

## Cottage Grove

Pursuant to due call and notice thereof, a special meeting was duly held at the City Hall, 7516 80th Street South, on the 28th day of February, 1979 at 7:30 o'clock p.m.

The following members were present: Mayor Peterson  
Councilman Amundson  
Councilman McHattie  
Councilman Denzer  
Councilman Hammero

And the following were absent: None

Mayor Peterson presided at the meeting.

The Council reviewed a memorandum, dated February 28, 1979, from the City Administrator regarding contract negotiations with Local 49, who represents the Public Works employees.

Motion that the labor agreement between Local 49, representing the Public Works employees and the City for 1979 and 1980 as recommended by the Clerk be approved made by Councilman Denzer. Seconded by Councilman Hammero. Carried by viva voce.

Mr. Seegar Swanson of Ehlers and Associates, the City's financial consultant, introduced Mr. Robert Ehlers, who gave a verbal presentation on tax-exempt financing for multiple and single family dwellings.

Representatives from Piper, Jaffrey, and Hopwood Company and Juran-Moody Company also spoke and answered questions regarding the aforementioned type of financing.

Mr. Thomas Hay, representing Dorsey, Windhorst, Hannaford, Whitney and Halladay, the City's bond-approving attorney, presented his view on the tax-exempt financing and his company's stand on the legality of using tax-exempt financing for multiple family dwellings which his firm would underwrite and single family dwellings which his firm would not underwrite under Minnesota Chapter No. 474.

Mr. Phil Betzel, Jerry Julkowski and Dean Sanders, who are requesting the tax-exempt financing on three four-plexes were also in attendance and answered questions regarding the project.

Motion that the attorney be directed to prepare the necessary bill allowing the City of Cottage Grove to have special legislation introduced in the legislature authorizing a housing financing program for single family and multiple family, both new and old, and for the issuance of revenue bonds to finance the program made by Councilman McHattie. Seconded by Councilman Denzer. Carried 4 ayes, 1 nay, Councilman Amundson voting nay.

Councilman Denzer introduced the following resolution and moved for its adoption:

# 32028

RESOLUTION NO. 29

RESOLUTION AUTHORIZING THE ISSUANCE OF  
REVENUE OBLIGATIONS PURSUANT TO THE  
MINNESOTA MUNICIPAL INDUSTRIAL DEVELOPMENT  
ACT, REQUESTING APPROVAL BY THE COMMISSIONER  
OF SECURITIES, AND AUTHORIZING THE  
PREPARATION OF NECESSARY DOCUMENTS

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

Section 1. Policy and Purpose.

1.01. For the purpose of promotion, attraction, encouragement and development of economically sound commerce; the provision of adequate housing for residents of the City; the preservation and development of a tax base adequate to finance necessary public services; and the encouragement of employment opportunities for the citizens of the City, the City is authorized by the Municipal Industrial Development Act, Minnesota Statutes, Chapter 474 (the "Act"), to acquire and lease real and personal property for use by a revenue producing enterprise, or to loan funds directly to the enterprise to be used for such acquisition, said funds to be raised through the issuance of revenue obligations of the City the interest on which is exempt from federal and state income taxes.

1.02. Jerry and Marge Julkowski, doing business as Julkowski Properties (the "Enterprise"), desires to undertake a project in the City, at a total cost presently estimated at approximately \$160,000, comprising the acquisition of land and the design, construction and equipment thereon of a fourplex building comprising 4,064 square feet, to be leased to various residents of the City (the "Project").

1.03. The construction and operation of the Project would increase the level of economic activity in the City, would increase the supply of housing stock, would increase the tax base, and would provide additional employment opportunities for residents of the City and surrounding area.

1.04. The Enterprise has advised the City that conventional commercial financing for the cost of the Project is available only on a limited basis and at interest rates which decrease the economic feasibility of the Project; and that tax-exempt revenue obligation financing pursuant to the Act would substantially increase the economic feasibility of the Project, and would be a significant inducement to the construction of the Project in the City by the Enterprise.

