

City of Hermantown HEDA

BUSINESS SUBSIDY POLICY

Section 1. Public Purpose. The following business subsidy criteria are intended to satisfy the requirements of Minnesota Statutes, §§116J.993 through 116J.995 (the "Act"). The term "City" means both the City of Hermantown ("COH") and the Hermantown Economic Development Authority ("HEDA"). The term "project" means the property and/or activity with respect to which the business subsidy is provided. The City will use various tools to accomplish its goals of economic development. These goals include facilitating projects that result in the creation, retention, attraction, and expansion of business in the COH, and the increase of the tax base.

Section 2. Public Benefit. The public benefit of a project must be expected to exceed the costs to the City and the project must meet:

- 2.1 Increase or preserve the COH tax base; and/or
- 2.2 Provide or help acquire or construct public facilities; and/or
- 2.3 Help redevelop or renew blighted areas within the COH; and/or
- 2.4 Finance or provide public infrastructure.

Section 3. Minimum Requirements For All Projects. All projects must comply with all the following criteria in order to receive a business subsidy or other financial assistance (as defined in Section 8.1.6) ("OFA") from the City:

- 3.1 Eligibility The recipient must not have failed to meet the requirements of a previous business subsidy agreement from the City or some other location. The City must verify eligibility with the DEED.
- 3.2 Economic Feasibility. The project must demonstrate to the satisfaction of the City that it is adequately financed and that the project will be completed in a timely fashion.
- 3.3 Compliance with Act. The business subsidy or OFA from the City must satisfy all requirements of the Act and all other applicable laws, rules and regulations.
- 3.4 Wage Criteria: If a goal of the project is the creation or retention of jobs, the wage for each part-time and full-time job created or retained must be at least equal to the federal minimum wage.

Section 4. Eligible/Ineligible Projects.

- 4.1 Eligible projects include:
 - 4.1.1 Retail
 - 4.1.2 Manufacturing
 - 4.1.3 Assembly plants
 - 4.1.4 Professional Offices
 - 4.1.5 Restaurants
- 4.2 Ineligible business include
 - 4.2.1 Speculative Real Estate
 - 4.2.2 Agriculture
 - 4.2.3 Housing

Section 5. Allowable Uses.

- 5.1 Land and building acquisitions
- 5.2 Building renovation or demolition
- 5.3 New building construction
- 5.4 Land improvements (infrastructure, wetland mitigation, stormwater controls)

Section 6. Preliminary Screening Process.

6.1 The proponent of the project must make an application for a business subsidy to the City of Hermantown on a form provided by the City.

6.2 All applications shall be submitted to the City Administrator or be initially reviewed by the City Administrator. The City Administrator will preliminary determine the ability of the applicant to comply with the requirements of this Business Subsidy Policy. If the City Administrator reasonably believes that the applicant will be able to comply with the requirements, the application will be presented to the Fast Track Review Committee.

6.3 The Fast Track Review Committee will fully consider any applications presented to it by the City Administrator. The applicant will provide, if reasonably possible, to Fast Track Review Committee:

- 6.3.1 A comprehensive business plan, including an initial sources and uses of funds, three (3) years projections of the activities of the business, including pro forma balance sheets and income statements;
- 6.3.2 Financial Statements for the immediate past three (3) years, including a balance sheet and profit-and-loss statement current to the most recent calendar quarter. Where available, audited financial statements (including footnotes) should be provided for the past three (3) years. If the project will be a new business, then financial information shall be provided for the principal owners of the new business and if individual(s), current personal financial statement(s).
- 6.3.3 If the Fast Track Review Committee determines that the requirements of this Business Subsidy Policy will be able to be met by the applicant it shall give due consideration to the items in Section 3 of this Business Subsidy Policy and make findings with respect to each such requirements.
- 6.3.4 If the Fast Track Committee makes positive findings with respect to the requirements of this Business Subsidy Policy, then the City Administrator will determine whether to proceed further with the consideration of a business subsidy for the project.
- 6.3.5 A determination by the City Administrator to proceed further with the consideration of a business subsidy for a project does not constitute an approval of any other permits required for the development of the project or an approval of a business subsidy agreement for the project, but only constitutes the preliminary determination that the City Administrator will continue to work with the project proponent with respect to the City considering providing a business subsidy for the project. The City will then typically require that the applicant enter into an Inducement Agreement with the City with respect to further work on the project.
- 6.3.6 Nothing herein shall require the City to approve the application of a business that meets the requirements of this Business Subsidy Policy. The City need not approve the application of an applicant that meets all the requirements of this Business Subsidy Policy unless the City in its sole discretion determines that it is in the best interests of the City to provide a business subsidy for the project. The approval or denial of one project does not act as a precedent for approval or denial of another project even if it is the same or similar.
- 6.3.7 Neither the City Administrator nor the Fast Track Committee can make any binding obligations on the City. Only the City Council is authorized to approve contracts and agreements on behalf of the City.

