator

DEVELOPER SIGNATURE PAGE TO ESCROW AGREEMENT:

HAMPTON SENIOR CARE OF INVERGROVE HEIGHTS LLC

By ______________________________
Its: _______________________

ESCROW AGENT SIGNATURE PAGE TO ESCROW AGREEMENT:

CUSTOM HOME BUILDERS TITLE, LLC

By ______________________________
Its: ________________________

(*TOP 3 INCHES RESERVED FOR RECORDING USE ONLY*)

SUBORDINATION AGREEMENT

THIS SUBORDINATION AGREEMENT (this "**Agreement**"), made and entered into as of _______________, 2019, by and between PREMIER BANK, a Minnesota corporation ("**Premier**"), and the CITY OF INVER GROVE HEIGHTS, MINNESOTA, Minnesota municipal corporation ("**Subordinated Lender**").

RECITALS:

A. Subordinated Lender is the owner and holder of a Combination Mortgage, Security Agreement, and Fixture Financing Statement (the "**Subordinated Mortgage**"), dated ______________, 2019, from HAMPTON SENIOR CARE OF INVERGROVE HEIGHTS LLC, a Minnesota limited liability company ("**Mortgagor**") to Subordinated Lender, recorded in the Office of the County Recorder for Dakota County, Minnesota on ______________________, 2019, as Document No. ______________, securing the original principal amount of One Million Five Hundred Thousand Dollars ($1,500,000.00), pertaining to the premises situated in Dakota County, Minnesota, legally described on *Exhibit A* attached hereto ("**Subject Premises**") (any related Uniform Commercial Code Financing Statements naming Mortgagor as debtor and Subordinated Lender as secured party, whether or not filed, are hereinafter referred to as the "**Subordinated Financing Statements**"); and

B. Premier is the owner and holder of a Mortgage, Security Agreement, Fixture Financing Statement and Assignment of Leases and Rents (together with any amendment thereof or modification thereto, the "**Premier Mortgage**"), dated _________________, 2019 from Mortgagor to Premier, recorded in the Office of the County Recorder for Dakota County, Minnesota on ______________________, 2019, as Document No. ______________, pertaining to the Subject Premises (any related Uniform Commercial Code Financing Statements naming Mortgagor as debtor and Premier as secured party, whether or not filed, are hereinafter referred to as the "**Premier Financing Statements**"); and

C. It is the desire of the parties hereto that the liens of the Subordinated Mortgage and all of the provisions thereof and the security interest of Subordinated Lender in the property described in the Subordinated Financing Statements be subordinated to the liens of the Premier Mortgage, and all of the provisions thereof, and to the security interests of Premier in the property described in Premier Financing Statements.

NOW, THEREFORE, in consideration of the premises and of the sum of One Dollar ($1.00) each to the other in hand paid, receipt of which is hereby acknowledged, and for other good and valuable consideration, the parties hereto agree as follows:

1. Subordination. The Subordinated Mortgage, the liens thereof, and the rights of Subordinated Lender thereunder, including, without limitation, any rights to condemnation awards or insurance proceeds, are hereby subjected and subordinated and shall remain in all respects and for all purposes, subject, subordinate and junior to the Premier Mortgage and the liens thereof. In addition, the security interest of Subordinated Lender in the property described in the Subordinated Financing Statements shall be and it hereby is subordinated to the security interests of Premier in the property described in the Premier Financing Statements. The subordination effected hereby shall extend to any and all advances heretofore or hereafter made pursuant to the terms of the Premier Mortgage. It shall also extend to any amendment, modification, extension, replacement or renewal of the Premier Mortgage, including those amendments, modifications, extensions or renewals which increase the principal amount secured by the Premier Mortgage or increase the real property encumbered by the Premier Mortgage.

2. Principal and Interest Payments. The payment of any and all indebtedness by Mortgagor to Subordinated Lender secured by the Subordinated Mortgage (the "**Subordinated Indebtedness**") is hereby expressly subordinated to the payment in full of any and all indebtedness by Mortgagor to Premier secured by the Premier Mortgage (the "**Premier Indebtedness**"). Until all of the Premier Indebtedness has been paid in full, Subordinated Lender shall not, without Premier's prior written consent, demand, receive or accept any principal or interest payment from Mortgagor or any guarantor of the Premier Indebtedness or the Subordinated Indebtedness in respect of the Subordinated Indebtedness, or exercise any right of or permit any setoff in respect of the Subordinated Indebtedness or take any action against Mortgagor, the Subject Premises or any guarantor of the Premier Indebtedness or the Subordinated Indebtedness to enforce payment of the Subordinated Indebtedness, except that Subordinated Lender may accept scheduled payments of principal and interest payable under the Promissory Note dated ______________, 2019 from Mortgagor to Subordinated Lender which evidences the Subordinated Indebtedness (the "**Subordinated Promissory Note**"), a true and correct copy of which has been delivered to Premier on the or prior to the date hereof, so long as no Mortgagor Default (as hereinafter defined) has occurred and is continuing or will occur as a result of or immediately following any such payment. For the purposes of this Agreement, "**Mortgagor Default**" means a Default or Event of Default as defined in the Premier Mortgage, the loan agreement or promissory note executed and delivered by the Mortgagor in connection with the Premier Mortgage or in any agreement or instrument evidencing, governing, or issued in connection with Premier Indebtedness.

3. Receipt of Prohibited Payments. If Subordinated Lender receives any payment on the Subordinated Indebtedness that Subordinated Lender is not entitled to receive under the provisions of this Agreement, Subordinated Lender will hold the amount so received in trust for

Premier and will forthwith turn over such payment to Premier in the form received (except for the endorsement of Subordinated Lender where necessary) for application to then-existing Premier Indebtedness (whether or not due), in such manner of application as Premier may deem appropriate. In the event that Subordinated Lender shall exercise any right of setoff which Subordinated Lender is not permitted to exercise under the provisions of this Agreement, Subordinated Lender will promptly pay over to Premier, in immediately available funds, an amount equal to the amount of the claims or obligations offset. If Subordinated Lender fails to make any endorsement required under this Agreement, Premier, or any of its officers or employees or agents on behalf of Premier, is hereby irrevocably appointed as the attorney-in-fact (which appointment is coupled with an interest) for Subordinated Lender to make such endorsement in Subordinated Lender's name.

4. Modifications to Subordinated Indebtedness. Without the prior written consent of Premier, Subordinated Lender will not (a) modify, restructure or amend the terms of the Subordinated Indebtedness, or (b) create additional Subordinated Indebtedness for borrowed money. Subordinated Lender will, upon request of Premier from time to time, provide Premier with certified copies of the Subordinated Mortgage, the Subordinated Financing Statements, the Subordinated Promissory Note, and any other notes or other documents entered into in connection with the Subordinated Indebtedness.

5. Notice of Default/Action on Subordinated Debt. Subordinated Lender agrees that it shall provide Premier written notice of any default or event of default under the Subordinated Indebtedness and any related documents and agreements thereto contemporaneously with the delivery of any written notice by Subordinated Lender to Mortgagor of such default. Subordinated Lender agrees that Premier shall have no obligation to cure any default under the Subordinated Mortgage. Subordinated Lender will not commence any action or proceeding against Mortgagor or any guarantor to recover all or any part of the Subordinated Indebtedness, or join with any Subordinated Lender (unless Premier shall so join) in bringing any proceeding against Mortgagor or any guarantor of the Subordinated Indebtedness under any bankruptcy, reorganization, readjustment of debt, arrangement of debt receivership, liquidation or insolvency law or statute of the federal or any state government, or take possession of, sell, or dispose of any of the Subject Premises, or exercise or enforce any right or remedy available to Subordinated Lender with respect to any such collateral, unless and until Premier Indebtedness has been paid in full.

6. Bankruptcy and Insolvency. In the event of any receivership, insolvency, bankruptcy, assignment for the benefit of Subordinated Lender, reorganization or arrangement with Subordinated Lender, whether or not pursuant to bankruptcy law, the sale of all or substantially all of the assets of Mortgagor, dissolution, liquidation or any other marshaling of the assets or liabilities of Mortgagor, Subordinated Lender will file all claims, proofs of claim or other instruments of similar character necessary to enforce the obligations of Mortgagor in respect of the Subordinated Indebtedness and will hold in trust for Premier and promptly pay over to Premier in the form received (except for the endorsement of Subordinated Lender where necessary) for application to the then-existing Premier Indebtedness, any and all moneys, dividends or other assets received in any such proceedings on account of the Subordinated Indebtedness unless and until the Premier Indebtedness has been paid in full. If Subordinated Lender shall fail to take any such action, Premier, as attorney-in-fact for Subordinated Lender, may take such action on Subordinated

Lender's behalf. Subordinated Lender hereby irrevocably appoints Premier, or any of its officers or employees on behalf of Premier, as the attorney-in-fact for Subordinated Lender (which appointment is coupled with an interest) with the power but not the duty to demand, sue for, collect and receive any and all such moneys, dividends or other assets and give acquittance therefor and to file any claim, proof of claim or other instrument of similar character, to vote claims comprising Subordinated Indebtedness, including, without limitation to accept or reject any plan of partial or complete liquidation, reorganization, arrangement, composition or extension and to take such other action in Premier's own name or in the name of Subordinated Lender as Premier may deem necessary or advisable for the enforcement of the agreements contained herein; and Subordinated Lender will execute and deliver to Premier such other and further powers-of-attorney or instruments as Premier may request in order to accomplish the foregoing.

7. Restrictive Legend; Transfer of Subordinated Indebtedness. Subordinated Lender will cause the Subordinated Promissory Note and all other notes, bonds, debentures or other instruments evidencing the Subordinated Indebtedness or any part thereof to contain a specific statement thereon to the effect that the indebtedness thereby evidenced is subject to the provisions of this Agreement, and Subordinated Lender will mark its books conspicuously to evidence the subordination effected hereby. At the request of Premier, Subordinated Lender shall deposit with Premier the Subordinated Promissory Note and all other notes, bonds, debentures or other instruments evidencing the Subordinated Indebtedness, which Subordinated Promissory Note, notes, bonds, debentures or other instruments may be held by Premier so long as any Premier Indebtedness remains outstanding. Without the prior written consent of Premier, Subordinated Lender will not assign, transfer or pledge to any other person any of the Subordinated Indebtedness or agree to a discharge or forgiveness of the same so long as there remains outstanding any of Premier Indebtedness.

8. Continuing Effect/Termination. This Agreement shall constitute a continuing agreement of subordination, and Premier may, without notice to or consent by Subordinated Lender, modify any term of Premier Indebtedness in reliance upon this Agreement. Without limiting the generality of the foregoing, Premier may, at any time and from time to time, either before or after receipt of any such notice of revocation, without the consent of or notice to Subordinated Lender and without incurring responsibility to Subordinated Lender or impairing or releasing any of Premier's rights or any of Subordinated Lender's obligations hereunder:

(a) change (increase or decrease) the interest rate or change (increase or decrease) the amount of payment or extend the time for payment or renew or otherwise alter the terms of any Premier Indebtedness or any instrument evidencing the same in any manner;

(b) increase the amount of the Premier Indebtedness or the real property secured by the Premier Indebtedness;

(c) sell, exchange, release or otherwise deal with any property at any time securing payment of Premier Indebtedness or any part thereof;

(d) release anyone liable in any manner for the payment or collection of Premier Indebtedness or any part thereof;

(e) exercise or refrain from exercising any right against Mortgagor or any other person (including Subordinated Lender); and

(f) apply any sums received by Premier, by whomsoever paid and however realized, to Premier Indebtedness in such manner as Premier shall deem appropriate.

9. No Commitment. None of the provisions of this Agreement shall be deemed or construed to constitute or imply any commitment or obligation on the part of Premier to make any future loans or other extensions of credit or financial accommodations to Mortgagor.

10. Conflict in Agreements. If the subordination provisions of any instrument evidencing or related to the Subordinated Indebtedness conflict with the terms of this Agreement, the terms of this Agreement shall govern the relationship between Premier and Subordinated Lender

11. No Waiver. No waiver shall be deemed to be made by Premier of any of its rights hereunder unless the same shall be in writing signed on behalf of Premier and each such waiver, if any, shall be a waiver only with respect to the specific matter or matters to which the waiver relates and shall in no way impair the rights of Premier or the obligations of Subordinated Lender to Premier in any other respect at any time.

12. Binding Effect; Acceptance. This Agreement shall be binding upon Subordinated Lender and Subordinated Lender's successors and assigns and shall inure to the benefit of Premier and its participants, successors and assigns irrespective of whether this or any similar agreement is executed by any other Subordinated Lender of Mortgagor. Notice of acceptance by Premier of this Agreement or of reliance by Premier upon this Agreement is hereby waived by Subordinated Lender.

13. Miscellaneous. This Agreement may be amended only by an agreement in writing signed by all of the parties hereto. This Agreement shall bind and inure to the benefit of the parties hereto, their respective heirs, personal representatives, successors and assigns. This Agreement shall be governed by and construed in accordance with the laws of the State of Minnesota.

14. Notice Requirements. All notices, certificates or other communications which are required or permitted hereunder shall be in writing and sufficient if (a) delivered personally, (b) sent by nationally recognized overnight courier or (c) sent by certified mail, postage prepaid, return receipt requested. Subordinated Lender hereby represents and warrants to Premier that the address and telecopier number of Subordinated Lender as specified below is true and correct and until Premier shall have actually received a written notice specifying any such change of address or telecopier number and specifically requesting that notices be issued to such changed address, Premier may rely on the address stated as being accurate. Subordinated Lender hereby agrees to provide Premier with written notice of any change of address of Subordinated Lender within fifteen (15) days of such change. Any such communication shall be deemed to have been given (i) when delivered if personally delivered, (ii) on the business day after dispatch if sent by

nationally recognized overnight courier, and (iii) on the third day after dispatch, if sent by mail. Premier and Subordinated Lender may, by written notice given by each to the others, designate any other address or addresses to which notices, certificates or other communications to them shall be sent when required as contemplated by this Mortgage. Until otherwise provided by the respective parties, all notices, certificates and communications to each of them shall be addressed as follows:

(a) To Subordinated Lender:

City of Inver Grove Heights, Minnesota
Inver Grove Heights City Hall
8150 Barbara Avenue
Inver Grove Heights, Minnesota 55077
Attn: City Administrator

(b) To Premier:

Premier Bank
2151 Third Street
White Bear Lake, Minnesota 55110
Attn: Douglas A. Schultze

With a copy to:

Leonard, O'Brien, Spencer, Gale & Sayre, Ltd.
100 South Fifth Street, Suite 2500
Minneapolis, Minnesota 55402
Attention: Peter J. Sajevic, III

15. Counterpart. This Agreement may be executed in counterparts, all of which taken together shall constitute one Agreement binding on all the parties notwithstanding that all the parties are not signatories to the original or the same counterpart. Any signature delivered by a party by facsimile or electronic .pdf transmission shall be deemed to be an original signature hereto. This Agreement will be deemed effective as to Premier and accepted by Premier only upon Premier's receipt of the executed originals thereof.

16. Governing Law; Consent to Jurisdiction and Venue; Waiver of Jury Trial. This Agreement shall be governed by and construed in accordance with the substantive laws (other than conflict laws) of the State of Minnesota. Each party consents to the personal jurisdiction of the state and federal courts located in the State of Minnesota in connection with any controversy related to this Agreement, waives any argument that venue in any such forum is not convenient, and agrees that any litigation initiated by either of them in connection with this Agreement shall be venued in either the District Court of Dakota County, Minnesota, or the United States District Court, District of Minnesota, Fourth Division. The parties waive any right to trial by jury in any action or proceeding based on or pertaining to this Agreement.

[Signatures Begin on the Next Page]

IN WITNESS WHEREOF, each of the parties hereto has caused this Subordination Agreement to be duly executed as of the day and year first above written.

PREMIER**:**

PREMIER BANK
(A Minnesota corporation)

By:____
Douglas A. Schultze
Its: Vice President

STATE OF MINNESOTA)
) ss.
COUNTY OF ___________)

The foregoing instrument was acknowledged before me this ____ day of ____________, 2019, by Douglas A. Schultze, the vice president of PREMIER BANK, a Minnesota corporation, on behalf of said corporation.

____
(Notarial Seal) Notary Public

[Signature Page to Subordination Agreement]

SUBORDINATED LENDER:

CITY OF INVER GROVE HEIGHTS,
MINNESOTA

By:______________________________
Its: Mayor

By:______________________________
Its: City Administrator

STATE OF MINNESOTA)
) ss.
COUNTY OF DAKOTA)

The foregoing instrument was acknowledged before me this ____ day of ___________, 2019, by __________________ and __________________, the Mayor and City Administrator of the CITY OF INVER GROVE HEIGHTS, MINNESOTA, a public body politic and corporate, on behalf of the City.

____
Notary Public

This instrument was drafted by:

Leonard, O'Brien, Spencer, Gale & Sayre, Ltd.
100 South Fifth Street, Suite 2500
Minneapolis, Minnesota 55402
612-332-1030
Attn: Peter J. Sajevic, III, Esq.

[Signature Page to Subordination Agreement]

EXHIBIT A
<u>LEGAL DESCRIPTION</u>

Lot 1, Block 1, Scenic Hills, Dakota County, Minnesota

[NEED TO VERIFY LEGAL]

CONSENT TO ASSIGNMENT
OF TIF DEVELOPMENT AGREEMENT AND ESCROW AGREEMENT

THIS CONSENT TO ASSIGNMENT OF TIF DEVELOPMENT AGREEMENT AND ESCROW AGREEMENT (this "**Agreement**") made and entered into effective as of ________________, 2019, by and between the CITY OF INVER GROVE HEIGHTS, MINNESOTA, a Minnesota municipal corporation (the "**City**") and PREMIER BANK, a Minnesota corporation (the "**Lender**").

RECITALS:

A. HAMPTON SENIOR CARE OF INVERGROVE HEIGHTS LLC, a Minnesota limited liability company (the "**Developer**") and the City are parties to that certain TIF Development Agreement dated _______________, 2019 (together with any amendment or modification thereto, the "**TIF Agreement**") pursuant to which the Developer has agreed to construct certain Minimum Improvements (as defined in the TIF Agreement) on a portion of the real property owned by the Developer, located in the City of Inver Grove Heights, Dakota County, Minnesota (the "**Real Property**") and the City has agreed to make a loan to the Developer in an amount not to exceed $1,500,000.00 (the "**TIF Loan**") to provide funds intended to reimburse the Developer for certain Qualified Costs (as defined in the TIF Agreement) incurred in constructing the Minimum Improvements.

B. Pursuant to the terms of the TIF Agreement, the City has agreed to deposit the entire amount of the TIF Loan (the "**TIF Escrowed Funds**") into an escrow account in the name of CUSTOM HOME BUILDERS TITLE, LLC, a Minnesota limited liability company (the "**Escrow Agent**") to be held and disbursed pursuant to the terms and conditions of that certain Escrow Agreement dated __________________, 2019 among the City, the Developer and the Escrow Agent (together with any amendment or modification thereto, the "**TIF Escrow Agreement**").

C. The Lender has agreed to make a secured loan (the "**Loan**") to the Developer in the maximum principal amount up to Five Million Four Hundred Seventy-Five Thousand Dollars ($5,475,000.00), pursuant to the terms and conditions of that certain Loan Agreement dated _______________, 2019 among the Developer, Suite Living Senior Care of Inver Grove Heights, LLC, a Minnesota limited liability company, Suite Living Senior Care LLC, a Minnesota limited liability company, Joel T. Larson, individually, and the Lender (together with any amendment or modification thereto, the "**Loan Agreement**"). The Loan is evidenced by that certain Promissory Note from the Borrower to the Lender in the original principal amount of Five Million Four Hundred Seventy-Five Thousand Dollars ($5,475,000.00) dated ________________, 2019 (together with any amendment, modification, replacement or renewal thereof, the "**Note**").

D. The Loan is secured by, among other things, that certain (i) Mortgage, Security Agreement, Fixture Financing Statement and Assignment of Leases and Rents from the Borrower to the Lender dated __________________, 2019 (together with any amendment or modification thereto, the "**Mortgage**"), encumbering the Real Property and certain other property as described therein (collectively, the "**Project**"); and (ii) Assignment, Security and Pledge Agreement by and between the Developer and the Lender dated ______________, 2019 (together with any amendment or modification thereto, the "**Pledge Agreement**"), granting a security interest to the

Lender in all of the Developer's rights, title and interest in, under and pursuant to the TIF Agreement and the TIF Escrow Agreement; and (iii) Uniform Commercial Code Financing Statements filed by or on behalf of the Lender (the "**UCCs**") (the Loan Agreement, the Note, the Mortgage, the Pledge Agreement, the UCCs and other documents executed in connection with the Loan are referred to collectively as the "**Loan Documents**").

E. As a condition to making the Loan to the Borrower pursuant to the Loan Agreement, the Lender has required that the City acknowledge and consent to the assignment of the Developer's right, title and interest in and to the TIF Agreement, the TIF Escrow Agreement and the TIF Escrowed Funds, subject to the conditions for release thereof, to the Lender, and the City has agreed to acknowledge and consent to such assignment, subject to the terms set forth in this Agreement.