1.05. The Enterprise has proposed that the City issue its revenue obligations pursuant to the Act to finance the cost of the Project, and has also advised the City that the Town & Country State Bank, in Newport, Minnesota ("Bank"), has agreed to purchase or provide others to purchase revenue obligations of the City issued in such amount for such purpose.

Section 2. Authorization.

2.01. Subject to approval of the Project by the Commissioner of Securities of the State of Minnesota as required by law, and subject to the mutual agreement of the City, the Enterprise and the Bank as to the details of a loan agreement, a mortgage and security agreement and other documents necessary to evidence and effect the financing of the Project and the issuance of the revenue obligations, the issuance of revenue obligations of the City pursuant to the Act in an amount not exceeding \$120,000 is authorized to finance a portion of the cost of the Project.

2.02. The Mayor and City Clerk are authorized and directed to submit the Project to the Commissioner of Securities for his approval as tending to further the purposes and policies of the Act, and to cause such information concerning the Project to be submitted to the Commissioner as he shall require for this purpose.

2.03. The City's legal counsel and bond counsel are authorized to assist in the preparation and review of documents necessary to provide for the issuance, payment and security of the revenue obligations and the necessary documents; and to submit such documents to this Council for final approval.

Section 3. No Liability of City. Nothing in this resolution or in the documents prepared pursuant hereto shall authorize the expenditure of any moneys of the City on the Project other than the revenues thereof or the proceeds of the revenue obligations. The revenue obligations shall not constitute a charge, lien or encumbrance, legal or equitable, upon any property or funds of the City except the Project and the revenues pledged to the payment thereof, nor shall the City be subject to any liability thereon. No holder of any revenue obligation shall ever have the right to compel any exercise of the taxing power of the City to pay any such obligation or the interest thereon, nor to enforce payment thereof against any property of the City except the Project. Each revenue obligation shall recite on its face that the obligation, including interest thereon, is payable solely from the revenues pledged to the payment thereof. No obligation issued hereunder shall constitute indebtedness of the City within the meaning of any constitutional, statutory or charter limitation.

Section 4. Project Expenditures. In anticipation of the approval of the Project by the Commissioner of Securities and the issuance of revenue obligations of the City to finance the Project, and in order that completion of the Project will not be unduly delayed when approved, the Enterprise is hereby authorized to make such expenditures and advances toward payment of costs of the Project as it considers necessary, including the use of interim financing, subject to reimbursement from the proceeds of the revenue obligations when and if issued, but otherwise without liability on the part of the City.

Section 5. Approval of Preliminary Agreement. The form of Preliminary Agreement relating to the issuance of the revenue obligations authorized in Section 2, presented to the Council at this meeting, is hereby approved, and the Mayor and City Clerk are hereby authorized and directed to execute the Preliminary Agreement on behalf of the City.

Adopted this 28th day of February, 1979.

The motion for the adoption of the foregoing resolution was duly seconded by Councilman McHattie. Upon vote being taken thereon, the following voted in favor thereof: Councilman Denzer, Councilman McHattie, Councilman Hammero, and Mayor Peterson. And the following voted against the same: Councilman Amundson. Whereupon said resolution was duly declared passed and adopted.

Councilman Hammero introduced the following resolution and moved for its adoption:

RESOLUTION NO. 30

RESOLUTION AUTHORIZING THE ISSUANCE OF  
REVENUE OBLIGATIONS PURSUANT TO THE  
MINNESOTA MUNICIPAL INDUSTRIAL DEVELOPMENT  
ACT, REQUESTING APPROVAL BY THE COMMISSIONER  
OF SECURITIES, AND AUTHORIZING THE PREPARATION  
OF NECESSARY DOCUMENTS

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

Section 1. Policy and Purpose.