Section 7. Evaluation Policy.

7.1 Because it is not possible to anticipate all the needs and requirements of every type of project and the ever-changing needs of the City and in order to retain the flexibility necessary to respond to all proposed projects, the City retains the right to approve projects and business subsidies which may vary from the principles and criteria set forth herein. The reason for any deviation from the principles set forth herein will be documented in writing by the City and will be submitted to the Department of Employment and Economic Development ("DEED") in accordance with the Act.

Section 8. Evaluation Procedure.

8.1 The City will consider one or more of the criteria listed in Section 9 of this Business Subsidy Policy in determining whether to provide financial or other assistance to a project as a business subsidy. In order for a project to receive financial or other assistance as a business subsidy, it must satisfy the minimum requirements of Section 3. In applying the criteria in Section 9 to a specific project, the following will apply:

- 8.1.1 The City may consider the requirements of any other business subsidy received, or to be received, from a grantor other than the City.
- 8.1.2 If the business subsidy is a guaranty, the amount of the business subsidy may be valued at the principal amount of the guaranteed payment obligation.
- 8.1.3 If the business subsidy is real or personal property, the amount of the subsidy will be the fair market value of the property as determined by the City.
- 8.1.4 If the business subsidy is to be paid over time, the City may value the subsidy at its present value using a discount rate equal to an interest rate which the City determines is fair and reasonable under the circumstances or it may use the gross amount of the stream of payments or any combination of the foregoing.
- 8.1.5 If the business subsidy amount exceeds \$150,000.00, a public hearing must be held. A public notice must be printed in the legal newspaper of the City and include: the date, time and place of hearing, and where printed information on the business subsidy, including a summary of the terms of the subsidy is available and otherwise be in compliance with the provisions of the Act.
- 8.1.6 Reports by the City to DEED are required for financial assistance of \$25,000.00 and greater that is excluded from the definition of "business subsidy" by Section 116J.993, Subd. 3, clause (1) and of

\$75,000.00 and greater that is excluded from the definition of "business subsidy" by Section 116J.993, Subd. 3, clause (21). The report is specified in 116J.994, Subd. 8(b).

8.2 As used herein "benefit date" means the date the business subsidy is received. If the business subsidy involves the purchase, lease, or donation of physical equipment, then the benefit date occurs when the recipient puts the equipment into service. If the business subsidy is for improvements to property, then the benefit date refers to the earliest date of either: when the improvements are finished for the entire project; or when a business occupies the property.

Section 9. Evaluation Criteria. The project review and evaluation criteria are the following:

9.1 Tax Base, Development Features.

9.1.1 Increase in Tax Base. The net increase in property taxes estimated to be generated by the project in the first full year of full property taxes on the project.

9.1.2 Compliance with Comprehensive or Other Plans. Whether the project is more compatible with the comprehensive plan than other permitted uses for the property. For example, the project may involve a "clean" industry such as a technology or service business which is preferred over other permitted uses.

9.1.3 Marginal Property. Whether the project is located on property which needs but is not likely to be developed or redeveloped because of blight or other adverse conditions of the property. For example property may be so blighted that the cost of making land ready for redevelopment exceeds the property's fair market value.

9.1.4 Design and/or Other Amenities. Whether, as a result of the business subsidy, the project will include design and/or amenity features not otherwise required by law. For example, the project may, at the request of the City, include landscaping, open space, public trails, or day care facilities which serve a public purpose but are not required by law.