NOW, THEREFORE, in consideration of the sum of One and No/100 Dollars ($1.00) and other good and valuable consideration, the receipt and sufficiency of which is acknowledged, it is agreed as follows:

1. The City hereby consents to the collateral assignment by the Developer to the Lender of the Developer's right, title and interest, wherever located and whether now owned or hereafter acquired, in and to the TIF Agreement, the TIF Escrow Agreement, the TIF Escrowed Funds, subject to the conditions for release thereof, and the other Collateral (as described in the Pledge Agreement) and to the security interests granted pursuant to the Pledge Agreement and the other Loan Documents. The City agrees that the enforcement by the Lender of its rights and remedies under the Loan Documents (including, without limitation, the commencement of foreclosure of the Mortgage) shall not constitute an event of default under the TIF Agreement or the TIF Escrow Agreement.

2. The City agrees to provide the Lender written notice of authorization to release the TIF Escrowed Funds and any notice of any default or event of default under the TIF Agreement or the TIF Escrow Agreement contemporaneously with the delivery of any such written notice by the City to the Developer; provided, however, that failure to notify the Lender shall not invalidate any such notification to the Developer. The City agrees that the Lender shall have no obligation to cure any default under the TIF Agreement or the TIF Escrow Agreement. The City agrees that should the Lender exercise its rights and remedies under the Pledge Agreement and/or the other Loan Documents, that the City will accept from the Lender performance of and allow the Lender to perform all the terms and conditions to be performed by the Developer under the TIF Agreement or the TIF Escrow Agreement, including, without limitation, any performance necessary to effectuate a release of the TIF Escrowed Funds to the Lender.

3. The City acknowledges and agrees that, upon the satisfaction of the terms and conditions of the TIF Agreement and the TIF Escrow Agreement to allow the release of the TIF Escrowed Funds, the Developer has agreed with the Lender that the TIF Escrowed Funds will be deposited with the Escrow Agent and held pursuant to a separate Escrow Agreement by and among the Lender, the Developer and the Escrow Agent.

4. Following the occurrence of an event of default under any of the Loan Documents, the City hereby consents to the transfer of the Project and/or the Developer's rights under the TIF

Agreement, the TIF Escrow Agreement, the TIF Escrowed Funds, subject to the conditions for release thereof, and the other Collateral to the Lender.

5. If the Lender exercises its rights to foreclose the Mortgage against the Project, accepts a deed in lieu of foreclosure to the Project, or exercises its rights under the Pledge Agreement, the City agrees that the Lender shall be entitled to all of the rights and benefits afforded to the Developer under the TIF Agreement and the TIF Escrow Agreement as though the Lender were the Developer, including without limitation, any rights the Developer has to demand or authorize the release of, or to receive the TIF Escrowed Funds or any other payments owed by the City to the Developer pursuant to the TIF Agreement.

6. The City hereby represents to the Lender as follows:

    a. The making, delivery and performance of this Agreement have been duly authorized by all necessary action and this Agreement, when executed, shall be the legal, valid and binding obligations of the City and the Lender, enforceable in accordance with its terms;

    b. Neither the TIF Agreement nor the TIF Escrow Agreement has been amended or modified and the City agrees not to enter into any amendment or modification of the TIF Agreement or the TIF Escrow Agreement without first obtaining written consent thereto from the Lender. Any amendment or modification to the TIF Agreement or the TIF Escrow Agreement entered into without the Lender's written consent shall be null and void;

    c. The Developer is the "Developer" under the TIF Agreement and the TIF Escrow Agreement;

    d. The Loan is a Construction Loan (as defined in the TIF Agreement) and the Mortgage is a Mortgage (as defined in the TIF Agreement);

    e. The City has approved the Construction Plans (as defined in the TIF Agreement);

    f. All obligations of the Developer under the TIF Agreement and the TIF Escrow Agreement have been performed through the date of this Agreement and no default currently exists under either of the TIF Agreement or the TIF Escrow Agreement by any party thereto.

7. All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when mailed by registered or certified mail, postage prepaid, with proper address as indicated below. The Lender and the City may, by written notice given by each to the other, designate any other address or addresses to which notices, certificates or other communications to them shall be sent when required as contemplated by this Agreement. Until otherwise provided by the respective parties, all notices, certificates and communications to each of them shall be addressed as follows:

To the Lender:	Premier Bank 2151 Third Street White Bear Lake, Minnesota 55110 Attn: Douglas A. Schultze
With a copy to:	Leonard, O'Brien, Spencer, Gale & Sayre, Ltd. 100 South Fifth Street, Suite 2500 Minneapolis, Minnesota 55402 Attn: Peter J. Sajevic, III
To the City:	City of Inver Grove Heights, Minnesota 8150 Barbara Avenue Inver Grove Heights, Minnesota 55077 Attn: City Administrator

8. The City and the Lender acknowledge and agree that the Lender is not a party to the TIF Agreement or to the TIF Escrow Agreement (and by executing this Agreement does not become a party to the TIF Agreement or the TIF Escrow Agreement); nor does the Lender assume any obligation thereunder until the Lender exercises its rights under the Mortgage and/or the Pledge Agreement and elects in writing to succeed to the rights of the Developer under the TIF Agreement; that this Agreement contains the entire agreement among the parties with respect to the matters set forth herein; that this Agreement may be amended only in writing signed by all the parties hereto; that this Agreement shall be construed under the laws of the State of Minnesota; that this Agreement shall be binding upon and inure to the benefit of each of the parties hereto and their respective successors and assigns; and that this Agreement may be executed in any number of counterparts, each of which shall constitute the same instrument.

[Signatures begin on the next page]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the date first above written.

CITY:

CITY OF INVER GROVE HEIGHTS, MINNESOTA

By: ________________________________
Mayor

By: ________________________________
City Administrator

STATE OF MINNESOTA)
) ss.
COUNTY OF DAKOTA)

The foregoing instrument was acknowledged before me this _____ day of _____________, 2019, by _____________________________________, the Mayor of the City of Inver Grove Heights, Minnesota, a Minnesota municipal corporation, on behalf of the municipal corporation.

____
Notary Public

STATE OF MINNESOTA)
) ss.
COUNTY OF DAKOTA)

The foregoing instrument was acknowledged before me this _____ day of _____________, 2019, by _____________________________________, the City Administrator of the City of Inver Grove Heights, Minnesota, a Minnesota municipal corporation, on behalf of the municipal corporation.

____
Notary Public

[Signature page to Consent to Assignment of TIF Development Agreement and Escrow Agreement]

LENDER:

PREMIER BANK

By:________________________________
Douglas A. Schultze
Its: Vice President

STATE OF MINNESOTA)
) ss.
COUNTY OF ___________)

The foregoing instrument was acknowledged before me this ____ day of ____________, 2019, by **Douglas A. Schultze**, a Vice President of **Premier Bank**, a Minnesota corporation, on behalf of the corporation.

____
Notary Public

[Signature page to Consent to Assignment of TIF Development Agreement and Escrow Agreement]

MINIMUM ASSESSMENT AGREEMENT

THIS AGREEMENT, dated as of this 18th day of December, 2018, is between the City of Inver Grove Heights, Minnesota (the "City") and Hampton Senior Care of Invergrove Heights LLC, a Minnesota limited liability limited company (the "Developer").

WITNESSETH

WHEREAS, on or before the date hereof the City and Developer have entered into a TIF Development Agreement dated as of December 18, 2018 (the "TIF Agreement") regarding certain real property located in the City of Inver Grove Heights, Minnesota (the "City") the legal description of which is attached hereto as **Exhibit A** (the "Development Property").

WHEREAS, it is contemplated that pursuant to said Agreement, the Developer will undertake the construction an approximately 32-unit multifamily rental housing development and functionally related facilities, amenities and improvements to be located at 1407 80th Street East in the City (the "Project"), in accordance with plans and specifications approved by the City.

WHEREAS, the City and Developer desire to establish a minimum market value for the Development Property and the improvements constructed or to be constructed thereon, pursuant to Minnesota Statutes, Section 469.177.

WHEREAS, the Developer has acquired the Development Property.

WHEREAS, the City and the Assessor have reviewed plans and specifications for the Project.

NOW, THEREFORE, the parties to this Agreement, in consideration of the promises, covenants and agreements made by each to the other, do hereby agree as follows:

1. As of January 2, 2020, the minimum market value, which shall be assessed for the Development Property for taxes payable 2021 and in each year thereafter, shall not be less than $4,320,000.

2. The minimum market values herein established shall be of no further force and effect after assessment on or before January 31, 2023 for taxes payable in 2024.

3. This Agreement shall be recorded by the City with the County Recorder of Dakota County, Minnesota. The Developer shall pay all costs of recording.

4. Neither the preambles nor provisions of this Agreement are intended to, or shall they be construed as, modifying the terms of the TIF Agreement between the City and the Developer.

5. This Agreement shall inure to the benefit of and be binding upon the successors and assigns of the parties, shall be governed by and interpreted pursuant to Minnesota law, and may be executed in counterparts, each of which shall constitute an original hereof and all of which shall constitute one and the same instrument.

This Instrument Drafted By:
Kennedy & Graven, Chartered
470 U.S. Bank Plaza
200 South Sixth Street
Minneapolis, MN 55402-1403

IN WITNESS WHEREOF, the City and the Developer have caused this Minimum Assessment Agreement to be executed in their names and on their behalf all as of the date set forth above.

CITY OF INVER GROVE HEIGHTS,
MINNESOTA

By ___________________________________
Mayor

By ___________________________________
City Administrator

STATE OF MINNESOTA)
) SS.
COUNTY OF DAKOTA)

The foregoing instrument was acknowledged before me this _____ day of ___________, 2018 by _______________________, the Mayor of the City of Inver Grove Heights, Minnesota, a municipal corporation organized and existing under the Constitution and laws of the State of Minnesota, on behalf of said City.

____
Notary Public

STATE OF MINNESOTA)
) SS.
COUNTY OF DAKOTA)

The foregoing instrument was acknowledged before me this _____ day of ___________, 2018 by _______________________, the City Administrator of the City of Inver Grove Heights, Minnesota, a municipal corporation organized and existing under the Constitution and laws of the State of Minnesota, on behalf of said City.

____
Notary Public

HAMPTON SENIOR CARE OF INVERGROVE HEIGHTS LLC, a Minnesota limited liability company

By: ______________________________
____
____
Its: ______________________________

STATE OF MINNESOTA)
) SS.
COUNTY OF ___________)

The foregoing instrument was acknowledged before me this ____ day of ____________, 2018, by ______________, the _____________ of Hampton Senior Care of Invergrove Heights LLC, a Minnesota limited liability company, on behalf of the limited liability company.

____
Notary Public

CERTIFICATION BY COUNTY ASSESSOR

The undersigned, having reviewed the Minimum Assessment Agreement dated as of December 18, 2018 by and City of Inver Grove Heights, Minnesota and Hampton Senior Care of Invergrove Heights LLC, the plans and specifications for the Project, as defined in the foregoing Minimum Assessment Agreement, and the market value currently assigned to land upon which the improvements are to be constructed and being of the opinion that the minimum market value contained in the Minimum Assessment Agreement appears reasonable, hereby certifies as follows:

The undersigned Assessor, being legally responsible for the assessment of the above described property, hereby certifies that the minimum market value of $4,320,000 as of January 2, 2020, assigned to such land and improvements is reasonable.

____
County Assessor for Dakota County

STATE OF MINNESOTA)
) ss.
COUNTY OF DAKOTA)

This instrument was acknowledged before me on ____________, 2018, by _______________________, the County Assessor of Dakota County.

____
Notary Public

EXHIBIT A TO MINIMUM ASSESSMENT AGREEMENT

Legal Description of Development Property

The property located in the City of Inver Grove Heights, Dakota County, Minnesota legally described as:

Lot 1, Block 1, Scenic Hills, Dakota County, Minnesota

AGENDA ITEM 4K

CITY OF INVER GROVE HEIGHTS **REQUEST FOR COUNCIL ACTION**

Authorization to Proceed with Posting and Hiring of the Community Development Director Position

Meeting Date:	January 28, 2019		**Fiscal/FTE Impact:**
Item Type:	Consent Agenda	X	None
Contact:	Janet Shefchik, H.R. Manager		Amount included in current budget
Prepared by:	Janet Shefchik, H.R. Manager		Budget amendment requested
Reviewed by:	Joe Lynch, City Administrator		FTE included in current complement
			New FTE requested – N/A
			Other

PURPOSE/ACTION REQUESTED

Authorization to proceed with posting and hiring for the Community Development Director position

SUMMARY

As noted in the City Administrator's memo to Council on Friday, January 18, 2019, Janice Gundlach is resigning effective February 1st. Therefore, staff seeks authorization to proceed with posting the position and a recruitment process to bring a recommendation for hire back to the City Council (Personnel Policy 1-6A-5). The estimated timeframe from post to fill is approximately 2 - 2 ½ months.

CITY OF INVER GROVE HEIGHTS, DAKOTA COUNTY, MINNESOTA

SUPPLEMENTAL COUNCIL MEETING MINUTES REGARDING RECESSED COUNCIL MEETING HELD ON MONDAY, DECEMBER 17, 2018

At the December 10, 2018 regular Council meeting, a motion was made by Councilmember Piekarski Krech and seconded by Councilmember Perry to proceed to a closed door session at 11:15 p.m. to discuss the following:

> Pursuant to Minn. Stat. § 13D.05, Subd. 2(b), a closed Executive Session for preliminary consideration of allegations against City Administrator Joe Lynch.

The motion passed by a vote of 5 to 0.

The closed door session began at approximately 11:20 p.m. Present at the beginning of the session were Mayor Tourville, Councilmembers Piekarski Krech, Bartholomew, Hark and Perry; and City Attorney Timothy Kuntz.

The City Attorney outlined that the purpose of the closed session was to engage in preliminary consideration of allegations against City Administrator Joe Lynch and that such preliminary consideration was being done pursuant to Minn. Stat. § 13D.05, Subd. 2(b).

Councilmember Perry absented herself from the meeting and left the closed session.

Attorney/Investigator Pam VanderWiel joined the session to answer questions and provide clarifications regarding the investigation report she had prepared.

City Administrator Joe Lynch and his attorney John Fabian joined the session and stated their position concerning the allegations. They then left the session.

The Council continued its preliminary consideration of the allegations.

At approximately 2:15 a.m. on December 11, 2018, the Council ceased the closed session and proceeded into open session in the Council chambers. Those present were Mayor Tourville, Councilmembers Piekarski Krech, Bartholomew and Hark. Councilmember Perry was absent.

A motion was made by Councilmember Piekarski Krech and seconded by Councilmember Bartholomew to continue and recess the meeting to Monday, December 17, 2018 at 4:00 p.m. at Inver Grove Heights City Hall, 8150 Barbara Avenue, Inver Grove Heights to consider the following two remaining agenda items:

1. Pursuant to Minn. Stat. § 13D.05, Subd. 2(b), a closed executive session for preliminary consideration of allegations against City Administrator Joe Lynch;

2. Hearing to consider imposition of discipline with respect to allegations against City Administrator Joe Lynch.

The motion passed by a vote of 4 to 0.

On Monday, December 17, 2018, at 4:00 p.m. the recessed meeting was convened in open session to consider the following two remaining agenda items:

1. Pursuant to Minn. Stat. § 13D.05, Subd. 2(b), a closed executive session for preliminary consideration of allegations against City Administrator Joe Lynch;

2. Hearing to consider imposition of discipline with respect to allegations against City Administrator Joe Lynch.

Present at the beginning of the recessed meeting were Mayor Tourville, Councilmembers Piekarski Krech, Bartholomew and Hark; and City Attorney Timothy Kuntz. Councilmember Perry was absent.

A motion was made by Councilmember Piekarski Krech and seconded by Councilmember Hark to proceed to a closed Executive Session for preliminary consideration of allegations against City Administrator Joe Lynch pursuant to Minn. Stat. § 13D.05, Subd. 2(b).

The motion passed by a vote of 4 to 0.

The closed session began at approximately 4:08 p.m. Present were Mayor Tourville, Councilmembers Piekarski Krech, Bartholomew and Hark; and City Attorney Timothy Kuntz. Councilmember Perry was absent.

The Council continued preliminary consideration of the allegations against City Administrator Joe Lynch.

At approximately 4:15 p.m. the Council returned to open session in the Council chambers and began the open session hearing to consider whether to impose discipline with respect to allegations against City Administrator Joe Lynch.

The hearing was conducted in open session.

Attorney John Fabian (attorney for Joe Lynch) made a statement denying the allegations.

A motion was made by Councilmember Piekarski Krech and seconded by Councilmember Hark to close the hearing.

The motion passed by a vote of 4 to 0.

A motion was made by Councilmember Bartholomew and seconded by Councilmember Hark to approve a *Resolution Determining That Discipline Is Warranted In Connection With A Complaint Against Inver Grove Heights City Administrator Joe Lynch*.

There were 4 votes in favor of the resolution. Those votes were Councilmember Bartholomew, Councilmember Hark, Mayor Tourville and Councilmember Piekarski Krech. There were no votes against the resolution. Councilmember Perry was absent.

The motion passed by a vote of 4 to 0.

The resolution is attached to these minutes and made a part thereof.

A motion was made by Councilmember Piekarski Krech and seconded by Councilmember Bartholomew to adjourn.

The motion to adjourn was passed by a vote of 4 to 0.

The meeting adjourned at approximately 5:00 p.m.

Submitted by:
Timothy J. Kuntz
City Attorney
City of Inver Grove Heights

CITY OF INVER GROVE HEIGHTS
DAKOTA COUNTY, MINNESOTA

RESOLUTION NO. ______

A RESOLUTION DETERMINING THAT DISCIPLINE IS WARRANTED IN CONNECTION WITH A COMPLAINT AGAINST INVER GROVE HEIGHTS CITY ADMINISTRATOR JOE LYNCH

WHEREAS, a complaint was filed against Inver Grove Heights City Administrator Joe Lynch.

WHEREAS, the Council directed that independent investigator Attorney Pam VanderWiel, of the law firm of Everett & VanderWiel, investigate the complaint and formulate Findings of Fact and Conclusions together with accompanying Evidence and Analysis.

WHEREAS, the complaint was investigated.

WHEREAS, the investigation report (prepared by Attorney Pam VanderWiel dated December 4, 2018) is complete and has been received by the Council.

WHEREAS, on August 13, 2018, pursuant to Minn. Stat. § 13D.05, subd. 2(b), the Council reviewed the complaint.

WHEREAS, on December 10, 2018, pursuant to Minn. Stat. § 13D.05, subd. 2(b), the Council reviewed the investigation report.

WHEREAS, at a recessed council meeting on December 17, 2018, the Council conducted a hearing to allow Joe Lynch the opportunity to be heard by the Council.

WHEREAS, Findings 1 and 6 conclude that violations of the Respectful Workplace Policy occurred.

WHEREAS, with respect to the other allegations either contained in the complaint or otherwise addressed by the investigation report, the Council determines, finds and concludes that such allegations are not substantiated or that there is insufficient evidence to determine whether or not any incident warranting discipline occurred.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Inver Grove Heights, Minnesota:

1. The Council approves and adopts Findings 1 and 6 contained in the investigation report prepared by Attorney Pam VanderWiel dated December 4, 2018, together with the accompanying Evidence and Analysis.

2. With respect to the other allegations either contained in the complaint or otherwise addressed by the investigation report, the Council determines, finds and concludes that such allegations are not substantiated or that there is insufficient evidence to determine whether or not any incident warranting discipline occurred. With respect to such other allegations, the Council finds that discipline is not warranted

3. With respect to Findings 1 and 6, the Council finds that there is substantial and credible evidence that Joe Lynch violated the City's Respectful Workplace Policy and that discipline is warranted. As a result of the violations reflected in Findings 1 and 6, the Council determines that the following discipline is hereby imposed:

   - Suspension from work without pay for 3 days; the suspended days shall be selected by Joe Lynch and all such suspended days shall occur before February 28, 2019

Adopted by the City Council of Inver Grove Heights this 17th day of December, 2018.

George Tourville

George Tourville, Mayor

ATTEST:

____

Michelle Tesser, City Clerk

LeVander, Gillen & Miller, P.A.
ATTORNEYS AT LAW

TIMOTHY J. KUNTZ
DANIEL J. BEESON
JAY P. KARLOVICH
ANGELA M. LUTZ AMANN
KORINE L. LAND
DONALD L. HOEFT
BRIDGET McCAULEY NASON
TONA T. DOVE
AARON S. PRICE
DAVID L. SIENKO
CASSANDRA C. WOLFGRAM
DEBRA M. NEWEL
CASSANDRA J. BAUSTISTA
MATTHEW K. BROKL

MEMO

TO:	**Inver Grove Heights Mayor and Councilmembers**
FROM:	**Timothy J. Kuntz, City Attorney**
DATE:	**January 24, 2019**
RE:	**Summary of Performance Evaluation; January 28, 2019 Council Meeting**

Section 1. Background. On January 14, 2019, the Council conducted a closed door performance evaluation of City Administrator Joe Lynch. Minn. Stat. § 13D.05, Subd. 3(a) states that at the next open meeting, the Council shall summarize its conclusions regarding the evaluation. Attached is such a summary.

