

City of Ottertail
September 21, 2016
TIF PUBLIC HEARING &
SPECIAL MEETING
7:00 PM

Council present: Mayor Myron Lueders, Heather Rosenthal, Jill Carlson, Ron Grobeck and Darold Woessner.
Absent: None

Staff present: City Clerk/Treas. Elaine Hanson; Deputy Clerk, Shari Wheeler; Maintenance/Zoning Coordinator, Loren Hawes; Bob Schlieman, Apex Engineering.

Others present: Traci Ryan, Ryan Development Consultants; Brad Stevens, Thumper Pond; Tim & Linda Dally; Dan Carlisle, Pemberton Law; Chad Koenen, Citizen's Advocate, official paper;

At 7 p.m. the Public Hearing on TIF District 1-3 was opened by Mayor Lueders, all recited the pledge of allegiance.

No one came forth for public comment. Traci Ryan, Ryan Development Consultants, spoke to all in attendance and explained just exactly what the TIF project was and the highlights of what happens when a city adopts a TIF District. She explained what findings are required by statute when approving a TIF district, what types of districts there are, what they are used for and how payment is received and distributed. Ryan explained how a budget is developed for the TIF district. Resolution 2016-27 will be provided that outlines findings that the City has done everything the City needs to do by statutes in creating the district, this district will be classified as a housing district as defined by statutes and will meet the "but-for" test, conforms with the general development plan of the City and will afford maximum opportunity, consistent with the needs of the City as a whole. With no public comments, the hearing was closed at 7:11 p.m.

Mayor Lueders asked if the council had any further questions or comments. None being, a motion was made by Rosenthal and second by Grobeck to create TIF District Thumper Pond 1-3. All voted in favor. The formal Resolution #2016-27 will be available for public inspection in the office of the City Clerk and noting that this motion will serve as adoption of that resolution. All voted in favor, carried.

Ryan reported that Otter Tail County Commissioners did approve the Tax Abatement for Thumper Pond at its meeting that morning.

Ryan then went into explanation of the feasibility report on the purchase of property along MN Hwy 108 from Thumper Pond using the TIF Increment financing and reviewed costs and estimates to date incurred. Spreadsheet provided breakdown information and different scenarios should Tim & Linda Dally, the developers at this point interested in building 2 – 4 plex units on one of the proposed lots. The increment would pay the City back for its investment into the area at approximately \$55,000 (purchase & infrastructure costs) per lot over the course of approximately 12 years with the provided projections for each scenario and how that helps with land purchase and infrastructure. Ryan made it clear that now is the time for the council to decide if it would make sense to continue to move forward on the due diligence or to stop now and not incur any more costs. There are some legal issues to and other items that need to be finished before acting on the purchase agreement.

Dally and his wife, Linda, in the audience addressed the council. They are willing to commit at this time to one lot or 2 buildings (8 units) to start next spring if we can work out the terms. When those fill up, they would be ready to commit to another 2 buildings and another lot the following year (2018). There would need to be a waiting list before the second set would be considered. A development agreement would be put into place that would require Dally to start the project before December of 2017 or he would have to pay for the lot in cash.

After some discussion regarding financing on Dally's part, a motion was made by Woessner to proceed with the due diligence of the purchase, negotiate the terms and make the necessary arrangements with Dally for the

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project to begin in the Spring of 2017. Grobeck seconded the motion and stated he felt there was a strong demand for this type of housing in Ottetail. With no further discussion, the motion passed with Woessner, Grobeck, Rosenthal and Carlson voting in favor, Lueders abstained due to his employment at Thumper Pond.

Dally will set up a tour for interested council and staff for the following week. Hanson will start a sign-up sheet for interested parties to rent the units on a 1st come – 1st served basis. Those that have expressed interest to the council members should be notified that they need to call city hall to get on that list.

Dan Carlisle, attorney with Pemberton Law, who has been working with the city on a Communications Tower Ordinance sat with the council members and discussed the two sample ordinances that he has been reviewing. He liked certain parts of one, but thought the best parts of two or others could be combined. He suggested that he come up with a working draft and will meet with a committee of two council members to review and bring forth some options the rest of the council can review. Grobeck and Carlson volunteered for the committee.

With no other business to discuss, the council adjourned at 8:20 p.m. with a motion by Carlson and second by Grobeck. Meeting adjourned.

Respectfully submitted,

s/s

Elaine Hanson, MCMC
Clerk-Treasurer

s/s

Myron Lueders, Mayor