9.2 Impact on Existing and Future Public Investment.

9.2.1 Utilization of Existing Infrastructure Investment. Whether and to what extent (a) the project will utilize existing public infrastructure capacity and (b) the project will require additional infrastructure improvements.

9.2.2 Direct Monetary Return on Public Investment. Arrangements made or to be made for the City to receive a direct monetary return on its investment in the project. For example, the business subsidy may be in

the form of an interest bearing loan or may involve a profit sharing arrangement.

9.3 Economic Development.

9.3.1 Leveraged Funds. The ratio of every dollar of business subsidy to be provided for the project to, the amount of private funds which will be applied towards the cost of the project should be considered.

9.3.2 Spin Off Development. The dollar amount of non-subsidized development the project is expected to generate in the surrounding area and the need for and likelihood of such spin off development.

9.4 Quality of Life.

9.4.1 Community Services. Whether the project will provide services in the COH that are needed in the COH. For example, the project may provide health services, retail convenience services such as a nearby grocery store, or social services needed in the COH.

9.5 Other

9.5.1 Other Factors. Depending on the nature of the project, such other factors as the City may deem relevant in evaluating the project and the business subsidy proposed for it.

Section 10. Requirements After Approval of Projects.

10.1 Business Subsidy Agreement The City and the recipient must enter into a written agreement before the City grants the business subsidy. The agreement is to be drafted by the City Attorney. The agreement must contain the terms and provisions required by the Act and such other terms and provisions as are necessary to protect the interests of the City. A business subsidy agreement is required even for financial assistance of \$25,000.00 and greater that is excluded from the definition of "business subsidy" by Section 116J.993, Subd. 3, clause (1) and of \$75,000.00 and greater that is excluded from the definition of "business subsidy" by Section 116J.993, Subd. 3, clause (21).

10.2 Monitoring and Annual Reports.

10.2.1 The business must complete a report on forms developed by the DEED and submit those forms to the City by March 1 for the previous year. The City must submit these reports to DEED by April 1 of each year.

10.2.2 The City must submit a businesses' report to the DEED by April 1 of each year. If a business fails to submit its report to the City, the City must mail a warning to the business. After 14 days, the City must impose an administrative penalty of \$100.00 per day until it receives the report, with a maximum administrative penalty of \$1000.00

10.2.3 The City must submit its own report ("Annual Report") to the DEED by April 1 of each year, which will include a list of those businesses that did not complete reports, and a list of those businesses that have not met wage and job goals within two years, and what the City is doing in response and whatever other information is required by the Act.

Section 11 Amendments. Amendments to this Business Subsidy Policy are subject to the public hearing requirements in Minnesota Statutes §116J.994.

Section 12 Action of the City of Hermantown and Hermantown Economic Development Authority. City, when used herein, means both the City of Hermantown ("COH") and Hermantown Economic Development Authority ("HEDA"). The COH and HEDA can act independently of one another, subject to the applicable laws, rules and regulations, in providing business subsidies and financial assistance to or for projects.

This Business Subsidy Policy was approved and adopted by the City of Hermantown and the Hermantown Economic Development Authority on the _____ day of _____, 2013.

CITY OF HERMANTOWN

By Wayne Bouch
Its Mayor

And by Rebecca Zund
Its City Clerk

**HERMANTOWN ECONOMIC
DEVELOPMENT AUTHORITY**

By Wayne Bouch
Its President

And by Gloria Nelson
Its Secretary

CITY OF HERMANTOWN
CITY COUNCIL/HERMANTOWN ECONOMIC DEVELOPMENT AUTHORITY MEETING
March 4, 2013
6:30 p.m.

ROLL CALL: Commissioners Geissler, Koski, Nelson, Shaw, Tafs, Mayor Boucher; John Mulder, City Administrator; Debbie Lund, City Clerk; Arlene Tucker, Finance Director; Jim Crace, Chief of Police; Steve Overom, City Attorney

VISITORS: 4

PUBLIC HEARING ON CRITERIA FOR BUSINESS SUBSIDIES

NOTICE IS HEREBY GIVEN that the City Council of the City of Hermantown ("City") and the Board of Commissioners of the Hermantown Economic Development Authority ("HEDA"), will hold a public hearing pursuant to Minnesota Statutes, §116J.994, Subdivision 2, relative to the proposed adoption of criteria for awarding business subsidies. The hearing will be held on March 4, 2013 at 6:30 p.m. at City Administration Building located at 5105 Maple Grove Road, Hermantown, Minnesota 55811. The purpose of the hearing is to consider proposed criteria to be applied by the City and HEDA in determining whether to make grants, loans or provide other assistance to a business that is/are a statutorily defined business subsidy.