Section 2. Council Action. The summary is being placed on the consent agenda for Council approval at the January 28, 2019 Council meeting.

Attachment

CITY OF INVER GROVE HEIGHTS, DAKOTA COUNTY, MINNESOTA

SUMMARY OF PERFORMANCE EVALUATION OF CITY ADMINISTRATOR JOE LYNCH

At the January 14, 2019 regular Council meeting, the Council, in open session, took action to proceed to a closed session pursuant to Minn. Stat. § 13D.05, Subd. 3(a) to discuss and conduct a performance evaluation of City Administrator Joe Lynch.

Minn. Stat. § 13D.05, Subd. 3(a) provides that at its next open meeting, the Council shall summarize its conclusion regarding the evaluation. This is a summary of those conclusions.

Present at the closed session were Mayor Tourville, Councilmembers Piekarski Krech, Bartholomew, Perry and Dietrich; City Attorney Tim Kuntz and City Administrator Joe Lynch.

The evaluation began at approximately 11:51 p.m. on January 14, 2019 and ended at approximately 1:06 a.m. on January 15, 2019. Pursuant to Minn. Stat. § 13D.05, Subd. 1(d) the closed session was tape recorded.

The discussion and focus of the evaluation centered on practices, protocols and procedures in the Administration Department (the Department) to foster positive professional interactions among Department members.

The Mayor and Councilmembers provided guidelines, directions and suggestions as follows:

1. The supervisory structure of the Department will remain as is.
2. The Administrator should increase communication channels with those that he supervises. A suggestion was made to introduce at least weekly meetings.
3. The Administrator and the Department members should strive to create an atmosphere of trust building and positive interactions and engage in professional relationship building.
4. The Administrator should keep the Council fully informed on initiatives and proactive steps to grow professionalism and trust building.
5. A goal of the City is to reach out and retain an outside independent consultant acting as a facilitator to train and coach the City Administrator and Department members on additional steps that can be taken for trust building and fostering positive interactions by building professional relationships in the Department.

After the closed session, the Council returned to open session and a motion was made by Councilmember Dietrich and seconded by Councilmember Perry to adjourn. The motion passed by a vote of 5 to 0. The meeting adjourned at approximately 1:06 a.m. on January 15, 2019.

Submitted by:
Timothy J. Kuntz
City Attorney
City of Inver Grove Heights

AGENDA ITEM 4N

CITY OF INVER GROVE HEIGHTS **REQUEST FOR COUNCIL ACTION**

PERSONNEL ACTIONS

Meeting Date:	January 28, 2019		**Fiscal/FTE Impact:**
Item Type:	Consent Agenda	x	None
Contact & Reviewed by:	Janet Shefchik, HR Manager		Amount included in current budget
Prepared by:	Carrie Isaacson, Admin Svc Coord		Budget amendment requested
			FTE included in current complement
			New FTE requested – N/A
			Other

PURPOSE/ACTION REQUESTED
Staff requests that Council confirm and approve the personnel actions listed below:

Part-Time/Temporary/Seasonal Employment:

Fire
Thompson, Nealon, Fire Instructor

Parks-Recreation-VMCC
Crowley-Martinez, Melissa, Fitness Instructor
Gall, Mackenzie, Fitness Worker

Voluntary Resignations and/or Terminations:

Community Development
Gundlach, Janice, Director of Community Development

Parks-Recreation-VMCC
Dahl, Kathryn, Lifeguard
Irish, Weston, Fitness Instructor
Keith, Matthew, Fitness Instructor
Xiong, Yeh, Fitness Instructor

AGENDA ITEM 6A

CITY OF INVER GROVE HEIGHTS **REQUEST FOR COUNCIL ACTION**

Merrick, Inc.– Consider Application for Lawful Purpose Gambling Premises Permit at Overboard Bar & Grill, 4455 64th Street East

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Meeting Date: January 28, 2019
Item Type: Public Hearing
Contact: 651.450.2513
Prepared by: Michelle Tesser, City Clerk
Reviewed by: N/A

Fiscal/FTE Impact:

x	None
	Amount included in current budget
	Budget amendment requested
	FTE included in current complement
	New FTE requested – N/A
	Other

PURPOSE/ACTION REQUESTED:

Consider the resolution approving the application of Merrick, Inc. for a premises permit to conduct lawful purpose gambling operations at Overboard Bar & Grill, 4455 64th Street East.

SUMMARY:

Merrick, Inc has submitted an application for a premises permit to conduct lawful purpose gambling operations at Overboard Bar & Grill effective upon Council approval. Merrick, Inc. will continue holding a lawful gambling premise permit at Jersey's Bar and King of Diamonds. The organization’s gambling manager, Wendy Busch has reviewed the City’s local gambling ordinance and believes their organization would fulfill the intent of the ordinance which is to maintain the use of the proceeds within the City and defined trade area.

An investigation of the CEO John Barker and Wendy Busch, Gambling Manager, was completed by the Police Department and the investigation was approved by the Police Chief.

CITY OF INVER GROVE HEIGHTS
DAKOTA COUNTY, MINNESOTA

RESOLUTION NO.

RESOLUTION APPROVING THE APPLICATION OF
MERRICK, INC.
FOR A PREMISES PERMIT TO CONDUCT LAWFUL PURPOSE GAMBLING AT
OVERBOARD BAR & GRILL
LOCATED AT
4455 64th STREET EAST, INVER GROVE HEIGHTS, MINNESOTA

WHEREAS, Minnesota Statutes require premises on which lawful gambling is conducted to be licensed by the Minnesota Charitable Gambling Control Board, and

WHEREAS, Merrick, Inc. has submitted an application Lawful Gambling Premises Permit at Overboard Bar & Grill, 4455 64th East Street, Inver Grove Heights, and

WHEREAS, the City of Inver Grove Heights has conducted the required background investigation on the application which has not developed any facts that would constitute the basis for denial, now

THEREFORE, BE IT RESOLVED, By the City Council of the City of Inver Grove Heights, County of Dakota, State of Minnesota, hereby approves the application of Merrick, Inc. for a lawful gambling premises permit at Overboard Bar & Grill, located at 4455 64th Street East, Inver Grove Heights, subject to compliance with the provisions of the City's Gambling Ordinance or Minnesota Statutes relating to charitable gambling and requests waiver of the 30-day waiting period.

FURTHER, to direct staff to forward a copy of this resolution to the Minnesota Charitable Gambling Control Board.

Adopted this 28th day January 2019

Ayes:
Nays:

____
George Tourville, Mayor

Attest:

____
Michelle Tesser, City Clerk

AGENDA ITEM 7A

CITY OF INVER GROVE HEIGHTS **REQUEST FOR COUNCIL ACTION**

CONSIDER FIRST READING OF ORDINANCES AMENDING CITY CODE 5-5-6, 5-5-12, AND 5-9-2 CONCERNING NUISANCE NOISE, CREATION OF A NEW CHAPTER 14 TO TITLE 4 CREATING A PERMIT FOR A LARGE ASSEMBLY, AND CREATION OF A NEW CHAPTER 15 TO TITLE 4 CONCERNING EXCESSIVE CONSUMPTION OF CITY SERVICES

Meeting Date: January 28, 2019
Item Type: Community Development/Police
Prepared by: Janice Gundlach, CD Director
Reviewed by: Joshua Otis, Commander
Contact: 651-450-2546

Fiscal/FTE Impact:

x	None
	Amount included in current budget
	Budget amendment requested
	FTE included in current complement
	New FTE requested – N/A
	Other

PURPOSE/ACTION REQUESTED

Council is requested to approve the first reading of ordinances amending 5-5-6, 5-5-12, and 5-9-2 concerning nuisance noise and creation of new Chapters 14 and Chapter 15 to Title 4 Concerning Large Assembly and Excessive Consumption respectively.

SUMMARY

Community Development and Police Department staff have been collaborating on the following three ordinances:

1) **Nuisance Noise**: The proposed ordinance intends to better define what is considered nuisance noise. Adoption of more clearly defined language provides Police a clearer determination of violation of this section when responding to calls for service.

2) **Large Assembly**: The proposed ordinance creates a permit for a large assembly. For the purpose of this ordinance, large assembly would be considered an assembly of 200 or more persons on public or private property and/or a "reasonably anticipated assembly" of 50 or more persons on private property IF the property is leased, rented, bartered or promoted specifically for the event. The permit is administrative in nature and collects a volume of information needed to ensure the public health, safety and welfare are protected. Based on the information submitted, the permit may or may not be approved depending on the ability to reasonably protect the public health, safety and welfare. This ordinance and administrative permit process would provide the City an ability to safety accommodate events that would not otherwise be allowed per City Code.

3) **Excessive Consumption**: The proposed ordinance aims to impose and collect the costs associated with excessive consumption of City inspection and law enforcement services for violations of City Code that are over and above the cost of providing normal inspection and law enforcement services. Costs would be recovered if more than four inspections are generated to the same address within a continuous 12-month period and after four or more verified incidents of nuisance enforcement services. The proposed ordinance provides for notice prior to incurring excessive consumption costs and an appeals process for the imposition of these fees. Excessive consumption costs would be certified to the property tax and the amounts established by City Council resolution. This ordinance is not anticipated to be utilized often but does provide City staff greater leverage in gaining compliance with property owners of certain problem properties.

All three ordinance drafts were presented to Council during work session discussions on August 6, 2018 and September 4, 2018. Since those work session discussions, the draft ordinances were sent to the City Attorney for final revisions and acceptance. The ordinances attached reflect the City Attorney comments.

ATTACHMENTS

Ordinance Amending City Code Sections 5-5-6, 5-5-12, and 5-9-2 (Nuisance Noise)
Ordinance Creating a New Chapter 14 to Title 4 (Large Assembly)
Ordinance Creating a New Chapter 15 to Title 4 (Excessive Consumption)

CITY OF INVER GROVE HEIGHTS
DAKOTA COUNTY
ORDINANCE NO.
AMENDING CITY CODE
SECTIONS 5-5-6 & 5-9-2 AND
ADDING SECTION 5-5-12
REGARDING NUISANCE NOISE

THE CITY COUNCIL OF THE CITY OF INVER GROVE HEIGHTS ORDAINS AS FOLLOWS:

Section One: **Amendment.** Section 5-5-6 of the Inver Grove Heights City Code related to nuisances is hereby amended as follows:

5-5-6: NUISANCES:

A. Public Nuisance Defined: A "public nuisance" is a thing, act, occupation, or use of property which:

1. Unreasonably annoys, injures or endangers the safety, health, morals, comfort, or repose of any considerable number of members of the public.
2. Offends public decency.
3. Unlawfully interferes with, obstructs or tends to obstruct or render dangerous for passage any public park, square, street, walk, lane, alley, highway or other public grounds or waters used by the public.
4. In any way renders the public insecure in life or in use of property.
5. Is declared by law to be a public nuisance and for which no specific penalty is provided.
6. Is an Unnecessary Noise as defined in 5-5-12.

B. Misdemeanor Violation: Any person who knowingly causes or creates a nuisance, or permits any nuisance to be created or placed upon or to remain upon any premises owned or occupied by him, is guilty of a misdemeanor.

Section Two: **Amendment.** Section 5-5-12 related to Unnecessary Noise is hereby added as follows:

5-5-12 UNNECESSARY NOISE

A. General Rule. No person shall make, continue, permit or cause to be made or continued any loud, unnecessary, unusual noise or any noise within the city that would be likely to annoy, disturb, injure or endanger the comfort, repose, health, peace or safety of a reasonable person of ordinary sensibilities.

B. Unnecessary Noise Defined. An "Unnecessary Noise" is a noise that:

1. Creates amplified sound that is audible above the level of conversational speech at a distance of fifty (50) feet or more from the point of origin of the amplified sound. This section would apply to, but is not limited to, large assemblies, live music, music from electronic devices, music from motor vehicles, radio, tape player, disc player, loud speaker, horns, and similar devices.
2. Unless exempted in section 5-5-12C, involves the operation of domestic power equipment, construction and demolition equipment between the hours of 10 pm and 7 am during the week days and 9 pm and 7 am on the weekends and holidays.
3. Is otherwise described in Section 5-9-2.

C. Exemptions: The following noise events are exempt from the provisions under this section:

1. Fire, police, civil defense, or other emergency signaling devices or vehicles.
2. Garbage, refuse hauling and recycling trucks.
3. Noise created exclusively in the performance of emergency work to preserve the public health, safety or welfare, or in the performance of emergency work necessary to restore a public service or eliminate a public hazard.
4. City snow plowing vehicles.
5. Domestic snow removal or lawn cutting equipment when being used as intended.
6. Civic-sponsored parades or festivals lasting no longer than three (3) days and official school district-sponsored athletic events.
7. Anti-theft devices, security alarms and similar systems, when functioning properly.
8. Church bells, chimes, or other bells, when used for their intended purposes.
9. Public works construction and maintenance activities by federal, state, county or city authorities or their contractors, when approved by the Director of Public Works or their designee.
10. All activities and land uses with specific hours of operation that are regulated and approved by the city through a licensing, permitting or zoning process, as long as the activity or use is operating within the designated parameters.

D. Responsible Party. Any owner, tenant, resident, occupant or manager of a building, property location, site or vehicle, who has legal authority to control the activities and who knows or has reason to know of the disturbance and fails to immediately take reasonable steps to abate the disturbance is guilty of violating this section.

Section Three: Amendment. Section 5-9-2 of the Inver Grove Heights City Code related to the definitions of public nuisances on property is hereby amended as follows:

5-9-2: DEFINITIONS:

PUBLIC NUISANCES ON PROPERTY: The following are declared to be public nuisances on property affecting public peace, safety, and general welfare:

S. A violation of section 5-5-12 of this code creating Unnecessary Noise.

Section Four. **Effective Date.** This Ordinance amendment shall be effective from and after its passage and publication according to law.

Passed this ____ day of ______________, 2018.

CITY OF INVER GROVE HEIGHTS

By: ___________________________________
George Tourville, Mayor

ATTEST:

____
Michelle Tesser, City Clerk

CITY OF INVER GROVE HEIGHTS
DAKOTA COUNTY
ORDINANCE NO.
CREATING CHAPTER 14 TO TITLE 4
OF THE CITY CODE
REGARDING LARGE ASSEMBLIES

THE CITY COUNCIL OF THE CITY OF INVER GROVE HEIGHTS ORDAINS AS FOLLOWS:

Section One. Amendment. Creation of a new Chapter 14 to Title 4 of the Inver Grove Heights City Code adding a permit for a Large Assembly.

4-14-1: POLICY, PURPOSE, OBJECTIVE, INTENT:

This chapter is established in order to regulate the assembly of large numbers of persons whose presence in the city can reasonably be anticipated to exceed the capability of the health, sanitary, fire, police, transportation and utility services provided by the city and in order to establish regulations which protect the health, safety and welfare of all persons within the city.

4-14-2: DEFINITION:

For purposes of this section, "large assembly" means a gathering involving more than 50 persons; or actions by one or more persons, the intention of which is to attract and assemble a gathering of persons in excess of 50 at a single time and place for any purpose. Such assemblies may involve a concert, parade, show, festival, carnival, rally, party, street dance, race, or other outdoor activity or celebration that is held on public property, in the right of way or if held on private property, will affect or impact the ordinary and normal use by the general public within the vicinity of the assembly.

4-14-3: PERMIT REQUIRED:

A. No person shall permit, maintain, promote, conduct, advertise, manage, sell, barter or give tickets to an actual or reasonably anticipated assembly of 200 or more people, whether on public or private property, unless a permit to hold the assembly has been first issued by the city as provided in this article. In addition to the permit required in this section, the applicant must obtain and submit to the city any other state licenses and/or permits necessary to carry on the assembly.

B. No person shall lease, rent, barter, or promote for some form of remuneration the use of private property for an actual or reasonably anticipated assembly of 50 or more people on said private property, unless a permit to hold the assembly has been first issued by the city as provided in this article. The city may limit the number of events a private property owner may host to protect the health, safety and welfare of the affected neighborhood and community at large.

4-14-4: PERMIT EXEMPTIONS; APPLICABILITY:

A permit is not required for the following assemblies:

A. Large assemblies sponsored by the city.

B. Any regularly established, permanent place of worship, stadium, athletic field, arena, auditorium, theatre, city parks/community center, school, community college or other similar permanently established place of assembly.

C. The B.E.S.T. Foundation May Day 5K.

D. Golf tournaments.

E. Non-city sponsored events on city or county park property, as long as proper rental permits and other licenses and permits are obtained.

F. Graduation parties, weddings, or funeral gatherings.

4-14-5: APPLICATION FOR PERMIT:

The application for a large assembly permit shall be made in writing and filed with the either the park and recreation department if a privately sponsored event is planned to be held in any city park, or the police department if the large assembly is to occur at any other location. Application for a large assembly permit shall be made no less than 30 days in advance of the proposed date for the large assembly, upon forms supplied by the city . The application shall contain, the following information:

A. The contact information of the applicant, if an individual; all event partners if a partnership; and all officers of the corporation if the applicant is a corporation.

B. The address and legal description of all property which will be in any way used or occupied by the large assembly.

C. The names and addresses of all persons holding an equitable or legal interest in land, except mortgagees, where the proposed large assembly is to be conducted, together with a written statement of their approval of such use.

D. The names and addresses of all persons with a legal or equitable interest in the land which abuts the subject property.

E. A full description of the nature, purpose and extent of the proposed large assembly. The event description shall include a description of all entertainment or activities attending the event, such as food service, alcohol service, the use and monitoring of inflatables, amusement rides, activities associated with a body of water, the areas where alcohol will be served, fireworks, stunts, or other exhibitions for the enjoyment of participants.

F. The maximum number of persons that the proposed large assembly may attract at any given time, together with the dates and hours during which the proposed large assembly will be conducted.

G. The full description and information on security plans to be utilized at the proposed large assembly by the applicant, including plans to mitigate access to alcohol by underage person, if applicable.

H. A full description of plans for sound amplification and sound control to be utilized by the applicant.

I. Plans for any food or other concession which will be provided or offered for sale, together with the name, address and licensing information of all concessionaires, catering services, food trucks, including licensed liquor establishments.

J. All other information which would be required by any city department required to review the permit application.

K. A traffic management and parking plan, including special requests for the bagging of no parking signs, if requested or required.

L. Permanent or temporary structures that will be utilized for the event, including but not limited to private homes, garages, sheds, or other outbuildings, tents of any size, portable toilets, or other structures.

M. All site clean-up from the event shall be complete within 36 hours from the termination of the large assembly event.

N. The nonrefundable permit review and investigation fee as provided in the city's published fee schedule.

4-14-6: ADMINISTRATIVE FEES:

As a condition of granting a permit, the city may require establishing of a cash escrow to be deposited with the city clerk. The cash escrow shall be used to guarantee payment by the applicant of the city's costs for legal, engineering, planning, sanitation, health, traffic control, and other law enforcement services which are directly attributable to the large assembly.

4-14-7: ADMINISTRATIVE REVIEW PROCESS:

Following receipt of the permit application, the receiving department (Parks Department or Police Department) shall direct the permit application to city department as appropriate for the type of event being planned. Departmental review many include, but is not limited to, planning, code compliance, public works, parks and recreation, building inspections, police, and fire, including the fire marshal. Each reviewing department shall ensure expeditious review of the permit application, excepting circumstances in which the applicant is required to provide additional information.

Underline reflects new language

4-14-8: CONDITIONS OF APPROVAL:

The city may approve a permit and impose any condition reasonably required to protect the health, safety and welfare of the general public and the persons assembled, including, without limitation, the following elements:

A. A fence, barrier or other enclosure which controls and regulates ingress and egress to and from the assembly with reasonable safety and speed.

B. A potable water supply, meeting all local, state and federal standards for sanitation, quality and quantity at the rate of one gallon per person per day.

C. Separate enclosed toilets for males and females which meet state and ADA specifications, conveniently located throughout the grounds, in sufficient numbers to meet the state board of health regulations and standards.

D. An efficient and sanitary method of disposing of solid waste at the rate of at least 2.5 pounds per person per day, together with provisions for restoration of the site to its original condition.

E. A lighting plan for safe illumination during the hours of darkness.

F. Security officers, private, off-duty or on-duty state licensed peace officers in sufficient numbers to provide for adequate safety and security of the proposed assembly. Security and traffic control must meet the requirements of all state authorities and approval of the chief of police.

G. An administrative communications control center for communication with the city officials either by messenger or telephone while the large assembly is being operated.

H. Sufficient adequately training medical personnel permitted to practice in the state and sufficient to provide emergency medical care.

I. A parking area off the public right-of-way and inside the proposed large assembly area sufficient to provide parking space for one vehicle per each four persons anticipated unless participants are bused in from another location. Permission for parking from all affected property owners must be obtained. The extent to which street parking may be required to meet the needs of event participants.

J. A fire protection plan to be provided by the applicant, which shall require approval from the fire marshal and fire chief.

K. A severe weather evacuation plan.

L. Copies of descriptions of all proposed advertising to ensure that the proposed advertising conforms with the plans as presented to the city.

M. Any restrictions on sound and sound reproduction and amplification as are necessary to contain unreasonable noise within the enclosed boundaries of the location of the large assembly.

N. A surety bond or other financial guarantee approved as to form by the city and established by the city council in an amount of not less than $5,000.00 to guarantee performance by the applicant of the conditions imposed by the city in granting the large assembly permit.