1.01. For the purpose of promotion, attraction, encouragement and development of economically sound commerce; the provision of adequate housing for residents of the City; the preservation and development of a tax base adequate to finance necessary public services; and the encouragement of employment opportunities for the citizens of the City, the City is authorized by the Municipal Industrial Development Act, Minnesota Statutes, Chapter 474 (the "Act"), to acquire and lease real and personal property for use by a revenue producing enterprise, or to loan funds directly to the enterprise to be used for such acquisition, said funds to be raised through the issuance of revenue obligations of the City the interest on which is exempt from federal and state income taxes.

1.02. Dean and Janet Sanders, doing business as Sanders Properties (the "Enterprise"), desires to undertake a project in the City, at a total cost presently estimated at approximately \$160,000, comprising the acquisition of land and the design, construction and equipment thereon of a fourplex building comprising 4,064 square feet, to be leased to various residents of the City (the "Project").

1.03. The construction and operation of the Project would increase the level of economic activity in the City, would increase the supply of housing stock, would increase the tax base, and would provide additional employment opportunities for residents of the City and surrounding area.

1.04. The Enterprise has advised the City that conventional commercial financing for the cost of the Project is available only on a limited basis and at interest rates which decrease the economic feasibility of the Project; and that tax exempt revenue obligation financing pursuant to the Act would

substantially increase the economic feasibility of the Project, and would be a significant inducement to the construction of the Project in the City by the Enterprise.

1.05. The Enterprise has proposed that the City issue its revenue obligations pursuant to the Act to finance the cost of the Project, and has also advised the City that the Town & Country State Bank, in Newport, Minnesota (the "Bank"), has agreed to purchase or provide others to purchase revenue obligations of the City issued in such amount for such purpose.

Section 2. Authorization.

2.01. Subject to approval of the Project by the Commissioner of Securities of the State of Minnesota as required by law, and subject to the mutual agreement of the City, the Enterprise and the Bank as to the details of a loan agreement, a mortgage and security agreement and other documents necessary to evidence and effect the financing of the Project and the issuance of the revenue obligations, the issuance of revenue obligations of the City pursuant to the Act in an amount not exceeding \$120,000 is authorized to finance a portion of the cost of the Project.

2.02. The Mayor and City Clerk are authorized and directed to submit the Project to the Commissioner of Securities for his approval as tending to further the purposes and policies of the Act, and to cause such information concerning the Project to be submitted to the Commissioner as he shall require for this purpose.

2.03. The City's legal counsel and bond counsel are authorized to assist in the preparation and review of documents necessary to provide for the issuance, payment and security of the revenue obligations; to consult with the Enterprise and the Bank as to the terms and provisions of the revenue obligations and the necessary documents; and to submit such documents to this Council for final approval.

Section 3. No Liability of City. Nothing in this resolution or in the documents prepared pursuant hereto shall authorize the expenditure of any moneys of the City on the Project other than the revenues thereof or the proceeds of the revenue obligations. The revenue obligations shall not constitute a charge, lien or encumbrance, legal or equitable, upon any property or funds of the City except the Project and the revenues pledged to the payment thereof, nor shall the City be subject to any liability thereon. No holder of any revenue obligation shall ever have the right to compel any exercise of the taxing power of the City to pay any such obligation or the interest thereon, nor to enforce payment thereof against any property of the City except the Project. Each revenue obligation shall recite on its face that the obligation, including interest thereon, is payable solely from the revenues pledged to the payment thereof. No obligation issued hereunder shall constitute indebtedness of the City within the meaning of any constitutional, statutory or charter limitation.

Section 4. Project Expenditures. In anticipation of the approval of the Project by the Commissioner of Securities and the issuance of revenue

obligations of the City to finance the Project, and in order that completion of the Project will not be unduly delayed when approved, the Enterprise is hereby authorized to make such expenditures and advances toward payment of costs of the Project as it considers necessary, including the use of interim financing, subject to reimbursement from the proceeds of the revenue obligations when and if issued, but otherwise without liability on the part of the City.

