

Mayor Fred Froehlich called the Regular Meeting to order at 6:00 p.m. on August 12, 2024 in the Council Chambers.

Members and guests sited the words to the Pledge of Allegiance.

In addition to Mayor Froehlich; Councilmembers: Mary Wels, Matt Anthony, Phil Radel and Kevin Ostermann were present. Others in attendance included Vanessa Drill, Darin Drill, Shannon Sweeney, Adam Huiras, and Karen Fluegge.

The agenda was approved on a motion which was made F. Froehlich, which was seconded by M. Wels, and which carried with all voting in favor.

The minutes of the Regular meeting of July 8, Public Hearing of July 10 and Special Meeting of July 25, 2024 were approved on a motion which was made by M. Anthony, which was seconded by P. Radel, and which carried with all voting in favor.

The bills totaling \$214,444.30 were approved on a motion which was made by K. Ostermann, which was seconded by M. Wels and which carried with all voting in favor.

Shannon Sweeney with David Drown Associations, Inc explained Tax Increment Financing or TIF is a tool that captures new property taxes that are generated because of new development that occurs within the boundaries of a designated TIF District. For a redevelopment project, this capture period can extend for up to 26-years. It is typical for cities to limit a TIF subsidy to 90% of the captured tax increment so that they can retain 10% (maximum authorized under Minnesota Statute) for administrative expenses. Adam Huiras of H&H Development (the “Developer”) has been working on the potential redevelopment of the former daycare facility located at 520 6th Street in Nicollet. H&H Development is proposing to redevelop the daycare facility/property into three 4-unit apartment buildings. The Developer has requested tax increment financing assistance (TIF) for the project. H&H Development has requested the reimbursement of new property taxes (TIF) for a term of 15-years. If the project is implemented in 2024, it would be anticipated that the first year of reimbursement would occur in 2026. Based on an initial projection of the estimated market value by the assessor, and utilizing 2024 property tax rates, the annual increment available for reimbursement to the developer (90% of the total annual) would be approximately \$11,578. Over 15-year term of reimbursement, that would total approximately \$173,670.

Sweeney stated the next steps are to consider an agreement between the city and the developer. A summary of the terms

1. The City shall create Redevelopment TIF District 1-9 for the purpose of providing TIF assistance to the Developer. The assistance shall consist of the reimbursement of 90% of the available tax increment. Said assistance shall not exceed \$173,670 and be evidenced by paid invoices for “Eligible Expenditures” incurred for the project which include redevelopment project costs. There will be no interest on the TIF Note.

The duration of the subsidy shall not exceed 15-years of tax increment collection commencing August 1, 2026.

Developer will agree to the following:

1. Start construction of the project by October 1, 2024, and substantially complete construction by December 1, 2025. The project shall be constructed according to plans and specifications that are approved by the City.
2. Make all property tax and public utility payments on time and in full.
3. The Developer shall pay 50% of the costs of creating the TIF District and legal expenses associated with the TIF agreement.

After consideration, a motion was made to approve the contract for private development between the City of Nicollet and H & H Development, LLC – part of redevelopment TIF District 1-9 which made by K. Ostermann, which was seconded by P. Radel, and which carried with all voting in favor.

The Clerk noted that Bolton and Menk has put out a quote for request for pedestrian safety improvements at the intersection of TH 111 (Main Street) and CSAH 43 (Sixth Street) that includes the installation of a pedestrian crosswalk flasher system and reconstruction of a couple of concrete pedestrian ramps.

Increasing the rate of pay for the part-time maintenance employees (misc. work and snow removal) to \$20.00 per hour was made on a motion by K. Ostermann, seconded by M. Wels, which carried with 4 yea's and 1 nay (Phil Radel) for approval.

Darin Drill shared that he has been sampling Stickney Hill Ingredients waste and the samples appear to be milky colored and is concerned that the ponds might begin to smell as they aren't looking the best. Drill also noted that he has found the flume plugged so the flows are high. A representative from the Minnesota Pollution Control Agency (MPCA) will be checking the ponds at the end of the week to get an assessment.

Drill also stated the water tower's recirculating pump that basically recirculates the water from the bottom had a pipe start leaking this is the pipe that goes from the bottom to the top and it is basically broke off. The plan is to contact a water tower repair company so they can fix the pipe.

Mayor Froehlich shared a letter from Justin Miller, the President of the League of Minnesota Cities, that he sent to Senator Nick Frentz. The letter's intent was to thank Frentz, on behalf of the 839 member cities, for his efforts in the legislative session. City officials and League staff look forward to continuing to work with Frentz in the future.

A city-wide tour was discussed and will be scheduled in the fall.

The council instructed the clerk to check with other cities regarding ordinances on handling emerald ash borer.

Reminders of the upcoming, meetings were noted:

- A. Sept 9, 2024 @ 6:00 pm – Regular Meeting – Monday
- B. Oct 14, 2024 @ 6:00 pm – Regular Meeting – Monday
- C. Nov 12, 2024 @ 6:00 pm – Regular Meeting – Tuesday
- D. Dec 9, 2024 @ 6:00 pm – Regular Meeting – Monday

The meeting was adjourned at 6:46 p.m., which was approved on a motion made by M. Anthony, which was seconded by M. Wels, and which carried with all voting in favor.

Vanessa Drill, City Clerk/Treasurer