O. A comprehensive general liability insurance policy covering any and all damages, claims, or other liabilities arising out of the operation of the large assembly, whether incurred by the city or by any other association or person.

P. Inspection by appropriate city officials before, during, and immediately following the permitted event.

Q. The city may limit the size and duration of the large assembly.

4-14-9: PERMIT DENIAL:

A. A permit may be denied upon a finding by the appropriate department that the proposed assembly is incompatible with existing land uses or will be detrimental to the public health, safety and welfare. Factors considered when determining denial include, but are not limited to the following:
   1. Zoning ordinance conflicts with adjacent properties
   2. Concerns regarding noise, lighting, traffic, water supply, waste disposal, sanitation, fire hazards, congestion of persons, and the ability to contain the assembly on the site
   3. The potential for damage to adjoining properties,
   4. Lack of adequate parking areas
   5. The applicant fails to agree to abide by or comply with the conditions of the permit
   6. The information contained in the application is false or there is a material defect or omission in the application
   7. The diversion of too many law enforcement officers to properly police the event
   8. Another permit has already been approved to hold a different assembly at the same time and place or is so close in time as to cause undue traffic congestion or other complications
   9. Other factors affecting the public health, safety and welfare of the public.

B. In the event the department denies the permit, the applicant may appeal the decision to the city council.

4-14-10: OVERNIGHT CAMPING:

No person holding a large assembly permit shall permit and no participant in a large assembly shall remain overnight at the location of a large assembly, except for a reasonable number of persons required for security purposes unless permitted by the city as part of the application process.

4-14-11: ISSUANCE OF PERMIT; ENFORCEMENT:

A. The large assembly permit shall be issued by the appropriate department only after review by the various relevant city departments. The permit shall contain a statement of all required conditions.

B. Enforcement of this article and of any large assembly permit may take any of the following forms within the discretion of the city:

   1. Enforcement by declaring such large assembly to be a public nuisance followed by abatement procedures provided by statute or ordinance.
   2. Enforcement by injunction, declaratory judgment, or any other civil remedy by any court of competent jurisdiction.
   3. Enforcement by issuing a citation or criminal complaint against persons parking automobiles in violation of this article or any condition of the large assembly permit and the towing of such automobiles at the expense of such persons.
   4. Enforcement by disbursing all persons gathered at such large assembly.
   5. Enforcement by revoking the large assembly permit, ordering removal of all large assembly paraphernalia and the disbursing of persons gathered at the large assembly.

Section Two. Effective Date. This Ordinance amendment shall be effective from and after its passage and publication according to law.

Passed this ____ day of ______________, 2018.

CITY OF INVER GROVE HEIGHTS

By: ___________________________________
George Tourville, Mayor

ATTEST:

____
Michelle Tesser, City Clerk

Underline reflects new language

CITY OF INVER GROVE HEIGHTS
DAKOTA COUNTY
ORDINANCE NO.
CREATING CHAPTER 15 TO TITLE 4
OF THE CITY CODE
REGARDING EXCESSIVE CONSUMPTION
OF CITY SERVICES

THE CITY COUNCIL OF THE CITY OF INVER GROVE HEIGHTS ORDAINS AS FOLLOWS:

Section One. **Amendment.** Creation of a new Chapter 15 to Title 4 of the Inver Grove Heights City Code regarding excessive consumption of city services.

4-15-1: POLICY, PURPOSE, OBJECTIVE, INTENT:

The city council finds some property owners take little or no responsibility for the maintenance of their property until the city, through its various inspections programs, has repeatedly ordered them to remedy violations of the City Code. Such property owners create excessive costs for the city that are over and above the normal cost of providing inspection services in the city. Property owners who the city must repeatedly order to remedy Code violations on their property consume a disproportionate share of limited city resources.

It is the intent of the city council, by the adoption of this section, to impose and collect the costs associated with re-inspections and the excessive consumption of city inspection services. The collection of such costs for certain properties shall be by assessment against the real property requiring such excessive inspection or reinspection services, pursuant to Minn. Stats. § 429.101, which authorizes the council to provide for reinspection fees to be collected by special assessment and allows cities to collect the costs associated with removal or elimination of public health or safety hazards.

The city council also intends, by the adoption of this chapter, to impose on and collect from the owner of a property the city cost for police and law enforcement services which are over and above the cost of providing normal law enforcement services and police protection city-wide, if the said excess costs are spent to abate a nuisance which has occurred, or is maintained and permitted, on the property. The collection of the costs for such excess police services shall be by assessment against the property on which the nuisance, or activity constituting the nuisance, occurs, pursuant to the authority in the City Code empowering the council to abate nuisances and collect the costs of such abatement by special assessment. Nothing herein shall prevent the city from using the authority and procedures in any other provision of the charter, city ordinance or statute, including but not limited to Minnesota Statutes, section 429.111.

4-15-2: DEFINITIONS:

Except as expressly provided in this chapter, words, terms and phrases used in this chapter have the meanings given them by this code. In cases where conflicting definitions of a word, term or phrase make its precise meaning unclear in its application to particular facts, the city administrator is authorized to resolve the definition. For purposes of this chapter the following terms below have the meanings given them:

ENFORCEMENT OFFICER: a person or employee appointed by the City, such as, code compliance official, chief building official, building inspector, fire marshal/inspector, police officer, and health official who may review or conduct code enforcement inspections or enforcement actions for the city.

EXCESSIVE INSPECTION SERVICES: more than four (4) inspections by city staff generated at any one address for existing or new violations of the City Code within a continuous 12-month period.

EXCESSIVE INSPECTION SERVICES FEE: a the fee imposed as herein provided to reasonably compensate and defray the costs otherwise borne by the city for its staff time in conducting "excessive inspection services," as defined, not otherwise necessary, but required due to the condition(s) of the property; the lack of compliance of the property to the applicable code(s) or previous inspection orders, or both. The fee being imposed is an administrative fee, with no connection real or implied to any fine, penalty or abatement expense otherwise imposed, levied, or ordered by the city or a court pursuant to any and all other legal remedies available to the city.

EXCESSIVE POLICE AND NUISANCE ENFORCEMENT SERVICES: those services provided at a specific property address after four (4) or more verified incidents of separate nuisance events had occurred in a prior one hundred eighty-day time period, where notice was provided pursuant to section 4-15-4.

INTERESTED PARTY: any known lessee or tenant of a building or affected portion of a building; any known agent of an owner, lessee, or tenant; any known person holding an unrecorded contract for deed, being a mortgagee or vendee in physical possession of the building; or any other person who maintains or permits a nuisance and is known to the city.

LAST KNOWN ADDRESS: the address shown by Dakota County Property Records or a more recent address known to the police department. In the case of parties not listed in these records, the last known address shall be that address obtained by the police department after a reasonable search. If no address can be found, such address shall be that of the property on which the nuisance occurred, was maintained or permitted.

NUISANCE SERVICE CALL: a response to any activity, conduct or condition occurring within the city that unreasonably annoys, injures, or endangers the safety, health, morals, comfort or repose of any member of the public, or will tend to alarm, anger or disturb others. A nuisance service call may include one or more of the following behavioral incidents:

A. Prostitution or prostitution-related activity committed within the building;

B. Gambling or gambling-related activity committed within the building;

C. Maintaining a public nuisance in violation of Minnesota Statutes, section 609.74, (1) or (3);

D. Permitting a public nuisance in violation of Minnesota Statutes, section 609.745;

E. Unlawful sale, possession, storage, delivery, giving, manufacture, cultivation, or use of controlled substances committed within the building;

F. Unlicensed sales of alcoholic beverages committed within the building in violation of Minnesota Statutes, section 340A.401;

G. Unlawful sales or gifts of alcoholic beverages by an unlicensed person committed within the building in violation of Minnesota Statutes, section 340A.503, subdivision 2, clause (1), or unlawful consumption or possession within the building by persons under the age of 21 years in violation of Minnesota Statute, Section 340A.503, subdivisions 1 and 3;

H. Unlawful use or possession of a firearm in violation of Minnesota Statutes, section 609.66, subdivision 1a, 609.67, or 624.713, committed within the building;

I. Violation by a commercial enterprise of local or state business licensing regulations, ordinances, or statutes prohibiting the maintenance of a public nuisance as defined in Minnesota Statutes, section 609.74 or the control of a public nuisance as defined in Minnesota Statutes, section 609.745;

J. Actions which constitute a violation of Minnesota Statutes, section 609.72, relating to disorderly conduct; or

K. Actions which constitute a violation of City Code Section 5-5-12 relating to noise regulations.

L. Actions which constitute a public nuisance under local, state, or federal laws.

M. Violation of title 5, chapter 4 regarding animal control.

N. Violation of section 5-5-6 regarding public nuisances.

OWNER: the person or persons who is identified as the property owner of record in the Dakota County Recorder's Office.

REINSPECTION: an enforcement officer has conducted an inspection of the premises, based upon a complaint or otherwise had occasion to view the premises and observed a violation of any provision of the City Code under the jurisdiction of the fire marshal, code compliance officer, or chief building official, has issued a written notice of the violation(s), and then re-inspected the premises to determine compliance with the notice and found that the owner or responsible party had not complied with the written correction notice or orders.

4-15-3: NOTICE OF EXCESSIVE INSPECTION SERVICES:

A. Written notice of violations. When an enforcement officer conducts an initial inspection of a premises and determines that the property has violations of the City Code, the enforcement officer shall, in addition to any other action the enforcement officer may undertake, serve written notice of the violation or violations in conformance with the requirements set forth in the City Code, and apprise the owner of the required correction measures to bring property into compliance.

B. Notice for collection of reinspection costs and excessive initial inspection costs. If the enforcement officer intends to collect the city costs for re-inspections and excessive initial inspections, then the written notice provided for in the City Code also must:

1. State that if the violations are not corrected within the time period or periods required in the notice, the city's costs in conducting a reinspection after the due date for compliance will be collected by the city from the owner or owners rather than being paid by the taxpayers; and

2. State that if additional new violations of the City Code under the jurisdiction of the respective enforcement officer are discovered by city enforcement officers within the next following 12 months, the city's costs in conducting any additional inspections at the same location within such 12 months will be collected from the owner or owners rather than being paid by the taxpayers of the city; and

3. State that the city will collect such future costs by assessment levied against the real property.

4-15-4: NOTICE OF NUISANCE SERVICE CALLS:

A. If the chief of police or his or her designee has reason to believe that a nuisance service call has occurred, or is maintained or permitted in a building or on a property, and intends to seek reimbursement for police services rendered in the future in connection with such nuisance service calls or activities, he or she shall provide a written notice as required in this section to the owner and each interested party.

B. The written notice shall:

1. State that a nuisance has occurred, or is maintained or permitted in the building, and describe and specify the kind or kinds of nuisance which has occurred, or is being maintained or permitted, including the dates of the activity and any persons involved; and

2. Inform the recipient of the notice that (i) he or she has thirty (30) days to abate the conduct constituting the nuisance, and to take steps to make sure that actions constituting a nuisance will not re-occur, (ii) if, after thirty (30) days from the date of service of the notice, the nuisance re-occurs, or actions or conduct constituting a nuisance take place, the city may in its discretion impose the costs of police services in abating or attempting to

abate such nuisance or nuisance-related activities, and (iii) the costs will be collected by assessment against the property.

3. Be served by personal service, or by first class mail on the owner and all interested parties, at the last known address for each such person or persons.

4-15-5: SUBSEQUENT NUISANCE OR NUISANCE-RELATED ACTIVITY; LIABILITY:

A. If, within the period commencing thirty-one (31) days after a written notice is served pursuant to this chapter and continuing for one (1) year thereafter, a nuisance occurs or is maintained or permitted in the building, and police services are rendered to abate or attempt to abate such nuisance, the costs of providing such police services shall be charged to the property owner and if not paid, shall be assessed against the property and collected as provided in this chapter.

B. The costs for providing excessive police and nuisance enforcement services shall include but are not limited to the gross salaries including all fringes and benefits which are paid by the city of police officers while responding to or dealing with the nuisance or nuisance-related activities, the prorata cost of all equipment including vehicles, the prorata cost of police dogs assisting the officers, the cost of repairs to any city equipment and property damaged in responding to such nuisance or nuisance-related activities, the cost of any medical treatment of injured police officers, and all other costs related to providing the excessive police and nuisance enforcement services.

C. The city reserves its rights to seek reimbursement for costs and damages not recovered by assessment against the property through other legal remedies or procedures.

4-15-6: COST OF ENFORCEMENT SERVICES; COLLECTION:

A. Cost records. The enforcement officer shall keep a record of the costs for providing excessive inspection services and excessive police and nuisance enforcement services, the name and address of the owner, the dates of service giving rise to the costs, the observed violations of the City Code or state statute and the total amount of the costs to be collected against the property, and shall report such information to the city finance director.

B. Notice of fee. Upon establishment by an enforcement officer that an excessive inspection service fee or costs for excessive police and nuisance enforcement services have been justified, the enforcement officer shall notify the owner or the responsible party in writing that the fee is due and owing to the city. The enforcement officer shall notify other departments within the city of the imposition of the fee and no permits, inspections or other work shall be authorized at the address or on the property until the fee is paid.

C. Appeal of imposition of fee. Upon receipt of the notice the fee, the owner or responsible party shall have 14 business days to appeal the imposition of the fee by providing written notice to the city administrator. The city administrator shall make a written decision of the appeal and either personally serve it or send it by first class mail to the owner or responsible party. Appeals from a decision of the city administrator shall be made to the city council by providing written notice to the city clerk within 14 business days after the decision of the city administrator was mailed or served.

4-15-7: EXCESSIVE INSPECTION SERVICES, FEE AND COLLECTION:

A. The city shall be entitled to collect excessive inspection services fees from a property owner.

B. The fee for excessive inspection services shall be established by city council resolution.

C. Uncollected service fees and costs. On or about October 1 of each year, the finance director or their designee shall notify the city council of the uncollected service fees that have been subject to this ordinance, yet remain unpaid. Unpaid and/or uncollected fees shall be assessed against the property pursuant to Minn. Stat. § 429.101.

4-15-8: EXCESSIVE POLICE AND NUISANCE ENFORCEMENT COSTS AND COLLECTION:

A. The city shall be entitled to collect excessive police and nuisance enforcement service costs from a property owner.

B. Setting date of public hearing. On or about October 1 of each year, the city finance director shall notify the city council of the total cost of such excessive police and nuisance enforcement services performed during the previous year and the portion of such costs to be assessed against each property. Upon receipt thereof, the council shall fix a date for public hearing at which time the council shall consider adopting and levying the service costs. The date of public hearing shall be at least twenty (20) days after adoption of said resolution.

C. Notice of council hearing. Following the adoption of the resolution provided in paragraph (b) above, the city shall give mailed notice to each property owner and shall publish a notice of the hearing at least two weeks prior to the public hearing. The notice shall state the date, time and place of hearing, the purpose of the hearing, identify the properties to be assessed, and the costs of service costs.

D. Notice to owner and interested parties. At least ten (10) days before the hearing, notice thereof shall be mailed by first class mail to the owner and any interested party known to the city, at his or her last known address. Such notice shall also inform the recipient of the notice of the procedures in order to appeal the assessment to district court, as required in Minn. Stat. § 429.061.

E. Public hearing; adoption of assessment roll. On the date of public hearing the council shall consider the adoption of the proposed service costs. The council shall hear all interested parties concerning the proposed costs. At such meeting or at any adjournment thereof, the council may amend the proposed service costs, and shall, by resolution, adopt the service costs as a special assessment against the properties. Special assessments levied hereunder shall be payable in a single installment.

Underline reflects new language

F. Certification to county for collection with taxes. After adoption by resolution of the service costs, and no later than November 15, the city clerk shall transmit a certified copy of said resolution to the county department of property taxation to be extended on the proper tax list of the county and collected the following year along with current taxes.

4-15-9: PENALTY NOT EXCLUSIVE; ADDITIONAL REMEDIES:

A. The imposition of a penalty under this Code, any ordinance of the city, or any rule or regulation adopted pursuant to this Code or such ordinance shall not prevent the revocation or suspension of any license or permit issued or granted under this Code or any ordinance of the city.

B. If any violation of this Code, any ordinance of the city, or any rule or regulation adopted pursuant to this Code or such ordinance is designated as a nuisance under the provisions thereof, such nuisance may be abated by the city in addition to the imposition of criminal citations.

C. The conviction of any person for the violation of any section of this Code, of any ordinance of the city, or of any rule or regulation adopted pursuant to this Code or such ordinance and the payment of a fine or the serving of any term of imprisonment as punishment therefor shall not relieve such person from any other duty, responsibility, liability or obligation imposed by law arising from the act or omission constituting such violation.

D. For construction projects where the chief building official, building inspector, or fire marshal has imposed an excessive inspection services fee, the contractor will be billed for such fees and will not allowed to obtain any additional inspections or new permits until the excessive inspection services fee is paid in full.

E. No Waiver of remedies. Neither the imposition and/or assessment of a fee pursuant to this section shall in any way limit the city's ability to obtain or effect compliance with its Code. The city reserves the right to pursue any and all other legal and equitable remedies it is authorized to pursue by ordinance and or as authorized by state law.

Section Two. Effective Date. This Ordinance amendment shall be effective from and after its passage and publication according to law.

Passed this ____ day of _____________, 2018.

CITY OF INVER GROVE HEIGHTS

By: ________________________________
George Tourville, Mayor

Underline reflects new language

ATTEST:

____
Michelle Tesser, City Clerk

Underline reflects new language

AGENDA ITEM 7B

CITY OF INVER GROVE HEIGHTS **REQUEST FOR COUNCIL ACTION**

DISCOUNT STORAGE - Case No. 18-55CAZ

Meeting Date:	January 28, 2019		**Fiscal/FTE Impact:**
Item Type:	Regular Agenda	X	None
Contact:	Allan Hunting 651.450.2554		Amount included in current budget
Prepared by:	Allan Hunting, City Planner		Budget amendment requested
Reviewed by:	Janice Gundlach, Director		FTE included in current complement
			Other

PURPOSE/ACTION REQUESTED
Consider the following for property located at 10805 Rich Valley Boulevard:

b) A Resolution relating to a Comprehensive Plan Amendment to change the land use from RDR, Rural Density Residential to LI, Light Industrial.
- Requires a 4/5th's vote.

b) An Ordinance Rezoning the property from A, Agricultural to I-1, Limited Industry District.
- Requires a 3/5th's vote.

- 60-day deadline: February 21, 2019 (second 60 days)

SUMMARY
The applicant is requesting to change the land use designation and rezone an approximate 20 acre parcel to provide for industrial development of the parcel. The applicant is proposing outdoor mini-storage over 17 acres of the site. The front three acres plus the existing house would remain unchanged.

ANALYSIS
- Subject property and surrounding area are guided for large lot residential and/or farm related uses.
- Closest industrial uses are south of Cliff Road.
- Request would be a departure from past, present and future comprehensive plans which have always anticipated rural or farm type uses.
- The open storage mini-storage use may not provide enough public benefit (tax base, employment) to warrant the land use change.
- There are at least 11 other mini-storage operations in the City (see attached map).

RECOMMENDATION
Planning Division. Raises concerns with the land use change and departure of long standing plan of rural residential. There is also the concern of spot zoning. Staff does not support the request.

Planning Commission. The Planning Commission raised concerns regarding spot zoning, lack of rationale for the change, not consistent with the guiding principles of the comp plan and points noted in the staff report. The Commission recommended denial of the comp plan amendment and rezoning (8-0).

Attachments: Ordinance Amendment
Resolution denying the Comp Plan Amendment
Resolution approving the Comp Plan Amendment
Map of Existing Mini-storage Operations
Planning Commission Recommendation
Planning Staff Report

CITY OF INVER GROVE HEIGHTS
DAKOTA COUNTY, MINNESOTA

ORDINANCE NO. _____

AN ORDINANCE AMENDING TITLE 10, CHAPTER 4 (ZONING MAP) OF THE INVER GROVE HEIGHTS CITY CODE

CASE NO. 18-55C
(Discount Storage)

The City Council of Inver Grove Heights ordains as follows:

SECTION I. Ordinance No. 1190 adopted July 27, 2009, entitled, "AN ORDINANCE ADOPTING THE RECODIFICATION OF THE INVER GROVE HEIGHTS CITY CODE INCLUDING THE CITY ZONING ORDINANCE, is hereby amended to rezone the following described property located within the City of Inver Grove Heights from A, Agricultural District to I-1 Limited Industry District to wit:

SEE EXHIBIT A

SECTION II. The Zoning Map of the City of Inver Grove Heights referred to and described in said Ordinance No. 1190 as that certain map entitled "Inver Grove Heights Zoning Map, June 24, 2002", together with all amendments thereto, hereinafter referred to as the "zoning map", shall not be republished to show the aforesaid rezoning, but the Clerk shall appropriately mark the said zoning map on file in the Clerk's Office for the purpose of indicating the rezoning hereinabove provided for in this ordinance and all of the notations, references and other information shown thereon are hereby incorporated by reference and made a part of this ordinance.

SECTION III. This Ordinance shall be in full force and effect from and after its publication according to law.

Enacted and ordained into an Ordinance this 28th day of January, 2019.