Section 5. Approval of Preliminary Agreement. The form of Preliminary Agreement relating to the issuance of the revenue obligations authorized in Section 2, presented to the Council at this meeting, is hereby approved, and the Mayor and City Clerk are hereby authorized and directed to execute the Preliminary Agreement on behalf of the City.

Adopted this 28th day of February, 1979.

The motion for the adoption of the foregoing resolution was duly seconded by Councilman Denzer. Upon vote being taken thereon, the following voted in favor thereof: Councilman Hamner, Councilman Denzer, Councilman McHattie, and Mayor Peterson. And the following voted against the same: Councilman Amundson. Whereupon said resolution was duly declared passed and adopted.

Councilman McHattie introduced the following resolution and moved for its adoption:

RESOLUTION NO. 31

RESOLUTION AUTHORIZING THE ISSUANCE OF  
REVENUE OBLIGATIONS PURSUANT TO THE  
MINNESOTA MUNICIPAL INDUSTRIAL DEVELOPMENT  
ACT, REQUESTING APPROVAL BY THE COMMISSIONER  
OF SECURITIES, AND AUTHORIZING THE PREPARATION  
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1.02. Phil and Mary Betzel, doing business as Betzel Properties (the "Enterprise"), desires to undertake a project in the City, at a total cost presently estimated at approximately \$160,000, comprising the acquisition of land and the design, construction and equipment thereon of a fourplex building comprising 4,064 square feet, to be leased to various residents of the City (the "Project").

1.03. The construction and operation of the Project would increase the level of economic activity in the City, at a total cost presently estimated at approximately \$160,000, comprising the acquisition of land and the design, construction and equipment thereon of a fourplex building comprising 4,064 square feet, to be leased to various residents of the City (the "Project").

1.04. The Enterprise has advised the City that conventional commercial financing for the cost of the Project is available only on a limited basis and at interest rates which decrease the economic feasibility of the Project; and that tax exempt revenue obligation financing pursuant to the Act would substantially increase the economic feasibility of the Project, and would be a significant inducement to the construction of the Project in the City by the Enterprise.

1.05. The Enterprise has proposed that the City issue its revenue obligations pursuant to the Act to finance the cost of the Project, and has also advised the City that the Town & Country State Bank, in Newport, Minnesota (the "Bank"), has agreed to purchase or provide others to purchase revenue obligations of the City issued in such amount for such purpose.

Section 2. Authorization.

2.01. Subject to approval of the Project by the Commissioner of Securities of the State of Minnesota as required by law, and subject to the mutual agreement of the City, the Enterprise and the Bank as to the details of a loan agreement, a mortgage and security agreement and other documents necessary to evidence and effect the financing of the Project and the issuance of the revenue obligations, the issuance of revenue obligations of the City pursuant to the Act in an amount not exceeding \$120,000 is authorized to finance a portion of the cost of the Project.

2.02. The Mayor and City Clerk are authorized and directed to submit the Project to the Commissioner of Securities for his approval as tending to further the purposes and policies of the Act, and to cause such information concerning the Project to be submitted to the Commissioner as he shall require for this purpose.

2.03. The City's legal counsel and bond counsel are authorized to assist in the preparation and review of documents necessary to provide for the issuance, payment and security of the revenue obligations; to consult with the Enterprise and the Bank as to the terms and provisions of the revenue obligations and the necessary documents; and to submit such documents to this Council for final approval.

Section 3. No Liability of City. Nothing in this resolution or in the documents prepared pursuant hereto shall authorize the expenditure of any moneys of the City on the Project other than the revenues thereof or the proceeds of the revenue obligations. The revenue obligations shall not constitute a charge, lien or encumbrance, legal or equitable, upon any property or funds of the City except the Project and the revenues pledged to the payment thereof, nor shall the City be subject to any liability thereon. No holder of any revenue obligation shall ever have the right to compel any exercise of the taxing power of the City to pay any such obligation or the interest thereon, nor to enforce payment thereof against any property of the City except the Project. Each revenue obligation shall recite on its face that the obligation, including interest thereon, is payable solely from the revenues pledged to the payment thereof. No obligation issued hereunder shall constitute indebtedness of the City within the meaning of any constitutional, statutory or charter limitation.