A draft copy of the proposed criteria is available for public inspection at the office of the City Clerk of the City of Hermantown, at 5105 Maple Grove Road, Hermantown, Minnesota 55811, during regular business hours.

At the public hearing, all interested parties may express their comments for consideration by the City Council and HEDA Commissioners.

The Public Hearing held Monday, March 4, 2013 regarding City of Hermantown and Hermantown Economic Development Authority Criteria for Business Subsidies has been recorded, however, has not been transcribed.

2013-01H Resolution Adopting Business Subsidy Policy

Motion made by Commissioner Koski, seconded by Commissioner Nelson to adopt Resolution 2013-01H, Resolution Adopting Business Subsidy Policy. Roll Call: Commissioners Geissler, Koski, Nelson, Shaw, Tafs, Mayor Boucher, aye. Motion carried.

2013-34 Resolution Approving Business Subsidy Policy And Authorizing And Directing The Mayor And City Clerk To Execute And Deliver The Business Subsidy Policy

Motion made by Councilor Tafs, seconded by Councilor Koski to adopt Resolution 2013-34, Resolution Approving Business Subsidy Policy And Authorizing And Directing The Mayor And City Clerk To Execute And Deliver The Business Subsidy Policy. Roll Call: Councilors Geissler, Koski, Nelson, Tafs, Mayor Boucher, aye. Motion carried.

Motion made by Commissioner Tafs, seconded by Commissioner Shaw to adjourn the Public Hearing and Hermantown Economic Development Authority Meeting at 6:34 p.m.

ROLL CALL: Councilors Geissler, Koski, Nelson, Tafs, Mayor Boucher; John Mulder, City Administrator; Debbie Lund, City Clerk; Arlene Tucker, Finance Director; Jim Crace, Chief of Police; Steve Overom, City Attorney

ABSENT: Dean Sharpe, City Superintendent

VISITORS: 4

PUBLIC HEARING ON RAUSCHENFELS OUTLINE DEVELOPMENT PLAN

NOTICE IS HEREBY GIVEN that the City Council of the City of Hermantown will meet in Hermantown Administrative Services Building, 5105 Maple Grove Road, Hermantown, Minnesota, at 6:30 o'clock p.m. or as soon thereafter as possible on Monday, March 4, 2013 to consider the Outline Development Plan Proposal by David W. Rauschenfels, DWR Design/Build, LLC for a planned unit development of 4 twin homes on a 5.46 acre parcel, CVT: 395 PLAT: 0010, PARCEL: 03901.

Such persons as desire to be heard with reference to the proposed appeal will be heard at this meeting. Written or oral comments will be considered.

Letters were sent to the following:

David W. Rauschenfels DWR Design/Build LLC	5122 Glenwood St. Duluth, MN 55804
Darryl Lisowski	4254 Heartwood Lane
Steven & Cynthia Jackson	4263 Stebner Road
Leo Plewa	4238 Stebner Road
Terry Larson	4224 Stebner Road
Gary & Jane Anderson	10 Bridgeview Drive Superior, WI 54880
Billman Construction	5010 Miller Trunk Hwy
H-Town Properties	210 S. Michigan Street Duluth, MN 55802
Mark Shipley	4246 Stebner Road
Keith & Cynthia Johnson	4892 Woodridge Drive
Kevin Leonard	4220 Stebner Road

Matthew & Gina Pfungsten	4878 Trails End Drive
Darryl Lisowski	PO Box 10525 Duluth, MN 55805-0025
Chester Thomas	6116 Greene Street Duluth, MN 55807
Paul Glen Spindler	3642 Lindrose Road Cloquet, MN 55720
Kay Knight	4891 Woodridge Drive
Terrence Diskin	4890 Terrace Circle

The Public Hearing held Monday, March 4, 2013 regarding Rauschenfels Outline Development Plan has been recorded, however, has not been transcribed.