Ayes:
Nays:

____
George Tourville, Mayor

ATTEST:

____
Michelle Tesser, City Clerk

EXHIBIT A

LEGAL DESCRIPTION:

The North 550.00 feet of the South 1302.58 feet of the Southeast Quarter of Section 29, Township 27, Range 22, Dakota County, Minnesota, lying East of the following described line: Commencing at the Southwest corner of the Northwest Quarter of the Northwest Quarter of the Southeast Quarter; thence South (assumed bearing) along the West line of said Southeast Quarter, a distance of 33.00 feet; thence on a bearing of East a distance of 769.86 feet to the point of beginning of the line to be described; thence South 17 degrees 21 minutes 06 seconds East, a distance of 1274.07 feet and said line there terminating.

Containing 20.00 acres, more or less.

Subject to a public road easement and all other easements and restrictions of record, if any.

DENIAL RESOLUTION

CITY OF INVER GROVE HEIGHTS
DAKOTA COUNTY, MINNESOTA

RESOLUTION NO. __________

RESOLUTION DENYING THE REQUEST FOR A COMPREHENSIVE PLAN MAP AMENDMENT TO CHANGE THE LAND USE DESIGNATION OF THE PARCEL FROM RDR, RURAL DENSITY RESIDENTIAL TO LI, LIMITED INDUSTRIAL AND TO REZONE FROM A, AGRICULTURAL TO I-1, LIMITED INDUSTRY DISTRICT

CASE NO. 18-55C
(Discount Storage)

WHEREAS, an application has been submitted for property legally described as;

SEE EXHIBIT A

WHEREAS, in accordance with Minnesota Statutes, Section 462.357, Subdivision 3, a public hearing concerning the proposed Ordinance Amendment was held before the Inver Grove Heights Planning Commission on November 20, 2018;

WHEREAS, the responsibility of the City Council is to insure orderly and sound development throughout the city and in the Northwest Area;

WHEREAS, the comprehensive plan amendment was found to be inconsistent with the guidance for land uses within the large lot residential areas in the southern half of the City and the rezoning would be considered a spot zoning;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF INVER GROVE HEIGHTS, that the request for a comprehensive plan map amendment to change the land use designation of the parcel from RDR, Rural Density Residential to LI, Limited Industrial and rezoning from A, Agricultural to I-1, Limited Industry is hereby denied based on the following findings of fact:

1. The change would be a spot zoning as there is no other I-1 zoned property in the immediate area.

2. There is lack of rationale to support the change. The change is not consistent with the guiding principles of the comprehensive plan.

3. There are some industrial uses established along the east side of Rich Valley Boulevard south of the Cliff Road intersection. Those properties are currently guided and zoned industrial. There are no other industrial type uses north of that intersection. Expanding industrial uses north of Cliff Road would be a major change in land use direction. The large lot residential and agricultural uses in the area are a long established land use pattern and recognized during the last few comprehensive plans.

4. The proposed 2040 Comprehensive Plan continues to recognize the rural land use pattern and does not make any changes to the rural density residential pattern in the southern portion of the city.

5. A change in direction and possible expanding industrial uses has never been discussed or studied. This could result in negative or unintended consequences to this area because the land use pattern was always to be rural residential.

6. Mini-storage operations typically are not large employers. There may be only the need for a small office support. The proposed improvements do not include any buildings at this time. An open storage lot would provide minimal tax generation for the City.

Adopted by the City Council of Inver Grove Heights this 28th day of January, 2019.

____
George Tourville, Mayor

Ayes:
Nays:

ATTEST:

____
Michelle Tesser, City Clerk

APPROVAL RESOLUTION

CITY OF INVER GROVE HEIGHTS
DAKOTA COUNTY, MINNESOTA

RESOLUTION NO. ______

RESOLUTION APPROVING A COMPREHENSIVE PLAN MAP AMENDMENT TO CHANGE THE LAND USE DESIGNATION OF THE PARCEL FROM RDR, RURAL DENSITY RESIDENTIAL TO LI, LIMITED INDUSTRIAL AND TO CHANGE THE ZONING FROM A, AGRICULTURAL TO L-I, LIMITED INDUSTRY

CASE NO. 18-55C
(Discount Storage)

WHEREAS, an application has been submitted for property legally described as;

SEE EXHIBIT A

WHEREAS, an amendment to change boundaries of any district may be granted by the City Council on an affirmative vote of 4/5ths of the Council as per City Code Title 10, Chapter 3, Section 10-3-5, A;

WHEREAS, the City of Inver Grove Heights Planning Commission reviewed the request on November 20, 2018, in accordance with City Code Title 10, Chapter 3, Section 10-3-5, D;

WHEREAS, the change to the Comprehensive Plan Land Use Plan was found by the City Council to be consistent with the existing and proposed uses in the area;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF INVER GROVE HEIGHTS, that the Comprehensive Plan Map Amendment is hereby approved subject to the following conditions:

1. The Metropolitan Council shall not require any significant modifications to the comprehensive plan amendment.

2. The Metropolitan Council shall not make a finding that the comprehensive plan amendment has a substantial impact or contain a substantial departure from any metropolitan systems plan.

3. The comprehensive plan land use change and rezoning shall not become effective until a land use development plan has been approved by the City Council.

Adopted by the City Council of Inver Grove Heights on this 28th day of January, 2019.

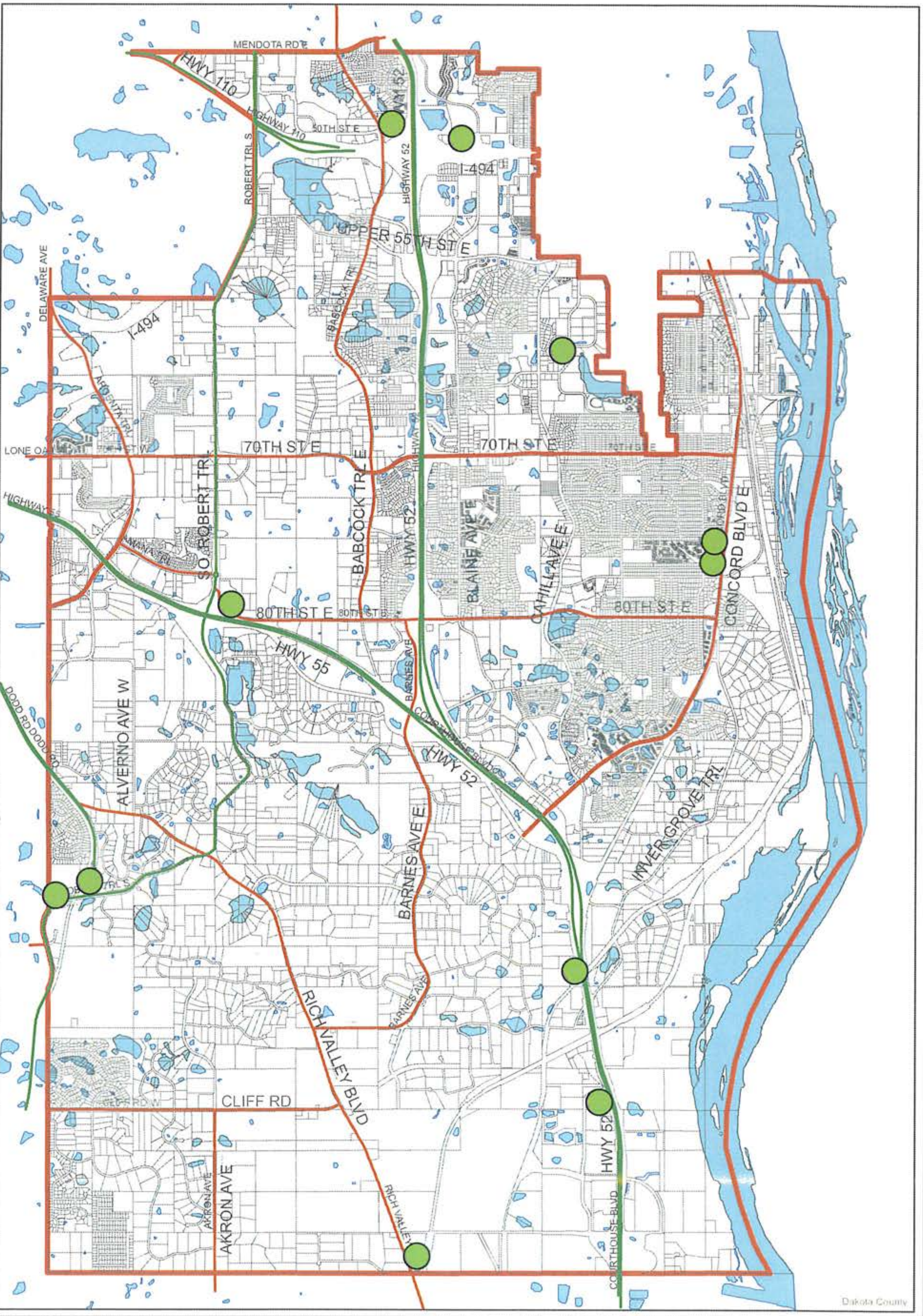
Ayes:
Nays:

ATTEST:

____
George Tourville, Mayor

____
Michelle Tesser, City Clerk

Mini-Storage with Outdoor Storage Locations



RECOMMENDATION TO
CITY OF INVER GROVE HEIGHTS

TO: Mayor and City Council of Inver Grove Heights

FROM: Planning Commission

DATE: November 20, 2018

SUBJECT: **DISCOUNT STORAGE – CASE NO. 18-55CAZ**

Reading of Notice
Commissioner Simon read the public hearing notice to consider the request for a rezoning of the property from A, Agriculture to I-1, Light Industry and a comprehensive plan amendment from RDR, Rural Density Residential to LI, Light Industrial, for the property located at 10805 Rich Valley Boulevard. 12 notices were mailed.

Presentation of Request
Allan Hunting, City Planner, explained the request as detailed in the report. He advised that the applicant is proposing to change the land use designation from Rural Density Residential to LI, Light Industrial and rezoning from A, Agricultural to I-1, Limited Industry, for a future open mini-storage facility. Staff laid out rationale both for and against in the staff report. Mr. Hunting advised that the property is surrounded and guided for large lot residential, with the closest industrial type use being south of Cliff Road. Approving this change would be a departure from the past, present, and proposed comprehensive plan. Staff does not believe a change of land use to industrial would be in the best interest to the surrounding neighborhood and City and therefore staff recommends denial of both requests.

Opening of Public Hearing
Paul Saver, 7845 Boyd Court, advised he was available to answer any questions.

Chair Maggi asked the applicant if he read and understood the report.

Mr. Saver replied in the affirmative. He advised that his family has lived in Inver Grove Heights since 1870 and currently he is the Director of Development for TSA Holdings (the property owner), as well as the CEO of Action Construction and Johnson Excavating, which have operated from 10805 Rich Valley Boulevard continuously since 1972. Approximately 10 acres of that property are being taxed as Commercial-Preferred. The properties north and south of them are paying approximately $115 per acre whereas they are paying $340 per acre. Over the last several years Flint Hills Refinery has purchased over 3,000 acres within a mile of the refinery and the closest lot in which a home could be constructed is nearly a mile away. He believes the comprehensive plan designation of RDR for this lot is outdated. In recent years the City has purchased, and removed from the tax rolls, several industrial commercial properties along Concord Boulevard, Doffing Avenue, and Dickman Trail, further limiting where industrial uses can be conducted in the City. Between the years of 2000 and 2010 the medium income per household in IGH dropped by $10,000, all while the cities of Eagan, Apple Valley, and Rosemount saw gains. Between TSA Holdings and himself they own six businesses that employ many people from this community and pay better than average wages. Mr. Saver said the subject property is ideally suited for industrial use considering its proximity to Pine Bend Landfill, SKB Landfill, and Flint Hills Refinery. Because the property is only 19.9 acres in size using it for agricultural purposes would be severely limited and TSA Holdings believes the City would be better served by rezoning this property to I-1.

Commissioner Robertson asked Mr. Saver to explain what Wallet Hub was, noting that he referred to a study done by them in his narrative.

Mr. Saver advised that Wallet Hub is an organization that studies small cities across the country and rates them regarding starting small businesses. He advised that Inver Grove Heights recently dropped to 154th, likely because of the vacant commercial spaces.

Commissioner Robertson advised that she was able to find the most recent study done by Wallet Hub and Inver Grove Heights came in at 49 points out of 50 for having the best business environment.

Mr. Saver asked Commissioner Robertson if she noticed that the ranking went from 6 to 154 in one year.

Commissioner Robertson replied that she believed Inver Grove Heights was still ranked 6th out of 1,261 small cities in business environment. Although she has heard people say that Inver Grove Heights has a difficult business environment for retail, the Wallet Hub study seems to indicate otherwise.

Mr. Saver stated the last study he saw ranked Inver Grove Heights overall as 154th.

Commissioner Robertson agreed, stating IGH was ranked 154 out of 1,261, which means they are in the top 11%. She thanked Mr. Saver for the additional information he provided Commissioners.

Mr. Saver replied that they do their due diligence wherever they do business so they don't set themselves up for failure.

Chair Maggi asked the applicant why he believed a house could not be built within one mile.

Mr. Saver replied because Flint Hills owns 3,000 acres within a mile of the subject property.

Chair Maggi noted that the subject property is 20 acres in size.

Mr. Saver stated regardless of its size, no one wants to build a home less than 1,000 feet from a landfill.

Chair Maggi asked Mr. Hunting to point out on a map which properties were owned by Flint Hills.

Mr. Hunting pointed out several nearby properties but was unsure of all the ownership.

Chair Maggi asked if the properties pointed out by Mr. Hunting were still guided for RDR even though they were owned by Flint Hills.

Mr. Hunting replied in the affirmative.

Mr. Saver advised that Flint Hills purchased those properties to ensure that nothing was ever built on them.

Loren Scherff, 1320 – 105th Street E, stated there were lots within a mile of the subject property on which a house could built, this was spot zoning, and he questioned what other uses were allowed in I-1.

Mr. Hunting replied light service, manufacturing, auto-related uses, etc. would be allowed should it be rezoned to I-1.

Chair Maggi closed the public hearing.

Planning Commission Discussion
Chair Maggi agreed that changing this to I-1 would be spot zoning.

Commissioner Wippermann asked for clarification of the right-of-way designated to the east of this property.

Mr. Hunting explained it was right-of-way that was designated years ago for the extension of Cliff Road. That plan has since been abandoned and there will be no streets built there.

Commissioner Kramer asked Mr. Hunting to elaborate on the property's current tax designation.

Mr. Hunting advised that the zoning and tax designation can be two different things. The County looks at the use of the property and taxes accordingly.

Commissioner Niemioja did not believe that changing the zoning to I-1 would fit with the guiding principles of the comprehensive plan or the overall needs of the city.

Planning Commission Recommendation
Motion by Commissioner Niemioja, second by Commissioner Scales, to deny the request for a rezoning of the property from A, Agriculture to I-1, Light Industry and a comprehensive plan amendment from RDR, Rural Density Residential to LI, Light Industrial, for the property located at 10805 Rich Valley Boulevard, due to the rationale listed in the report, this being spot zoning, and non-compliance with the guiding principles of the comprehensive plan.

Motion carried (8/0). This item will go to the City Council on November 26, 2018.

PLANNING REPORT
CITY OF INVER GROVE HEIGHTS

CASE NO.:	18-55C
APPLICANT:	Discount Storage
PROPERTY OWNER:	TSA Holdings, llc
REQUEST:	Comprehensive Plan Amendment to change land use from RDR, Rural Density Residential to LI, Light Industrial and Rezoning from A, Agricultural to I-1, Limited Industry.
LOCATION:	10805 Rich Valley Boulevard
HEARING DATE:	November 20, 2018
COMPREHENSIVE PLAN:	RDR, Rural Density Residential
ZONING:	A, Agricultural
REVIEWING DIVISIONS:	Planning

PREPARED BY: Allan Hunting
City Planner

BACKGROUND

The applicant is proposing to change the land use designation and rezone a 20 acre parcel for a mini-storage development. The idea would be to create a mini-storage with outdoor storage facility over approximately 17 acres of the site. The development would be an open mini-storage lot for cars, campers, trailers, boats, etc. There would not be any storage buildings. The office for the site would be located just south on Rich Valley Boulevard on land owned by the applicant. The storage space surface would be crushed rock and storm water ponding and treatment would be required. There is an existing house along the front side of the property and the surrounding 3 acres would remain as is.

This phase of the application process will address only the land use issues. If the amendment is approved by Council, the applicant would then apply for a conditional use permit which would review the site plan details. This subsequent process provides for public review and comment on the actual site plan.

SURROUNDING USES

The subject property is surrounded by:

North Large lot agricultural; zoned A; guided Rural Density Residential.

East	Large lot agricultural and residential; zoned A; guided Rural Density Residential.
West	Large lot agricultural; zoned A; guided Rural Density Residential.
South	Large lot agricultural; zoned A; guided Rural Density Residential.

EVALUATION OF REQUEST

Comprehensive Plan Amendment

The subject parcel and surrounding properties are all guided Rural Density Residential.

Rural Density Residential is defined in the 2030 Comprehensive Plan as:

> "The rural density residential category is used in this comprehensive plan to recognize a land use pattern that has become firmly established in the southern portion of Inver Grove Heights. Over the past four decades, single-family home development on lots ranging from 2.5 acres to in some cases, 10 acres has become an established pattern in southern Inver Grove Heights. At the present time, this area contains over 1,600 residences, none of which are served by municipal utilities. Because of the extensive nature of the rural density residential areas and the City's desire to accommodate a wide range of housing types, this development pattern is being considered permanent and is anticipated that future infill development will match the existing pattern.
>
> The rural density residential category features lots or parcels of 2.5 acres or more containing detached single family housing without public water or sanitary sewer facilities. In addition to housing units, lots in this area are likely to have accessory uses such as small storage buildings associated with hobby farms and other related uses.
>
> Substantial areas of existing development in the rural density area contain lots ranging from 5 to 10 acres. As additional lots are platted adjacent to these areas in the future, proper transitioning of lots sizes will need to be considered."

The main issue is what is the most appropriate future land use for the property. The following provides some rationale for approval and denial of the proposed land use change.

RATIONAL FOR THE LAND USE CHANGE

- The land to the west, north and east abutting the parcel is owned by Flint Hills Resources. Flint Hills has purchased a number of parcels in Inver Grove Heights to create a buffer from residential uses around the refinery. The parcel and land use pattern on these parcels are essentially fixed so there would be no further residential development on any parcel Flint Hills owns. The proposed use would be low intensity for an industrial use.

- Mini-storage operations are typically low traffic generators. The site is also along Rich Valley Boulevard which is a county road. Rich Valley Boulevard is used for other industrial uses located in southern Inver Grove Heights and Rosemount.

- A change of land use to industrial has the potential to generate employment, tax base, variety of goods and services.

RATIONALE AGAINST THE LAND USE CHANGE

- There are some industrial uses established along the east side of Rich Valley Boulevard south of the Cliff Road intersection. Those properties are currently guided and zoned industrial. There are no other industrial type uses north of that intersection. Expanding industrial uses north of Cliff Road would be a major change in land use direction. The large lot residential and agricultural uses in the area are a long established land use pattern and recognized during the last few comprehensive plans.

- The proposed 2040 Comprehensive Plan continues to recognize the rural land use pattern and does not make any changes to the rural density residential pattern in the southern portion of the city.

- A change in direction and possible expanding industrial uses has never been discussed or studied. This could result in negative or unintended consequences to this area because the land use pattern was always to be rural residential.

- Mini-storage operations typically are not large employers. There may be only the need for a small office support. The proposed improvements do not include any buildings at this time. An open storage lot would provide minimal tax generation for the City.

Rezoning

The applicant is proposing to change the zoning to I-1, Limited Industry District. The purpose of the I-1 district listed as follows:

> "The I-1 limited industry district is intended for the continued operation of light manufacturing, warehousing, and wholesale businesses."

The list of uses in the district are attached to this report. Once the property is zoned to I-1, it could be used for all those uses. In general, most allowed uses follow the purpose of the district, however some could be problematic such as auto related uses.

ALTERNATIVES

The Planning Commission has the following alternatives available for the proposed request:

A. **Approval** If the Planning Commission finds the application acceptable, the Commission should make the following recommendations:

- Approving the Comprehensive Plan Amendment from Rural Density Residential to LI, Light Industrial subject to the following conditions:

  1. The Metropolitan Council shall not require any significant modifications to the comprehensive plan amendment.

  2. The Metropolitan Council shall not make a finding that the comprehensive plan amendment has a substantial impact or contain a substantial departure from any metropolitan systems plan.

  3. The comprehensive plan land use change shall not become effective until a land use development plan has been approved by the City Council.

- Approving the Rezoning of the property from A, Agricultural to I-1, Limited Industry District subject to the following:

  1. The rezoning shall not become effective until a land use development plan has been approved by the City Council.

B. **Denial** If the Planning Commission does not favor the comprehensive plan amendment or the rezoning, a recommendation of denial should be forwarded to the City Council. With a recommendation of denial, findings or the basis for the denial should be given.