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Section 5. Approval of Preliminary Agreement. The form of Preliminary Agreement relating to the issuance of the revenue obligations authorized in Section 2, presented to the Council at this meeting, is hereby authorized and directed to execute the Preliminary Agreement on behalf of the City.

Adopted this 28th day of February, 1979.

The motion for the adoption of the foregoing resolution was duly seconded by Councilman Hammero. Upon vote being taken thereon, the following voted in favor thereof: Councilman McHattie, Councilman Hammero, Councilman Denzer, and Mayor Peterson. And the following voted against the same: Councilman Amundson. Whereupon said resolution was duly declared passed and adopted.

Motion that the meeting be adjourned made by Councilman Denzer. Seconded by Councilman Hammero.

Meeting adjourned at 11:15 p.m.

Respectfully submitted,

  
CARL F. MEISSNER  
Clerk-Administrator





ALBERT H. QUIE  
GOVERNOR

**STATE OF MINNESOTA**  
OFFICE OF THE GOVERNOR  
ST. PAUL 55155

DELEGATION ORDER

Providing for the Assignment of Duties  
to the Soil and Water Conservation  
Board under The Soil and Water Resources  
Conservation Act of 1977 (P.L. 95-192)

I, Albert H. Quie, Governor of the State of Minnesota, by virtue of the authority vested in me by the Constitution and Minnesota Statutes, Section 4.07, hereby issue this Delegation Order.

WHEREAS, whenever the United States of America, pursuant to federal law or any rule or regulation promulgated thereunder, makes available to the State of Minnesota or any department, agency, governmental subdivision, or other instrumentality thereof funds for any purpose and no state agency has been otherwise designated by law to apply for, receive, and accept such federal funds, the Governor may designate a state agency or agencies to act for him in applying for, receiving, and accepting federal funds pursuant to Minnesota Statutes, Section 4.07; and,

WHEREAS, this designation shall apply to funds which are dispersed by The United States Department of Agriculture - Soil Conservation Service



under the Soil and Water Resources Conservation Act of 1977 (P.L. 95-192, STATE 1407, 16 USC 2001-2009) and amendments thereto;

NOW, THEREFORE, I order that:

1. The State Soil and Water Conservation Board be designated as the State agency to act for me in applying for, receiving and accepting federal funds granted to The State of Minnesota from The U.S. Department of Agriculture - Soil Conservation Service under The Federal "Soil and Water Resources Conservation Act of 1977", Public Law 95-192 and to disburse such funds to carry out the below-enumerated purposes for which the funds are received in accordance with all laws of the State, except where federal laws, rules or regulations differ.

(It is the purpose of The Soil and Water Resources Conservation Act of 1977, P.L. 95-192, to appraise on a continuing basis the soil, water and related resources of the Nation; to develop and update periodically a program for furthering the conservation, protection and enhancement of the soil, water and related resources of the Nation consistent with the roles and program responsibilities of other federal agencies and state and local governments; to provide Congress and the public, the information gathered from the above program and providing Congress with an annual evaluation report.)

2. The Executive Director of said Board shall be State liaison officer for signing all documents necessary for the application for, receipt of, and acceptance of funds received from The Soil and Water Resources Conservation Act under this order, and shall have the further authority:
  - a. Responsibility for the overall fund administration.
  - b. Selecting an alternate liaison officer who will have the authorities of the State liaison officer in that person's absence.
  
3. This order does not preclude the Minnesota Department of Natural Resources and the Minnesota Pollution Control Agency from applying for, receiving, accepting, and expending funds under the above-cited federal laws where said agencies are authorized under law and independently of this order to accept such funds.

This order shall be effective immediately upon filing with the Secretary of State and shall remain in effect until superseded, amended, or repealed by proper authority.