2013-25 Resolution Approving Outline Development Plan Proposed By David Rauschenfels For A Planned Unit Development

Motion made by Councilor Tafs, seconded by Councilor Geissler to adopt Resolution 2013-25, Resolution Approving Outline Development Plan By David Rauschenfels For A Planned Unit Development. Roll Call: Councilors Geissler, Koski, Nelson, Tafs, Mayor Boucher, aye. Motion carried.

Public Hearing recessed at 6:40 p.m.

MINUTES

Motion made by Councilor Tafs, seconded by Councilor Koski to approve the February 4, 2013 City Council Minutes. Motion carried.

PUBLIC DISCUSSION SUMMARY

Chris Davis, 5022 Thompson Road – I am here tonight in my own capacity and also in the capacity of the Utility Commission in lending support to Resolutions 2013-30 and 2013-31 when you are talking about the sewerline from Haines Road south to Mary Lane Drive. That is something that we have been talking about for a while and I was a little disappointed when it got turned down by the residents last time around. With the road construction there now is the time to do that, you all know that. They may not need it today but they will soon and it will be hard to get in there once the road is done. So I encourage you to vote yes on these issues, it's going to be a tough public hearing but again, utility needs a sewer down there so please do what you can for that.

The second thing, as long as I am here and I know you all know it is an issue, Mall Drive and that U-turn at Wal-Mart. I drive through there during the week probably one to three times a day on weekdays and at least once a week I have to slow down for somebody doing a three-point or a U-turn or something there. I don't know what to do about it but it is an issue that you already know is there.

COUNCIL MEMBERS REPORT

Councilor Geissler – No report

Councilor Koski – Brett Hiemenz was interviewed by Wayne and I for the Utility Commission position and I think he will be a good fit for the Utility Commission.

Councilor Nelson – No report

Councilor Tafs – No report

Mayor Boucher – I wanted to mention along with Councilor Geissler there was a fund raiser for the Bauman family and I would like to thank the community for turning out in their support. There is a hockey game on Wednesday in St. Paul and we only had four jerseys to share tonight but this is in support of our boy's hockey team in their game against Duluth Marshall.

CITY ADMINISTRATOR REPORT

John Mulder, City Administrator – I would like to pass out one item, this is the list of things Council would like to accomplish over the next two to four years. I asked you to rank your most important top seven and which items were the least important. I have put them in order in terms of what is most important based upon how many people voted for it, so all five of you said the utilities strategic plan needs to be dealt with. Four out of five of you ranked the ones that are the least important and three of you said charging for fire calls was not important and you also snowmobile trail connections to local businesses and the framed sign, those were the least important to you. We will work this list over the next couple of years during our work sessions and some will require specific action on your part at various times and require us to step out of what we normally do and spend some time on these issues and some of the other issues will be opportunities, something that presents itself and we can take care of that at that point.

DEPARTMENT HEADS REPORT

Debbie Lund, City Clerk – There will be a motion appointing representatives for the Board of Appeals & Equalization and Jim Aird volunteered to be on the panel as no one from the city is certified for this year. This will keep our Board of Appeals & Equalization status for the city.

Arlene Tucker, Finance Director – No report

Dean Sharpe, City Superintendent – Absent

Jim Crace, Chief of Police – I would like to give you one more reason to be proud of your police department and that would be a couple of weeks ago eight of us participated in the Polar Plunge for Minnesota Special Olympics. Five from my department and three from Maki & Overom and we raised \$5,588 for MN Special Olympics and brought home a real nice plaque as the number one law

enforcement team for the Duluth plunge. We had the opportunity to plunge with a couple of local athletes and it was pretty special jumping in Lake Superior with David Lang 2012 athlete of the year and knowing that the funds were going for a good cause.

COMMUNICATIONS

Communications 2013-40 through and including 2013-79 were read and placed on file.