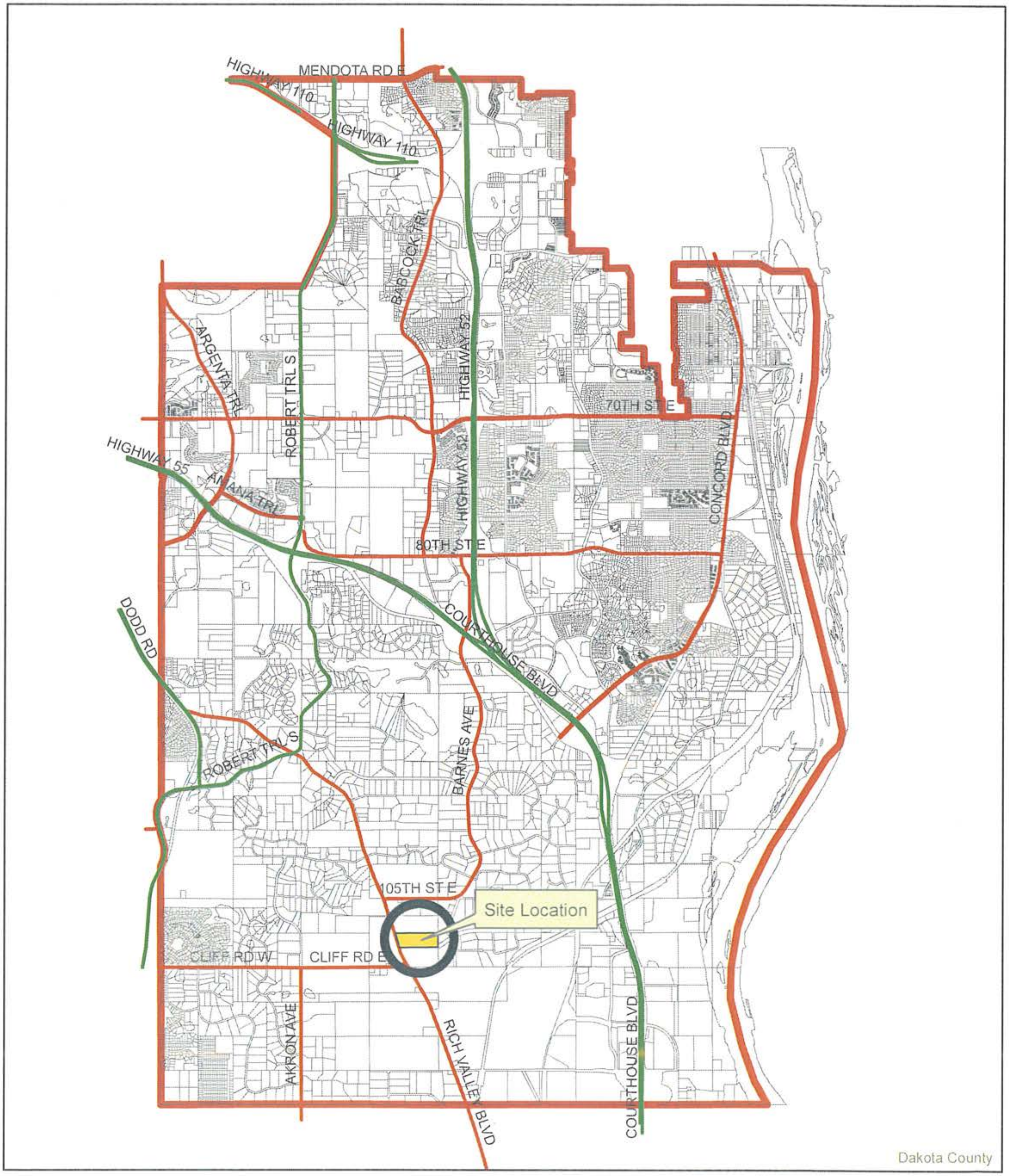
RECOMMENDATION

The proposed land use change is a significant departure from a well established land use pattern and long standing guidance from previous comprehensive plans. While the land use would typically be a low intensity use, more intense uses could be a possibility in the future. The proposed use would not provide significant employment or tax generation.

Based on the above summary, staff does not believe a change of land use to industrial would be in the best interest to the surrounding neighborhood and City.

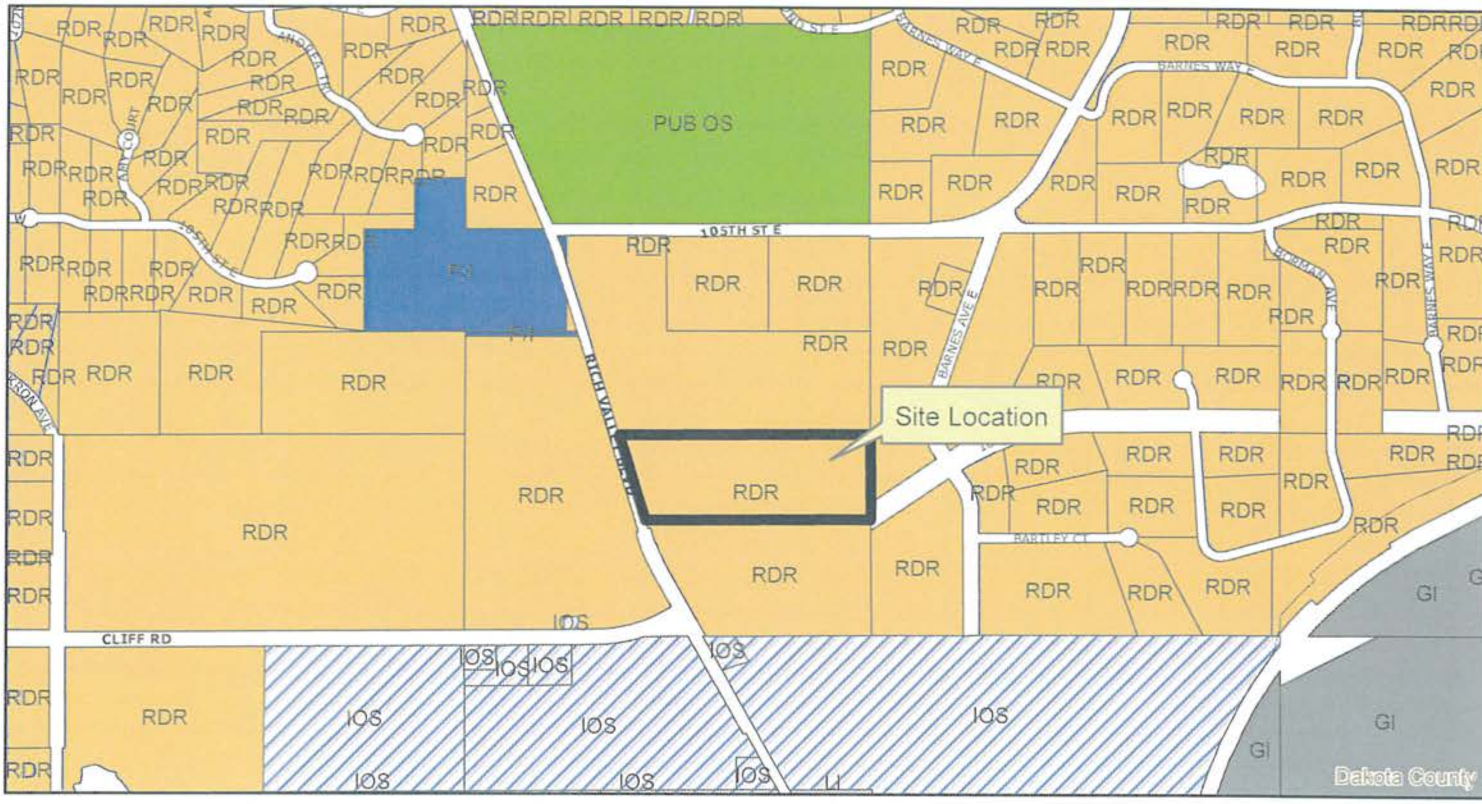
Attachments: Location Map
Existing/Proposed Comp Plan Map
Applicant Narrative
Applicant Concept Plan

Discount Storage Location Map

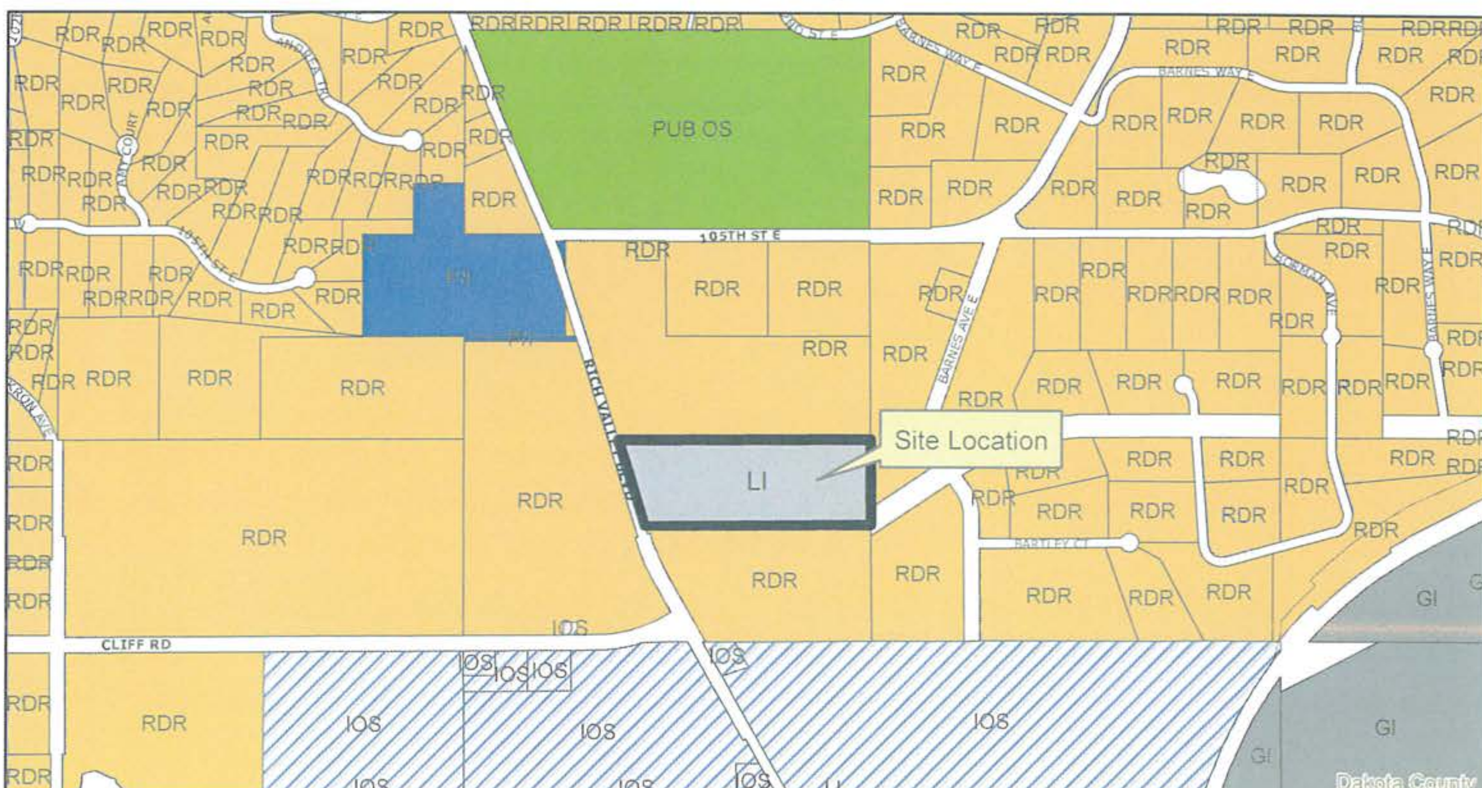


Discount Storage
Comp Plan Amendment

Existing Comp Plan



Proposed Comp Plan



October 23, 2018

Janice Gundlach
Director of Development
City of Inver Grove Heights

Ms. Gundlach:

Please be advised that TSA Holdings llc. wishes to revise its original request concerning Comprehensive Plan Amendment, Rezoning, and Conditional Use Permit for Pid# 20-02900-75-018 10805 Rich Valley Blvd. Inver Grove Heights to Comprehensive Plan Amendment and Rezoning only at this time.

TSA Holdings llc. would like to begin this process and continue it moving forward.

It is the goal of TSA Holdings llc. to rezone this property and continue purchasing property along Rich Valley Blvd. South of this location to build an industrial park and attract businesses to the area thus bringing jobs that pay higher than average wages to help revitalize the economy of the City of Inver Grove Heights.

Between 2000 and 2010 the medium income per household in Inver Grove Heights dropped by $10,000.00.

It is the goal of TSA Holdings llc. to help restore this deficit and revitalize a city of 35,000 people where there are nearly as many vacant store fronts as there are filled.

Sincerely,

Paul Wm. Saver
TSA Holdings llc.

Project 10805   PID# 20—02900-75-018

Project 10805 is a collaboration between Discount Storage (developer), TSA Holdings (land owner), E. Johnson Excavating (which has operated continuously from this property since 1965) and Action Construction a remedial contracting, consulting, and design firm.

Discount Storage, E. Johnson Excavating, and Action Construction are owned by Paul Saver. A resident of Inver Grove Heights for nearly 50 years Paul has started and owned eight companies in this city and has owned or had controlling interest in several million dollars of property in Inver Grove Heights in this length of time. Paul has owned and lived in four different homes in the city of Inver Grove Heights.

I believe it could be said that Paul Saver has a vested interest in Inver Grove Heights and its future.

TSA Holdings Llc. is owned by Steve and Peter Tjornhom of TruSeal America, TruCrete, and TruStone all Inver Grove Heights Based companies.
Combined these companies employ between 60 and 100 People many in and from this community who make well in excess of the median income for Inver Grove Heights.

The purpose of this collaboration is to develop and operate a 14.5 acre 700 site Recreational and Commercial Vehicle Storage Facility on land that at best would be considered useless or marginal for any other use.
The close proximity to Pine Bend Landfill and Flint Hills Refinery and the fact Flint Hills owns nearly all the surrounding property are compelling factors that PID# 20-02900-75-018 is ideally suited for this development.

According to Dakota County Records and aerial Images taken at various times over years approximately six acres of this property have been in continuous use as storage for construction and various licensed vehicles.

Project 10805 seeks to expand and formally legitimize this space and use.

Using sustainable Eco Friendly Methods, Storm Water will be directed, collected, and retained using a combination of berms, slope, and collection pond.

Berms and slopes will be planted with Buckwheat and other natural vegetation which will reseed annually and naturally provide both erosion control as well as sustenance for animals such as Deer and Migratory Fowl.

This property will be developed using the latest Methods Standards and Practices with the goal of leaving the smallest carbon footprint possible in its creation. Although there are no established standards set by either "The Green Building Initiative" or "The US Green Building Council" through their Leeds Certification Program it is the goal of this collaborative to use this project to begin to set the standards for projects such as this that do not include brick and mortar construction.

Documentation and findings from this process will be forwarded to both of these organizations as well as several schools of civil engineering for study and evaluation.

Recent studies show there is a need for facilities such as this close to urban areas. There are an estimated 23 million Recreational Vehicles registered in the United States as of 2017 with that number increasing daily. Many municipalities are enacting ordinances prohibiting storage of recreational vehicles, boats, and commercial vehicles in residential areas.

The so called "Baby Boomer Generation" who possess a significant amount of wealth in this country and make up an ever increasing portion of the storage market because many are downsizing residences as they age and move from single family homes to condominiums and townhouse complexes that offer no storage for such vehicles.

There is further indication that people who own these types of vehicles and recreational toys often have much higher than median income, live within three to five miles of the storage facility, and spend more than the average individual in the community where the vehicle is stored purchasing goods and services or relocating from a neighboring community to the community where The vehicle is stored.

PROJECT 10805 seeks the following:

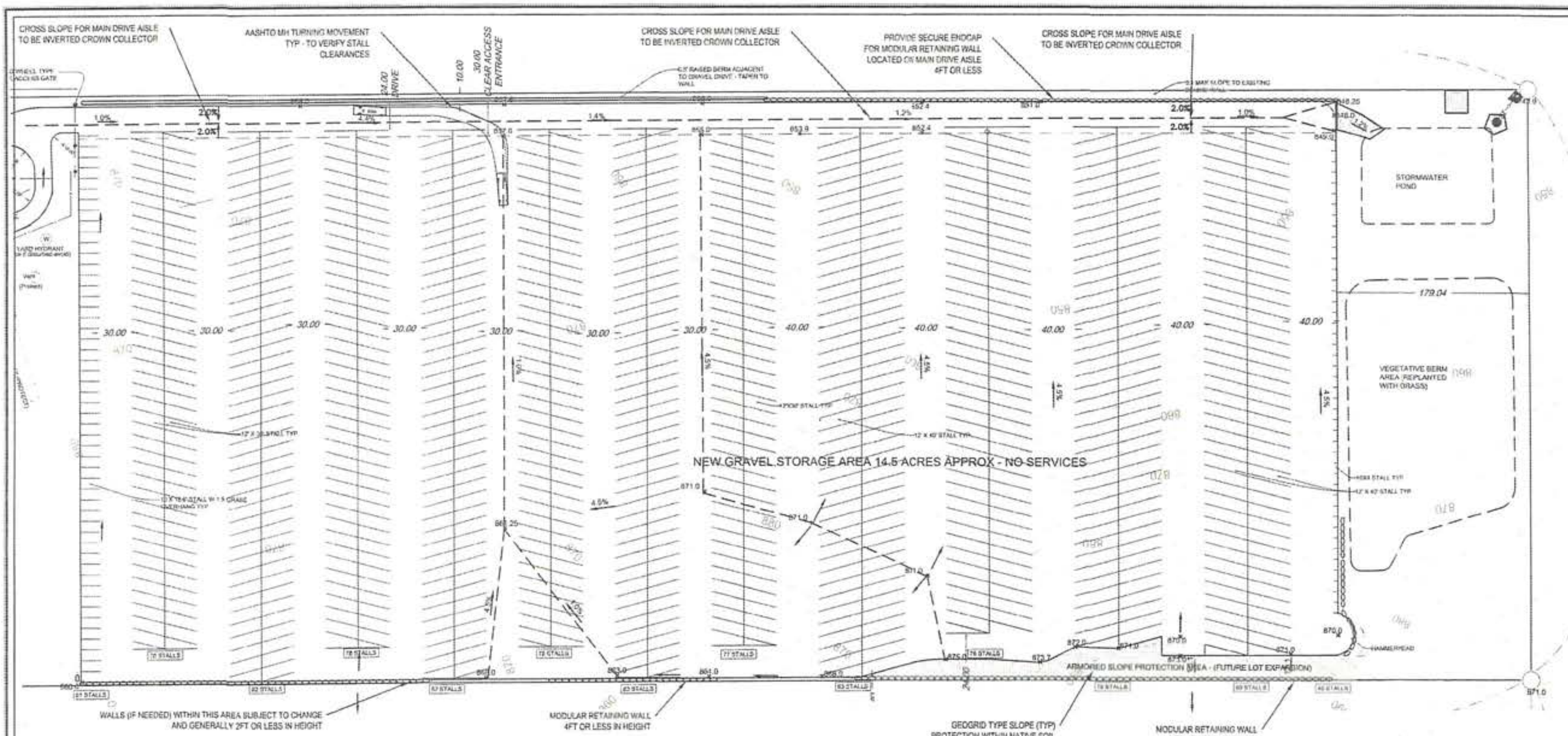
1) Secure proper zoning for 20 acres of PID# 20- 02900-75-018 to construct secure outdoor recreational and commercial vehicle storage facility.

2) Secure proper permits to construct and operate a recreational and commercial vehicle storage facility at 10805 Rich Valley Blvd. IHG. Mn.55077.

On April 17, 2017 Wallet Hub® released a study they commissioned on the "Best &Worst Small Cities to Start a Business in." By Richie Bernardo
The City of Inver Grove Heights, Minnesota was ranked 29 in the nation out of 1261 cities.

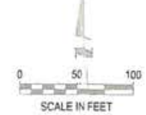
Project 10805 is going to be closely monitored by a writer for a major business publication who will document the process from Initial meeting to ribbon cutting on opening day to be included four part series about cities and whether they foster a climate that promotes healthy sustainable economic growth.

Construction will be filmed for documentation as part of a possible series on being considered for a major cable network.

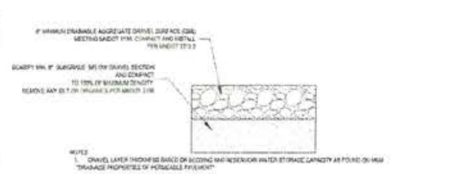


EASTERN MAIN LOT PORTION

PARKING LOT SUMMARY				
STALL TYPE (WIDTH x LENGTH	10FT x 18.5FT	12FT x 30FT	12FT x 40FT	4FT X 10FT
TOTAL SPACE COUNT	51	556	317	45
TOTAL ROWS	1	14	8	1



WESTERN ENTRANCE PORTION



TYPICAL DRAINABLE GRAVEL SECTION (PARKING/LOW TRAFFIC VOLUME AREAS IN SUITABLE SOIL)
NOT TO SCALE

SUPPLEMENTAL SITE, GRADING NOTES

1. ELEVATION AND DATUM INFORMATION SUPPLIED BY OTHERS. FOR FURTHER INFORMATION, CONTACT PROJECT OWNER.
2. CONTRACTOR IS RESPONSIBLE FOR SECURING ACCESS FOR ANY WORK EXTENDING BEYOND THE PROPERTY BOUNDARY.
3. IF RESTORATION INFORMATION NOT SPECIFIED BY OWNER, GRASSED AREAS SHALL BE SEEDED WITHIN 14 DAYS USING MNDOT SEED MIX 250 OR COVERED USING WOOD FIBER BLANKET OR MULCH. USE OF STRAW IS NOT ALLOWED.
4. ALL STOCKPILES INCLUDING DEMOLITION DEBRIS STOCKPILES SHALL BE LOCATED A MINIMUM OF 5 FEET OUTSIDE ANY SILT FENCE LOCATION.
5. SILT FENCE PLACED ALONG PROPERTY LINES ADJACENT TO FENCES PROVIDE 0.5FT MIN SETBACK.
6. WHEN VEHICLE ACCESS IS NOT REQUIRED, ORANGE CONSTRUCTION FENCE SHOULD BE PLACED OVER ACCESS AND DRIVEWAY LOCATIONS.
7. EXISTING SANITARY AND WATERMAIN SERVICE NOT SURVEYED. CONSULT PROJECT ENGINEER IF CONFLICTS EXIST.
8. DUE TO GRAVEL SURFACE, STALLS SHOWN ARE FOR REFERENCE BUT ARE DEEMED ACCURATE FOR ACCESS PURPOSES.
9. ALL WALL LOCATIONS SHOWN ON PLAN ARE 4FT HIGH OR LESS MEASURED AT THE FACE TO FINISHED GRADE AND SHALL BE PLACED NO CLOSER THAN 1FT TO THE PROPERTY LINE.
10. CONSULT PROJECT ENGINEER IF CROSS SLOPE WITHIN PARKING STALL AREAS EXCEED 5%, OR IS FLATTER THAN 1% OR LOT LONGITUDINAL SLOPE SHALL BE GREATER THAN 0.4% AND LESS THAN 12% FOR ANY DRIVE AISLE LOCATIONS.

Mariner Professional Services
Engineering Planning and Design Land and Environment
2355 Fairview Avenue S, Roseville, MN 55113
P 612.219.2973
F 651.219.7273
info@marinerps.com

I HEREBY CERTIFY THAT THIS PLAN WAS PREPARED BY ME OR UNDER MY DIRECT SUPERVISION AND THAT I AM A DULY LICENSED PROFESSIONAL ENGINEER UNDER THE LAWS OF THE STATE OF MINNESOTA.
SIGNATURE:
TYPED OR PRINTED NAME: ADAM T. PARKER
DATE: 7/11/18
REG. NO. 42730

No.	Description	Date

REVISIONS-DRAWING ISSUE

CONTRACTOR SHALL CHECK ALL DIMENSIONS ON THE WORK AND REPORT ANY DISCREPANCY TO THE CONSULTANT BEFORE PROCEEDING. ALL DRAWINGS AND SPECIFICATIONS ARE THE EXCLUSIVE PROPERTY OF THE OWNER AND MUST BE RETURNED AT THE COMPLETION OF THE WORK.

PROJECT
Proposed Storage Facility
10805 Rich Valley

DEVELOPER/OWNER:
TSA Holdings, LLC
11278 Rich Valley Blvd
Inver Grove Heights, MN 55076

DRAWN: ATP	CHECKED
PLAN APPROVED: -	WORK INSPECTED
WORK VERIFIED	CAD FILE
IF BAR ≠ 1 INCH PLAN IS REDUCED SCALE	INITIAL PLAN DATE: 7/11/18 CHECK REVISION FOR UPDATE

DRAWING TITLE: **GRADING AND SITE PLAN**

PROJECT NO: 18-SAVE-01

DRAWING NO: **2/5**

AGENDA ITEM 7C

INVER GROVE HEIGHTS **REQUEST FOR COUNCIL ACTION**

CITY OF INVER GROVE HEIGHTS – TRANSIENT LODGING

Meeting Date:	January 28, 2019
Item Type:	Regular Session
Contact:	Heather Botten 651.450.2569
Prepared by: HB	Heather Botten, Associate Planner
Reviewed by:	Janice Gundlach, Director

PURPOSE/ACTION REQUESTED

Consider the First Reading of an Ordinance to allow transient lodging (short-term rentals) as an Interim Use on residential property.

- Requires 3/5th's vote.

SUMMARY

A public hearing was held in 2017 to prohibit transient lodging. At the third reading of the ordinance amendment Council reversed their decision and in the summer of 2018 directed staff to move forward with an ordinance amendment to allow transient lodging with an interim use permit. The City considers transient lodging (short-term rentals) as occupancy of less than 30 consecutive days. Anyone wanting to rent their home longer than 30 days would have to comply with the rental section of City Code, including getting a rental housing permit.

Interim use is defined as a temporary use of a property until a particular date, occurrence of a particular event, or until zoning regulations no longer permits. If the ordinance amendment is adopted, a separate interim use permit (IUP) application would be required by each property owner interested in transient lodging on their property. The process would include a neighbor notification, public hearing, and it would allow for conditions to be added to each specific property. The proposed fee for a transient lodging IUP would be $296. The IUP ordinance allows for specific conditions that would apply to all properties that would have transient lodging on their property. Staff provided a list of 8 conditions that would be applicable to all short-term rental properties. Additional conditions may be added to individual IUP requests (i.e. expiration date, site plan, or maximum number of renters allowed).

The proposed code amendment adds the following definition to section 10-2-2:

Transient Lodging: The letting, lease, license or other agreement for the use or occupancy of a rental dwelling unit, or portion thereof, where the actual term of use or occupancy is less than 30 consecutive calendar days including, but not limited to residential homes, vacation homes, crash pads, hostels, and the like. Transient Lodging does not apply to Bed and Breakfasts as provided for Section 10-2-2 & 10-6-1 of the City Code.

The following would also be added to the Interim Use section of the City Code:

10-14-2: INTERIM USES ENUMERATED:

K. Within all residential zoning districts, transient lodging shall be allowed subject to the following:

1. Require a minimum of a two-night stay
2. Maximum occupancy of each short-term rental unit would be based on the number of bedrooms multiplied by two.
3. The following minimum number of off-street parking spaces are required: 1-2 bedroom = one parking space, 3 bedrooms = two parking spaces, 4+ bedrooms = number of spaces equal to the number of bedrooms minus one. All parking must be provided off street and on concrete, bitumin, or paving blocks year-round.
4. Owner contact information, including phone number, shall be provided and kept up to date with the Police Department.
5. Owner must keep a guest record including name, address, and phone number for all guests. If requested, this information must be provided to the City within 48 hours' notice.
6. The property cannot be used for commercial events.
7. No guests of the renters shall be allowed on the property after 11:00 p.m. Sunday-Thursday nights and after 12:00 am Friday and Saturday nights.
8. The interim use permit shall be renewed every two years or valid until a change in home ownership, whichever occurs first.

RECOMMENDATION

Staff: Recommends approval of the ordinance amendment as presented.

Planning Commission: At the December 18, 2018 public hearing, the Planning Commission recommended **approval** of the request to allow transient lodging out of residential homes by an interim use permit, with a recommendation that interim use permits be valid for two years.

Attachment: Ordinance
PC Recommendation
Planning Report

First Reading

CITY OF INVER GROVE HEIGHTS
DAKOTA COUNTY, MINNESOTA

ORDINANCE NO. _____

AN ORDINANCE AMENDING INVER GROVE HEIGHTS CITY CODE TITLE 10, CHAPTER 2, SECTION 2, REGARDING THE DEFINITION OF TRANSIENT LODGING AND TITLE 10, CHAPTER 14, SECTION 2, ADDING TRANSIENT LODGING TO THE LIST OF INTERIM USES

THE CITY COUNCIL OF THE CITY OF INVER GROVE HEIGHTS ORDAINS AS FOLLOWS:

Section One. Amendment. Title 10, Chapter 2, Section 2, of the Inver Grove Heights City Code is hereby amended to add the following definition of Transient Lodging:

Transient Lodging: The letting, lease, license or other agreement for the use or occupancy of a rental dwelling unit, or portion thereof, where the actual term of use or occupancy is less than 30 consecutive calendar days including, but not limited to residential homes, vacation homes, crash pads, hostels, and the like. Transient Lodging does not apply to Bed and Breakfasts as provided for Section 10-2-2 & 10-6-1 of the City Code.

Section Two. Amendment. Title 10, Chapter 14, Section 2, of the Inver Grove Heights City Code is hereby amended to add the following:

10-14-2: INTERIM USES ENUMERATED:

K. Within all residential zoning districts, transient lodging shall be allowed subject to the following:

1. Require a minimum of a two-night stay
2. Maximum occupancy of each short-term rental unit would be based on the number of bedrooms multiplied by two.
3. The following minimum number of off-street parking spaces are required: 1-2 bedroom = one parking space, 3 bedrooms = two parking spaces, 4+ bedrooms = number of spaces equal to the number of bedrooms minus one. All parking must be provided off street and on concrete, bitumin, or paving blocks year-round.
4. Owner contact information, including phone number, shall be provided and kept up to date with the Police Department.

5. Owner must keep a guest record including name, address, and phone number for all guests. If requested, this information must be provided to the City within 48 hours' notice.
6. The property cannot be used for commercial events.
7. No guests of the renters shall be allowed on the property after 11:00 p.m. Sunday-Thursday nights and after 12:00 am Friday and Saturday nights.
8. The initial interim use permit shall be valid for two years after the approval date or valid until a change in home ownership, whichever occurs first.
9. An extension of an interim use permit may be granted by the city council, the length of subsequent requests shall be determined at the time of approval or valid until a change in home ownership, whichever occurs first.

Section Three. Effective Date. This Ordinance shall be in full force and effect from and after its passage and publication according to law.

Passed in regular session of the City Council on the _____ day of ____, 2019.

CITY OF INVER GROVE HEIGHTS

____
George Tourville, Mayor

Ayes:
Nays:

ATTEST:

____
Michelle Tesser, City Clerk

RECOMMENDATION TO
CITY OF INVER GROVE HEIGHTS

TO: Mayor and City Council of Inver Grove Heights

FROM: Planning Commission

DATE: December 18, 2018

SUBJECT: **CITY OF INVER GROVE HEIGHTS – CASE NO. 17-33ZA**

Reading of Notice
Commissioner Simon read the public hearing notice to consider the request for an ordinance amendment relating to the regulation of allowing transient lodging out of residential homes by an interim use permit. No notices were required to be mailed.

Presentation of Request
Heather Botten, Associate Planner, explained the request as detailed in the report. She provided background information, advising that a public hearing was held in 2017 to prohibit transient lodging. At the third reading of the ordinance amendment Council reversed their decision and in the summer of 2018 directed staff to move forward with an ordinance amendment to allow transient lodging with an interim use permit. The City considers transient lodging (short-term rentals) as occupancy of less than 30 consecutive days. Anyone wanting to rent their home longer than 30 days would have to comply with the rental section of City Code, including getting a rental housing permit. Interim use is defined as a temporary use of a property until a particular date, occurrence of a particular event, or until zoning regulations no longer permits. If the ordinance amendment is adopted, a separate interim use permit application would be required by each property owner interested in transient lodging on their property. The process would include a neighbor notification, public hearing, and it would allow for conditions to be added to each specific property. The proposed fee for a transient lodging IUP would be $296. The IUP ordinance allows for specific conditions that would apply to all properties that would have transient lodging on their property. Staff provided a list of 7 conditions that would be applicable to all short-term rental properties. Additional conditions may be added to individual IUP requests (i.e. expiration date, site plan, or maximum number of renters allowed). Staff recommends approval of the ordinance as presented with the condition listed in Alternative A. The Planning Commission is being asked to provide further direction on how long a permit would be in effect for each individual applicant.

Commissioner Wippermann asked if standard IUP's have an expiration date.

Ms. Botten replied in the affirmative.

Commissioner Wippermann supported establishing a time limit but was unsure of the exact number.

Ms. Botten noted that the time limit would not be in the actual ordinance, but rather would be determined when an applicant comes in for a permit as one of the conditions.

Commissioner Lissarrague asked if more than one person rented a space together, could one person rent the space for 30 days under their name and then the other person rent it for the next 30 days.

Ms. Botten replied that staff would not be monitoring that and it would be on the honor system. If a neighbor complained; however, they could review the rental agreement.

Commissioner Kramer asked for clarification that an individual wanting to rent their property on a long-term lease would not need an interim use permit.

Ms. Botten replied that was correct.

Commissioner Kramer asked what the reasoning was for making transient lodging an interim use versus keeping it within the rental policies and what was the differentiation between the two.

Ms. Botten replied that short-term rental was more like an actual business, somewhat similar to a hotel. Long term rentals go through a separate permitting process and there is no notification to the neighborhood.

Commissioner Niemioja stated this all stemmed from one short-term rental property owner who was abusing the system and allowing parties to take place. Therefore, she understood why no guests would be allowed after a certain time, but she felt it would be difficult to enforce. She was concerned about letting every permit have a different expiration period and would prefer they all have a standardized, set time limit.

Commissioner Simon agreed with establishing a specific length of time for everyone unless there was a change of ownership, in which case they would start over again.

Chair Maggi asked if that was inherent in an IUP.

Ms. Botten replied not necessarily. She stated they could add language regarding a change of ownership or a certain date, whichever happens first. She noted that although no notices were required to be mailed for this public hearing, as a courtesy staff notified the people that were involved with this topic last year as well as one additional person.

<u>Opening of Public Hearing</u>
Nancy Pone, 8336 River Road, advised that she came tonight to hear the details about what was being proposed.

Chair Maggi asked Ms. Pone if she currently ran an VRBO.

Ms. Pone replied in the affirmative, stating they rent out their home while they are traveling or away on business.

Chair Maggi asked if the proposed ordinance seemed reasonable to her.

Ms. Pone replied in the affirmative. She advised that she has not yet had a bad experience with renters, she has special rental insurance, the websites themselves have safeguards in place, and she was concerned when the city was previously considering prohibiting short-term rentals.

Chair Maggi closed the public hearing.

Planning Commission Discussion

Chair Maggi asked if Commissioners had recommendations on permit length.

Commissioner Scales asked what the rental housing permit term was, stating that two years seemed reasonable.

Chair Maggi agreed that a two- or three-year term seemed reasonable, and she felt that the proposed ordinance would allow short-term rentals but also protect neighboring property owners.

Ms. Botten agreed with a previous comment that having after-hour guests would be difficult to enforce but stated the ordinance conditions give the police department leverage when responding to complaints.

Commissioner Lissarrague asked what the penalty would be for violating the conditions.

Ms. Botten stated that would likely depend on how major the infraction was; minor violations may just be documented whereas major violations could result in revocation.

Commissioner Lissarrague asked if there was anything in the language stating that the permit can be rescinded for a violation.

Ms. Botten replied there was no specific language addressing that; it would be handled like normal property complaints. In response to a previous question, Ms. Botten advised that the rental housing license was for a two-year period.

Commissioner Niemioja asked if neighbors would get notified if a permit got revoked.

Ms. Botten replied she did not believe so as it would go directly to City Council and would not be brought before the Planning Commission.

Commissioner Niemioja asked what would stop the violator from continuing if the neighbors were not aware the permit had been revoked.

Ms. Botten replied that the complainant would be notified of the revocation if they requested to be kept updated on the situation.

Commissioner Scales stated it would likely be handled like any enforcement action in the city in which the complainant receives communication from code enforcement as to any actions taken regarding the specific issue.

Chair Maggi asked commissioners how long they thought IUP's should be valid.

Commissioner Wippermann suggested either a two or three year term.

Commissioner Kramer recommended two years; the same as the rental housing license.

Commissioner Simon reiterated that a change of ownership should also terminate the permit.

Chair Maggi asked if the two-year recommendation would be added as a condition.

Planning Commission Recommendation
Motion by Commissioner Scales, second by Commissioner Niemioja, to approve the request for an ordinance amendment relating to the regulation of allowing transient lodging out of residential homes by an interim use permit, with a recommendation that interim use permits be valid for two years.

Motion carried (7/0). This item will go to the City Council on January 28, 2019.

PLANNING REPORT
CITY OF INVER GROVE HEIGHTS

MEETING DATE: December 18, 2018 **CASE NO.:** 17-33ZA

APPLICANT: City of Inver Grove Heights

REQUEST: City code amendment to allow transient lodging (short-term rentals) as an Interim Use on residential property

COMP PLAN: N/A

ZONING: N/A

REVIEWING DIVISIONS: Planning **PREPARED BY:** Heather Botten, Associate Planner HB

BACKGROUND

Discussion of transient lodging started early in the year 2017. The following summary of events have taken place:

- February and July 2017: City Council worksession discussions relating to transient lodging. Council gave direction to proceed with an ordinance to prohibit transient lodging
- August 2017: public hearing with the Planning Commission to prohibit transient lodging
- Fall 2017: 1st, 2nd and 3rd readings- at the third reading Council reversed their earlier decision to prohibit and decided to possibly allow transient lodging with conditions.
- February 2018: Planning Commission and Housing Committee discussions on allowing transient lodging
- July 2018: Council worksession, direction was given to staff to move forward with an ordinance amendment to possibly allow short term rentals as an interim use.
- November 2018: Housing Committee review of interim use ordinance amendment

Online rental sites such as VRBO, Airbnb, and other home sharing sites have become quite popular. These are services individuals may use to arrange short-term rental of someone's house, apartment, or room for one night or more. They create a unique situation by placing short-term vacationers in the City's residential zones.

The definition of transient lodging (short-term rentals) the City has been using is: *The letting, lease, license or other agreement for the use or occupancy of a rental dwelling unit, or portion thereof, where the actual term of use or occupancy is <u>less than 30</u> consecutive calendar days including, but not limited to residential homes, vacation homes, crash pads, hostels, and the like.*

If someone wanted to rent out their home longer than 30 consecutive days they would have to comply with the Rental License chapter of the City Code (4-13).

INTERIM USE ORDINANCE AMENDMENT

An interim use is defined as a temporary use of a property until a particular date, occurrence of a particular event, or until zoning regulations no longer permits. Interim uses are typically uses that are not appropriate based upon strict application of Zoning Code restrictions, existing development and proposed future land-use plans, however, they may have merit as uses for some intermediary period of time.

The Interim Use Ordinance is set up so that each allowed use is listed specifically in the ordinance. Therefore, the ordinance must be amended each time a new use is approved. In this case, the ordinance would need to be amended to add "transient lodging" as an interim use in the residential districts.

If an interim use ordinance amendment is adopted, a separate *interim use permit* application would be required by each property owner who is interested in transient lodging on their property.

The interim use permit process:

- requires the same process for all applicants
- requires neighbor notification and a public hearing
- allows for enforcement through the termination of the permit
- allows for conditions that could be specific to a location

Fees: The proposed fee for a Transient Lodging Interim Use Permit would be $296. This fee is the same amount as a residential conditional use permit. The fees would cover the cost of publication for the public hearing, neighbor notices, recording of the document, and administration costs.

ANALYSIS

The Interim Use Ordinance allows for specific conditions to be applied to all transient lodging requests. The interim use permit provides the City opportunity to add additional conditions that may be specific to a property.

Staff is proposing the following language amendments to the definition section and the Interim Use section of the City Code.

SECTION 10-2-2: DEFINITIONS

Transient Lodging:

The letting, lease, license or other agreement for the use or occupancy of a rental dwelling unit, or portion thereof, where the actual term of use or occupancy is less than 30 consecutive calendar days including, but not limited to residential homes, vacation homes, crash pads, hostels, and the like.

SECTION 10-14-2: INTERIM USES ENUMERATED:

K. Within all residential zoning districts, transient lodging shall be allowed subject to the following:

a. Require a minimum of a two-night stay
b. Maximum occupancy of each short-term rental unit would be based on the number of bedrooms multiplied by two.
c. The following minimum number of off-street parking spaces are required: 1-2 bedroom = one parking space, 3 bedrooms = two parking spaces, 4+ bedrooms = number of spaces equal to the number of bedrooms minus one. All parking must be provided off street and on concrete, bitumin, or paving blocks year-round.
d. Owner contact information, including phone number, shall be provided and kept up to date with the Police Department.
e. Owner must keep a guest record including name, address, and phone number for all guests. If requested, this information must be provided to the City within 48 hours' notice.
f. The property cannot be used for commercial events; renters must be in compliance with the large assembly ordinance, Title 4-14 of City Code.
g. No guests of the renters shall be allowed on the property after 11:00 p.m. Sunday-Thursday nights and after 12:00 am Friday and Saturday nights.

Conditions that may be added to individual Interim Use Permit requests:

- The date the permit would expire (ie, when there is a change in ownership and/or by a specific date).
- A site plan demonstrating parking, driveway, and the recreational areas guests may use.
- The maximum number of renters allowed on the property.