Communication 2013-63 from John Klaers, City Planner/Zoning Director to Chairman Archambeau & Planning Commissioners regarding Golf Properties, Inc. CIDP for Shopping Center

Communication 2013-64 from John Klaers, City Planner/Zoning Director to Chairman Archambeau & Planning Commissioners regarding CIDP Application of Slumberland for 40' x 60' Addition to Existing Store

Communication 2013-65 from John Klaers, City Planner/Zoning Director to Chairman Archambeau & Planning Commissioners regarding Outline Development Plan for Dave Rauschenfels Planned Unit Development

Communication 2013-66 from John Klaers, City Planner/Zoning Director to Chairman Archambeau & Planning Commissioners regarding Special Use Permit Application of Over The Hill Night Riders Snowmobile Club for Club House/Maintenance Garage

Communication 2013-67 from John Klaers, City Planner/Zoning Director to Chairman Archambeau & Planning Commissioners regarding Preliminary Development Plan for Proposed Jay Zierden PUD

Communication 2013-69 from Minnesota Department of Revenue to City of Hermantown regarding Local Sales Tax Increase

Communication 2013-75 from Bureau of Mediation Services to City of Hermantown, AFSCME regarding Notice of Hearing

NEW BUSINESS

Motion made by Councilor Koski, seconded by Councilor Tafs to approve the appointment of Brett Hiemenz to the Utility Commission to fill the unexpired term of Roger Gustofson to December 13, 2013 commencing immediately. Roll Call: Councilors Geissler, Koski, Nelson, Tafs, Mayor Boucher, aye. Motion carried.

Motion made by Councilor Geissler, seconded by Councilor Koski to appoint Councilors Geissler, Koski, Nelson, Mayor Boucher and Jim Aird as Board Members for the Special Board of Appeals & Equalization Board to be held April 2, 2013 at 2:00 p.m. Roll Call: Councilors Geissler, Koski, Nelson, Tafs, Mayor Boucher, aye. Motion carried.

Motion made by Councilor Tafs, seconded by Councilor Nelson to approve the appointment of Cyndy Reno to the Hermantown Economic Development Authority. Roll Call: Councilors Geissler, Koski, Nelson, Tafs, Mayor Boucher, aye. Motion carried.

ACCOUNTS PAYABLE

Vouchers 48068 through and including 48125 in the amount of \$162,976.61 and vouchers 48126 through and including 48198 in the amount of \$276,856.05.

Motion made by Councilor Geissler, seconded by Councilor Koski to approve general city warrants from February 1, 2013 through February 14, 2013 in the amount of \$162,976.61 and February 15, 2013 through February 28, 2013 in the amount of \$276,856.05. Roll Call: Councilors Geissler, Koski, Nelson, Tafs, Mayor Boucher, aye. Motion carried.

ORDINANCES

2013-01 An Ordinance Amending Hermantown Code Of Ordinances Section 530 – Licensing Procedures And Requirements

The Second Reading was held on Ordinance 2013-01, An Ordinance Amending Hermantown Code Of Ordinances Section 530 – Licensing Procedures And Requirements.

Motion made by Councilor Tafs, seconded by Councilor Geissler to adopt Ordinance 2013-01, An Ordinance Amending Hermantown Code Of Ordinances Section 530 - Licensing Procedures And Requirements. Roll Call: Councilors Geissler, Koski, Nelson, Tafs, Mayor Boucher, aye. Motion carried.

2013-02 An Ordinance Amending Hermantown Zoning Code Section 520.03 – Land Use Regulations – Requirements

The Second Reading was held on Ordinance 2013-02, An Ordinance Amending Hermantown Zoning Code Section 520.03 – Land Use Regulations - Requirements.

Motion made by Councilor Tafs, seconded by Councilor Koski to adopt Ordinance 2013-02, An Ordinance Amending Hermantown Zoning Code Section 520-03 – Land Use Regulations – Requirements. Roll Call: Councilors Geissler, Koski, Nelson, Tafs, Mayor Boucher, aye. Motion carried.

2013-03 An Ordinance Granting Minnesota Energy Resources, A Subsidiary Of Integrys Energy Group, A Delaware Corporation, Its Successors And Assigns, A Natural Gas Franchise And The Authority To Construct, Operate, Maintain, And Extend A Natural Gas Distribution Plan And System, And Granting The Right To Use The Streets, Alleys, And Other Public Places Within The Present Or Future Corporate Limits Of The City Of Hermantown, Minnesota

The First Reading was held on Ordinance 2013-03, An Ordinance Granting Minnesota Energy Resources, A Subsidiary Of Integrys Energy Group, A Delaware Corporation, Its Successors And Assigns, A Natural Gas Franchise And The Authority To Construct, Operate, Maintain, And Extend A Natural Gas Distribution Plan And System, And Granting The Right To Use The Streets, Alleys, And Other Public Places Within The Present Or Future Corporate Limits Of The City Of Hermantown, Minnesota.

RESOLUTIONS

- 2013-26** Resolution Authorizing And Directing Mayor And City Clerk To Execute And Deliver Agreement Between The Hermantown Police Department And Hermantown Community Schools For Police/School Liaison Officer

Motion made by Councilor Koski, seconded by Councilor Geissler to adopt Resolution 2013-26, Resolution Authorizing And Directing Mayor And City Clerk To Execute And Deliver Agreement Between The Hermantown Police Department And Hermantown Community Schools For Police/School Liaison Officer. Roll Call: Councilors Geissler, Koski, Nelson, Tafs, Mayor Boucher, aye. Motion carried.

- 2013-27** Resolution Receiving And Accepting The Final Report On The Hermantown Planning & Zoning Assessment Prepared By Arrowhead Regional Development Commission (“ARDC”) And Approving The Implementation Plan

Motion made by Councilor Tafs, seconded by Councilor Geissler to adopt Resolution 2013-27, Resolution Receiving And Accepting The Final Report On The Hermantown Planning & Zoning Assessment Prepared By Arrowhead Regional Development Commission (“ARDC”) And Approving The Implementation Plan. Roll Call: Councilors Geissler, Koski, Nelson, Tafs, Mayor Boucher, aye. Motion carried.

- 2013-28** Resolution Approving Contract For Professional Services With Arrowhead Regional Development Commission (“ARDC”) And The City Of Hermantown

Motion made by Councilor Geissler, seconded by Councilor Koski to adopt Resolution 2013-28, Resolution Approving Contract For Professional Services With Arrowhead Regional Development Commission (“ARDC”) And The City Of Hermantown. Roll Call: Councilors Geissler, Koski, Nelson, Tafs, Mayor Boucher, aye. Motion carried.

- 2013-29** Resolution Eliminating The Environmental Resources Position And Creating A Non-Represented Professional Community Development Specialist

Motion made by Councilor Tafs, seconded by Councilor Koski to adopt Resolution 2013-29, Resolution Eliminating The Environmental Resources Position And Creating A Non-Represented Professional Community Development Specialist. Roll Call: Councilors Geissler, Koski, Nelson, Tafs, Mayor Boucher, aye. Motion carried.

- 2013-30** Resolution Calling Public Hearing For Sewer Improvement District No. 439R Haines Road (From Approximately 400 Feet South Of Morris Thomas Road To Mary Lane Drive)

Motion made by Councilor Tafs, seconded by Councilor Nelson to adopt Resolution 2013-30, Resolution Calling Public Hearing For Sewer Improvement District No. 439R Haines Road (From Approximately 400 Feet South Of Morris Thomas Road To Mary Lane Drive). Roll Call: Councilors Geissler, Koski, Nelson, Tafs, Mayor Boucher, aye. Motion carried.

2013-31 Resolution Authorizing And Directing Mayor And City Clerk To Execute And Deliver Agreement For Design Engineering Services With Salo Engineering, Inc. For Sewer Improvement District No. 439R Haines Road (From Morris Thomas Road To Mary Lane Drive) In The Amount Of \$27,000

Motion made by Councilor Koski, seconded by Councilor Nelson to adopt Resolution 2013-31, Resolution Authorizing And Directing Mayor And City Clerk To Execute And Deliver Agreement For Design Engineering Services With Salo Engineering, Inc. For Sewer Improvement District No. 439R Haines Road (From Morris Thomas Road To Mary Lane Drive) In The Amount Of \$27,000. Roll Call: Councilors Geissler, Koski, Nelson, Tafs, Mayor Boucher, aye. Motion carried.