ALTERNATIVES

The Planning Commission has the following actions available on the request:

A. **Approval.** If the Planning Commission finds the request to be acceptable, the following action should be recommended for approval:

- Approval of the Ordinance Amendment to add Transient Lodging to the list of Interim Uses and to add the definition of Transient Lodging subject to the following condition:

  1) An Interim Use Permit application is required to be submitted and approved prior to the rental of transient lodging.

B. **Denial**. If the Planning Commission does not favor the proposed application, the above request or requests should be recommended for denial. With a recommendation for denial, findings or the basis for the denial should be given.

RECOMMENDATION

Staff supports the request as presented with the ordinance language stated in the report and the one condition listed in Alternative A.

The Planning Commission is asked to provide further direction on the possible added conditions for an interim use permit.

The City Council meeting to discuss the first reading is tentatively scheduled for January 28, 2019.

LEVANDER,
GILLEN &
MILLER, P.A.

ATTORNEYS AT LAW

TIMOTHY J. KUNTZ
DANIEL J. BEESON
JAY P. KARLOVICH
ANGELA M. LUTZ AMANN
KORINE L. LAND
DONALD L. HOEFT
BRIDGET McCAULEY NASON
TONA T. DOVE
AARON S. PRICE
DAVID L. SIENKO
CASSANDRA C. WOLFGRAM
DEBRA M. NEWEL
CASSANDRA J. BAUSTISTA
MATTHEW K. BROKL

MEMO

TO:	**Inver Grove Heights Mayor and Councilmembers**
FROM:	**Timothy J. Kuntz, City Attorney**
DATE:	**January 23, 2019**
RE:	**Ordinance Amending IGH City Code Title 4, Chapter 1, Sections 4, 5, 6 and 14 to Permit the Issuance of On-Sale Brew Pub Liquor Licenses, Sunday On-Sale Brew Pub Liquor Licenses and Off-Sale Brew Pub Malt Liquor Licenses and Unanimous Resolution Authorizing Two Readings of Proposed Ordinance; (First Reading on January 14, 2018 and Second and Final Reading on January 28, 2019)**

Section 1. Background. Lakeville Brewing Company has purchased the former Ruby Tuesday's restaurant at 9051 Buchanan Trail in the Arbor Pointe commercial development. Lakeville Brewing Company proposes to construct a full-fledged brewery that will support a 2,000 barrel per year operation together with a full service restaurant.

Currently, the Inver Grove Heights City Code does not contain provisions for: (i) on-sale brew pub intoxicating liquor licenses, (ii) on-sale brew pub 3.2 percent malt liquor licenses, (iii) off-sale brew pub malt liquor licenses or (iv) Sunday on-sale brew pub intoxicating liquor licenses.

Section 2. Ordinance. At the January 14, 2019 Council meeting, the Council had the first reading of the attached proposed Ordinance Amending Inver Grove Heights City Code Title 4, Chapter 1, Sections 4, 5, 6 and 14 to Permit the Issuance of On-Sale Brew Pub Liquor Licenses and Off-Sale Brew Pub Malt Liquor Licenses. The proposed ordinance would allow the following:

- Allows a brew pub to obtain an on-sale intoxicating liquor license for the restaurant within the brew pub.
- Allows a brew pub to obtain a Sunday on-sale intoxicating liquor license for the restaurant within the brew pub.

633 SOUTH CONCORD STREET • SUITE 400 • SOUTH SAINT PAUL, MINNESOTA 55075 • 651-451-1831 • FAX 651-450-7384
OFFICE ALSO LOCATED IN SPOONER, WISCONSIN

- Allows a brew pub to obtain an off-sale brew pub malt liquor license which would permit only the off-sale of malt liquor produced and packaged on the licensed premises.

A brew pub (as defined by statute) can obtain an on-sale intoxicating liquor license for the restaurant in the brew pub. It can also sell off-sale a limited quantity of the beer that it brews. So, by the ordinance revision we are adding three licenses:

- On-sale intoxicating liquor for the restaurant in the brew pub
- Sunday on-sale intoxicating liquor for the restaurant in the brew pub
- Off-sale intoxicating liquor (limited quantities) for the brew pub

The owner/operator of the brewery/restaurant will have to apply for the 3 licenses. Before issuing the actual liquor licenses, the Council will have to conduct a public hearing pursuant to City Code Section 4-1-12. This is the customary public hearing that is held for every issuance of a liquor license (except for a temporary license).

Section 3. Definitions. The existing liquor section of the City Code adopts by reference all the definitions of the State Statutes dealing with liquor (Chapter 340A of the Minnesota Statutes).

Minn. Stat. § 340A.24 defines brew pubs as follows:

> 340A.24 BREW PUBS.
>
> Subdivision 1.On-sale license.
> A brew pub may be issued an on-sale intoxicating liquor or 3.2 percent malt liquor license by a municipality for a restaurant operated in the place of manufacture.
>
> Subd. 2.Off-sale license.
> Notwithstanding section 340A.405, a brew pub that holds an on-sale license issued pursuant to this section may, with the approval of the commissioner, be issued a license by a municipality for off-sale of malt liquor produced and packaged on the licensed premises. Off-sale of malt liquor shall be limited to the legal hours for off-sale at exclusive liquor stores in the jurisdiction in which the brew pub is located, and the malt liquor sold off-sale must be removed from the premises before the applicable off-sale closing time at exclusive liquor stores, except that malt liquor in growlers only may be sold at off-sale on Sundays. Sunday sales must be approved by the licensing jurisdiction and hours may be established by those jurisdictions. Packaging of malt liquor for off-sale under this subdivision must comply with section 340A.285.
>
> Subd. 3.Total retail sales.
> A brew pub's total retail sales at on- or off-sale under this section may not exceed 3,500 barrels per year, provided that off-sales may not total more than 750 barrels.
>
> Subd. 4.Interest in other license.

(a) A brew pub may hold or have an interest in other retail on-sale licenses, but may not have an ownership interest in whole or in part, or be an officer, director, agent, or employee of, any other manufacturer, brewer, importer, or wholesaler, or be an affiliate thereof whether the affiliation is corporate or by management, direction, or control.

(b) Notwithstanding this prohibition, a brew pub may be an affiliate or subsidiary company of a brewer licensed in Minnesota or elsewhere if that brewer's only manufacture of malt liquor is:

(1) manufacture licensed under section 340A.301, subdivision 6, clause (d);

(2) manufacture in another state for consumption exclusively in a restaurant located in the place of manufacture; or

(3) manufacture in another state for consumption primarily in a restaurant located in or immediately adjacent to the place of manufacture if the brewer was licensed under section 340A.301, subdivision 6, clause (d), on January 1, 1995.

Subd. 5.Prohibition.
A brew pub licensed under this chapter may not be licensed as an importer under section 340A.302.

Section 4. Notice of Proposed Ordinance. Attached to this memo is a Notice of Proposed Ordinance which was posted at City Hall, posted on the City website and e-mailed to all parties on the City electronic distribution list.

Under the new law, Minn. Stat. § 415.19 requires posting and notice of a proposed ordinance at least 10 days before the Council meeting at which the proposed ordinance is scheduled for a final vote.

Section 5. Resolution Authorizing Two Readings of Ordinance. In order to assist Lakeville Brewing with expediting its land use applications, City staff has proposed that the Council authorize passage of the attached ordinance with fewer than three readings. The attached Resolution presumes there will be two readings, namely, the first reading on January 14, 2019 and the second and final reading on January 28, 2019.

With regard to ordinance adoption, Inver Grove Heights City Code Title 1, Chapter 2, Section 3(D)(1) requires three readings of an ordinance at three separate regular meetings. However, Title 1, Chapter 2, Section 3 (D)(2) provides as follows:

> "An ordinance may be presented, read and passed at any one council meeting if the rules are suspended by unanimous vote of the whole council. The ordinance may then be passed by a majority vote."

If the Council wishes to suspend the rules it must be by unanimous vote with authorization to pass the attached ordinance with two readings only. The attached Council Resolution authorizes passage of the Ordinance Amending Inver Grove Heights City Code Title 4, Chapter 1, Sections 4, 5, 6 and 14 to Permit the Issuance of On-Sale Brew Pub Liquor Licenses and Off-Sale Brew Pub Malt Liquor Licenses with only two reading, instead of three readings. The attached Resolution will be considered at the January 28, 2019 Council meeting (the second reading).

Section 6. <u>Council Action</u>. At the January 28, 2019 Council meeting, the Council will consider the following:

1. Unanimous Resolution Pursuant to Section 1-2-3 of Inver Grove Heights City Code Authorizing Consideration and Passage at Two Readings of the Ordinance Amending Inver Grove Heights City Code Title 4, Chapter 1, Sections 4, 5, 6 and 14 to Permit the Issuance of On-Sale Brew Pub Liquor Licenses and Off-Sale Brew Pub Malt Liquor Licenses; and

2. The second reading of the attached "Ordinance Amending Inver Grove Heights City Code Title 4, Chapter 1, Sections 4, 5, 6 and 14 to Permit the Issuance of On-Sale Brew Pub Liquor Licenses and Off-Sale Brew Pub Malt Liquor Licenses".

Attachments

CITY OF INVER GROVE HEIGHTS
DAKOTA COUNTY, MINNESOTA

NOTICE OF PROPOSED ORDINANCE AMENDING INVER GROVE HEIGHTS CITY CODE TITLE 4 CHAPTER 1 SECTIONS 4, 5, 6 AND 14 TO PERMIT THE ISSUANCE OF ON-SALE BREW PUB LIQUOR LICENSES AND OFF-SALE BREW PUB MALT LIQUOR LICENSES

PLEASE TAKE NOTICE that on Monday, January 14, 2019 at 7:00 p.m. at the Inver Grove Heights City Hall, 8150 Barbara Avenue, Inver Grove Heights, Minnesota, the Inver Grove Heights City Council will consider passage of the attached proposed Ordinance Amending Inver Grove Heights City Code Title 4 Chapter 1 Sections 4, 5, 6 and 14 to Permit the Issuance of On-Sale Brew Pub Liquor Licenses and Off-Sale Brew Pub Malt Liquor Licenses. The proposed Ordinance would allow the following:

- Allows a brew pub to obtain an on-sale intoxicating liquor license for the restaurant within the brew pub.

- Allows a brew pub to obtain a Sunday on-sale intoxicating liquor license for the restaurant within the brew pub.

- Allows a brew pub to obtain an off-sale brew pub malt liquor license which would permit only the off-sale of malt liquor produced and packaged on the licensed premises.

Written and oral comments will be received at the Meeting on January 14, 2019. If you wish to provide comments in advance of the Meeting, you may send them to the City Clerk at mtesser@invergroveheights.org.

CITY OF INVER GROVE HEIGHTS

By: /s/ ____________________________
Michelle Tesser, City Clerk

CITY OF INVER GROVE HEIGHTS
DAKOTA COUNTY, MINNESOTA

RESOLUTION NO. ________

A UNANIMOUS RESOLUTION PURSUANT TO SECTION 1-2-3 OF INVER GROVE HEIGHTS CITY CODE AUTHORIZING CONSIDERATION AND PASSAGE AT TWO READINGS OF THE FOLLOWING ORDINANCE:

ORDINANCE AMENDING INVER GROVE HEIGHTS CITY CODE TITLE 4, CHAPTER 1, SECTIONS 4, 5, 6 AND 14 TO PERMIT THE ISSUANCE OF ON-SALE BREW PUB LIQUOR LICENSES AND OFF-SALE BREW PUB MALT LIQUOR LICENSES

WHEREAS, Section 1-2-3 states that the City Council by unanimous vote may suspend the rules and may consider and adopt an ordinance at two readings instead of three readings; and

WHEREAS, the City Council wishes to consider adoption of the following ordinance with two readings instead of three readings:

ORDINANCE AMENDING INVER GROVE HEIGHTS CITY CODE TITLE 4, CHAPTER 1, SECTIONS 4, 5, 6 AND 14 TO PERMIT THE ISSUANCE OF ON-SALE BREW PUB LIQUOR LICENSES AND OFF-SALE BREW PUB MALT LIQUOR LICENSES

NOW, THERFORE, BE IT RESOLVED that the City Council of Inver Grove Heights, by unanimous vote of the Council, hereby suspends the rules pursuant to Section 1-2-3 of the Inver Grove Heights City Code and does hereby authorize consideration and passage of the following ordinance at two readings (the first on January 14, 2019 and the second on January 28, 2019) instead of three readings:

ORDINANCE AMENDING INVER GROVE HEIGHTS CITY CODE TITLE 4, CHAPTER 1, SECTIONS 4, 5, 6 AND 14 TO PERMIT THE ISSUANCE OF ON-SALE BREW PUB LIQUOR LICENSES AND OFF-SALE BREW PUB MALT LIQUOR LICENSES

Adopted by the unanimous vote of the City Council of the City of Inver Grove Heights on the 28^{th} day of January, 2019.

Ayes: 5
Nays: 0

____
George Tourville, Mayor

Attest:

____
Michelle Tesser, City Clerk

CITY OF INVER GROVE HEIGHTS
DAKOTA COUNTY, MINNESOTA

ORDINANCE NO._____

AN ORDINANCE AMENDING INVER GROVE HEIGHTS CITY CODE TITLE 4 CHAPTER 1 SECTIONS 4, 5, 6, AND 14 TO PERMIT THE ISSUANCE OF ON-SALE BREW PUB LIQUOR LICENSES, SUNDAY ON-SALE BREW PUB LIQUOR LICENSES, AND OFF-SALE BREW PUB MALT LIQUOR LICENSES

The City Council of Inver Grove Heights does hereby ordain:

Section 1. Amendment. Inver Grove Heights City Code Title 4 Chapter 1 Section 4(A) is hereby amended to add the following types of licenses:

On-sale brew pub intoxicating liquor license

On-sale brew pub 3.2 percent malt liquor license

Off-sale brew pub malt liquor license

Sunday on-sale brew pub intoxicating liquor license

Section 2. Amendment. Inver Grove Heights City Code Title 4 Chapter 1 Section 4(B) is hereby amended to add the following provisions:

16. On-Sale Brew Pub Intoxicating Liquor License: On-sale brew pub intoxicating liquor licenses may be issued to a brew pub for a restaurant operated in the place of manufacture.

17. On-Sale Brew Pub 3.2 Percent Malt Liquor License: On-sale brew pub 3.2 percent malt liquor licenses may be issued for a brew pub for a restaurant operated in the place of manufacture.

18. Off-Sale Brew Pub Malt Liquor License: Off-sale brewpub malt liquor licenses may, with the approval of the commissioner of public safety, be issued to a brew pub that holds an on-sale brew pub intoxicating liquor license or an on-sale brew pub 3.2 percent male liquor license. The license shall allow the off-sale of malt liquor produced and packaged on the licensed premises and shall be limited to the legal hours for off-sale at exclusive liquor stores within the City, except that malt liquor in growlers only may be sold at off-sale on Sundays at the hours approved for off-sales at exclusive liquor stores.

19. Sunday On-Sale Brew Pub Intoxicating Liquor License: Sunday on-sale brew pub intoxicating liquor licenses may be issued to a brew pub that holds an on-sale brew pub intoxicating liquor license. A Sunday On-Sale Brew Pub Liquor License shall permit the sale of intoxicating liquor for consumption on the premises between the hours of eight o'clock (8:00) A.M. on Sunday and two o'clock (2:00) A.M. on Monday in conjunction with the sale of food.

Section 3. **Amendment.** Inver Grove Heights City Code Title 4 Chapter 1 Section 5 is hereby amended to add the following provisions:

On-sale brew pub intoxicating liquor license	No maximum limit
On-sale brew pub 3.2 percent malt liquor license	No maximum limit
Off-sale brew pub malt liquor license	No maximum limit
Sunday on-sale brew pub intoxicating liquor license	No maximum limit

Section 4. **Amendment.** Inver Grove Heights City Code Title 4 Chapter 1 Section 6(I) is hereby amended to add the following provisions:

6. The restrictions of this Section 4-1-6(I) do not apply to off-sale brew pub malt liquor licenses.

Section 5. **Amendment.** Inver Grove Heights City Code Title 4 Chapter 1 Section 14(C) is hereby amended to add the following provisions:

6. Under a Sunday brew pub intoxicating liquor license, a restaurant located in a brew pub with seating capacity for at least thirty (30) people may serve intoxicating liquor between the hours of eight o'clock (8:00) A.M. on Sunday and two o'clock (2:00) A.M. on Monday in conjunction with the serving of food, provided the establishment has a two o'clock (2:00) A.M. permit issued by the commissioner of public safety.

Section 6. **Effective Date**. This Ordinance shall be in full force and effect from and after its passage and publication according to law.

Passed in regular session of the City Council on the 28th day of January, 2019.

CITY OF INVER GROVE HEIGHTS

By: ______________________________
George Tourville, Mayor

ATTEST:

By: ______________________________
Michelle Tesser, City Clerk

AGENDA ITEM 7E

CITY OF INVER GROVE HEIGHTS **REQUEST FOR COUNCIL ACTION**

Meeting Date:	January 28, 2019		**Fiscal/FTE Impact:**
Item Type:	Regular		None
Contact:	Judy Thill, Fire Chief		Amount included in current budget
Prepared by:	Judy Thill Fire Chief		Budget amendment requested
Reviewed by:	Judy Thill, Fire Chief		FTE included in current complement
			New FTE requested – N/A
		X	Other

PURPOSE/ACTION REQUESTED

Consider authorizing the Inver Grove Heights Fire Department to order the replacement vehicles for both Ladder 35 and Rescue 10 before February 1, 2019 and prepay the full cost of each truck at the time they are ordered.

SUMMARY

At the November 5, 2018 Council Work Session, all departments presented their vehicle replacement needs for 2019. At that time, the Fire Department discussed replacing Ladder 35 which is 32 years old and Rescue 10, which is 27 years old. The public works scoring system for replacement looks at not just age and type of service, it also evaluates, reliability, maintenance costs, present condition and cost per mile. That scoring system rated Ladder 35 at 44.9 and Rescue 10 at 41.6. According to their scoring system, anything over 30 points is recommended for "immediate consideration". At that Work Session, the Mayor requested we bring back all prepay and other discounts offered so it could be determined whether it would be better to finance one or both trucks or prepay them and receive the discounts.

Using the Huston Galveston Area Council Cooperative (HGAC) buying process and MacQueen Equipment - the local Pierce Fire Truck distributor, the final price of the Ladder Truck would be $1,348,335. The final price of the Rescue/Rehabilitation Truck would be $676,984. There are various prepayment options available to the City which reduce the overall costs for these vehicles. The City has the option to prepay just the chassis or prepay the full price of either or both trucks. In addition, there is also an option to prepay the aerial portion of the Ladder Truck. All those discounts can be found in the table below.

All equipment off Ladder 35 would be saved and transferred to the new Ladder Truck, so no additional equipment would be needed. All equipment from Recue 10, as well as what is contained in our rehabilitation trailer would be transferred to the new Rescue/Rehab Truck. A $14,000 air fill station would eventually be needed for the Rescue/Rehab Truck, but that would be purchased in the 2020 or 2021 budget. There would be a Performance Bond for each truck.

Ladder Truck			Rescue/Rehab	
Complete Vehicle Cost Before Discounts	$1,348,335		Complete Vehicle Cost Before Discounts	$676,984
Valued Customer Discount	($4,000)		Two-truck Discount	($29,000)
Chassis Pre-payment discount	($12,731)		Chassis Pre-payment discount	($10,400)
Aerial Prepayment discount	($8,147)		Full Prepayment Interest Discount	($16,628)
Full Prepayment Interest Discount	($52,897)		**Total Cost to IGH with Discounts**	**$620,956**
Total Cost to IGH with Discounts	**$1,270,560**			
Prepay Discounts Total	*$73,776*		*Prepay Discounts Total*	*$27,028*
Valued Customer Discount	*$4,000*		*Two Truck Discount*	*$29,000*
Total Discounts	***$77,776***		***Total Discounts***	***$56,028***

At the present time, there is $1,587,051 in the Central Equipment Fund that includes replacement dollars for Ladder 35 and other funds put toward the replacement of Rescue 10. This leaves us with a $304,465 shortfall, if the City was to purchase both trucks. To cover that shortfall, it is recommended the Fire Department borrow those funds from the Central Equipment Fund and repay it with zero interest over the next 9 years. The Finance Director evaluated the discounts offered versus financing and if the Council was to decide to purchase one or both trucks, the interest rate earned by not prepaying (approximately 2.5%) is less than the prepayment discount of 4%-5% per truck (5.1%, if both trucks are purchased).

As a note, these costs are based on 2018 pricing and will remain in effect until February 1, 2019. After that, the price increases an additional three (3) percent. On both trucks, that 3% increase would total $60,760, which is $40,450 for the Ladder Truck and $20,310 for the Rescue/Rehab Truck.

Staff offers 3 recommendations:
1) Purchase both trucks through the HGAC Cooperative Buying program and MacQueen Equipment Group. This will give us the $29,000 two-truck discount.
2) Placing the order with MacQueen Equipment Group before February 1, 2019, which will avoid the 3% price increase of $60,760.
3) Prepaying the full price of both trucks at the time they are ordered.
Total cost for both trucks with prepay discounts and the loyalty and two-truck discount would be $1,891,516. The Ladder Truck will be on a 30-year and the Rescue/Rehab Truck will be on a 20-year replacement schedule.