2013-32 Resolution Approving Policy On Utility Charge Refunds

Motion made by Councilor Tafs, seconded by Councilor Nelson to adopt Resolution 2013-32, Resolution Approving Policy On Utility Charge Refunds. Roll Call: Councilors Geissler, Koski, Nelson, Tafs, Mayor Boucher, aye. Motion carried.

2013-33 Resolution Approving Grant Application To Minnesota Department Of Natural Resources (“DNR”) For Local Trail Connections Grant Program

Motion made by Councilor Geissler, seconded by Councilor Koski to adopt Resolution 2013-33, Resolution Approving Grant Application To Minnesota Department Of Natural Resources (“DNR”) For Local Trail Connections Grant Program. Roll Call: Councilors Geissler, Koski, Nelson, Tafs, Mayor Boucher, aye. Motion carried.

CITY ATTORNEY REPORT

Steve Overom, City Attorney – In addition to the work that the Police Department is doing in and around the school, they have also initiated a process to bring a renowned expert on dealing with issues like the Sandy Hook situation to try and educate the community on how to take steps to prevent that kind of situation. In connection with that they applied to the Hermantown Community Fund for partial funding and it was granted. The important thing that I took from that approval is the comments of the other board members at how impressed they were that the City of Hermantown had taken the lead in this regional/local initiative that involved UMD and other police departments and the school system itself. Those circumstances are so tragic and everyone says what do we do to prevent them, a lot of times you don't know but at least there is action taken by Hermantown to try to prevent this type of thing from happening in the area.

Mayor Boucher thanked Xavier Witikko for running the video equipment.

Motion made by Councilor Tafs, seconded by Councilor Geissler to recess meeting at 7:12 p.m. to Monday, March 25, 2013 at 6:30 p.m. Motion carried.

Mayor

ATTEST:

Clerk

2014 Minnesota Business Assistance Form for Non-JOBZ Projects
Attachment I
Express Investors of Duluth, LLC

Section 4: Goals and Public Purpose Identified in the Agreement

Question 29d: Description of goals and progress toward attainment

Express Investors of Duluth, LLC are developing a five-story, 80-room Holiday Inn Express and Suites at 4725 Market Street in Hermantown, located just to the southwest of the intersection of Haines Road and Miller Trunk Highway. The proposed development is on a contaminated site that was formerly home to a blighted car dealership building. The development results in a net reduction in impervious area around the site, and will serve as the first redevelopment in what is hoped to be a larger redevelopment area within the City of Hermantown.

Express Investors of Duluth, LLC is required to break ground by June 30, 2015, and is on target to do so.

The Contract for Private Redevelopment requires completion of the proposed hotel building by December 31, 2016.

Hermantown Economic Development Authority

Resolution No. 2013-01H

HEDA Member Koski introduced the following resolution and moved its adoption:

RESOLUTION ADOPTING BUSINESS SUBSIDY POLICY

WHEREAS, Minnesota Statutes §§ 116J.993 to 116J.995 (“Statutes”) require the adoption of criteria for the granting of business subsidies as defined in the Statutes; and

WHEREAS, the Hermantown Economic Development Authority (“HEDA”) has determined that it is necessary and appropriate to adopt a Business Subsidy Policy that contains the criteria required by the Statutes; and

WHEREAS, the HEDA has performed all actions as required by law to be performed prior to the adoption and approval of the proposed Business Subsidy Policy, including the holding of a public hearing, upon published notice as required by law, on March 4, 2013.

NOW, THEREFORE, BE IT RESOLVED by commissioners of HEDA as follows:

1. The Business Subsidy Policy attached hereto as **Exhibit A** is hereby approved.
2. The President and Secretary are hereby authorized and directed to execute and deliver such Business Subsidy Policy on behalf of HEDA.

The motion for the adoption of the foregoing resolution was duly seconded by HEDA Member Nelson and, after full discussion thereof and upon a vote being taken thereon, the following HEDA Members voted in favor thereof:

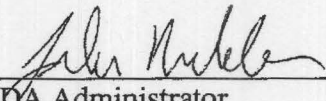
Geissler, Koski, Nelson, Shaw, Tafs, Mayor Boucher, aye

and the following voted against the same:

None

Whereupon said resolution was declared duly passed and adopted.

Dated this 4th day of March, 2013.



HEDA Administrator