

*Cheri Mattson*

Pursuant to due call and notice thereof, a regular meeting was duly held at the City Hall, 7516 80th Street South, on the 15th day of August, 1979, at 7:30 o'clock p.m.

The following members were present:   Acting Mayor Hammero  
  Councilman McHattie  
  Councilman Denzer

And the following were absent:         Mayor Peterson (excused)  
  Councilman Amundson (excused)

Acting Mayor Hammero presided.

The minutes of the July 19, 1979 special meeting were reviewed. There being no additions or corrections, they were approved as mailed.

The minutes of the August 1, 1979 regular meeting were reviewed. There being no additions or corrections, they were approved as mailed.

The minutes of the August 8, 1979 special meeting were reviewed. The Clerk advised the Council that the date of the special meeting should read "August 22, 1979," instead of "August 27, 1979." With that correction, the minutes were approved as mailed.

The Clerk presented an Affidavit showing publication in the official newspaper of the Notice of Hearing to be held on this date and at this time with respect to a proposed project and the issuance of industrial development revenue bonds under the Municipal Industrial Development Act, Minnesota Statutes, Chapter 474, as amended. Which Affidavit was examined, approved, and ordered placed on file in the office of the City Clerk.

The Clerk then read aloud the Notice of Hearing.

The Acting Mayor then opened the Hearing for consideration of any comments or objections. Mr. Russell Prince from Juran and Moody, Inc., representing Aero-Precision Engineering, appeared and made a presentation to the Council as to what the project entailed. There being no further questions, the Acting Mayor closed the Public Hearing.

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

RESOLUTION NO. 79-~~108~~113

RESOLUTION GIVING PRELIMINARY APPROVAL TO A PROJECT UNDER THE MUNICIPAL INDUSTRIAL DEVELOPMENT ACT; REFERRING THE PROPOSAL TO THE COMMISSIONER OF SECURITIES FOR APPROVAL AND AUTHORIZING PREPARATION OF NECESSARY DOCUMENTS

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

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1.1. The Minnesota Legislature has enacted Chapter 474, Minnesota Statutes, which is cited as the "Municipal Industrial Development Act" (the Act), under which the City is authorized to issue revenue bonds for the purpose of providing financing for the acquisition, construction and equipment of projects consisting of real and personal properties used or useful in connection with a revenue-producing enterprise engaged in any business.

1.2. In enacting the Act, the Legislature found that the welfare of the State requires the active promotion, attraction, encouragement and development of economically sound industry and commerce through governmental action to prevent so far as possible the emergence of blight and areas of chronic unemployment and that it is the policy of the State to encourage action by local governmental units to prevent such economic deterioration.

1.3. Aero Precision Engineering Co., a Minnesota corporation (the Corporation), has advised this Council of its desire to acquire approximately ten (10) acres of land in the Cottage Grove Industrial Park in the City and to construct thereon an office and manufacturing facility (the Project) to be used by the Corporation in its business of manufacturing computer components.

1.4. The existence of the Project within the City would significantly increase the tax base of the City, County and school district in which the City is located and would provide opportunities for employment for residents of the City and surrounding area.

1.5. Pursuant to Section 474.01, Subdivision 7b of the Act, a public hearing was conducted on August 15, 1979, on the proposal to undertake and finance the Project after the publication of notice of the time and place of the hearing, the general nature of the Project and the estimated principal amount of the Bonds, which notice was published not less than fifteen (15) days nor more than thirty (30) days before the public hearing in the official newspaper of the City and in a newspaper of general circulation in the City; a draft copy of the proposed application to the Commissioner of Securities, together with all attachments and exhibits thereto, was available for public inspection prior to the public hearing as specified in the notice.

1.6. This Council has been advised by representatives of the Corporation that conventional, commercial financing to pay the capital cost of the Project has not been obtained and is available only on a limited basis and at such high costs and on such terms of borrowing that the economic feasibility of acquiring, constructing and operating the Project would be significantly impaired; however, representatives of the Corporation have also advised the City that the use of municipal financing and the lower borrowing cost resulting therefrom will materially increase the economic feasibility of the Project and will constitute a substantial inducement to undertake the Project.

1.7. The Corporation has proposed that the City issue and sell its industrial development revenue bonds or notes (whether bonds or notes, hereinafter referred to as the Bonds) pursuant to the Act for the purpose of financing the Project, including certain expenses incidental thereto, in the approximate principal amount of \$1,500,000 and loan the proceeds realized upon

the sale of the Bonds to the Corporation pursuant to a revenue agreement (the Revenue Agreement) wherein the Corporation will be obligated to acquire and construct the Project, to apply the proceeds of the Bonds solely to the payment of the costs thereof and to make payments under the Revenue Agreement at the time and in the amounts sufficient to provide for the prompt payment of the principal of, premium, if any, and interest on the Bonds and all costs and expenses of the City incident to the issuance and sale of the Bonds; the proposal further provides that the Project will be mortgaged and a security interest granted therein and the City's right and interest in the Revenue Agreement pledged for the benefit and security of the holders from time to time of the Bonds.

1.8. The undertaking of the proposed Project and the issuance of the Bonds to finance the costs thereof will further and promote the public purposes and legislative objectives of the Act by encouraging the development of a revenue-producing enterprise within the City, by increasing the tax base of the City and overlapping taxing jurisdictions, by providing additional employment opportunities for residents of the City and surrounding area and by stimulating the development of lands within the City.

1.9. The full faith and credit of the City will not be pledged or responsible for the Project or the payment of the principal of and interest on the Bonds.

1.10. This Council has also been advised by a representative of Juran & Moody, Inc., of St. Paul, Minnesota (the Investment Bankers), that on the basis of information submitted to them and their discussions with representatives of the Corporation and potential buyers of tax-exempt Bonds, the Bonds in the approximate principal amount of \$1,500,000 could be issued and sold upon terms and conditions satisfactory to the City and the Partnership to finance the Project.

2. On the basis of information given the City to date, it appears that it would be in the best interest of the City to issue the Bonds under the provisions of the Act to finance the Project at a cost presently estimated to be approximately \$1,500,000.00.

3. The undertaking of the Project and the issuance of the Bonds pursuant to the Act in the approximate principal amount of \$1,500,000.00 to finance the costs thereof all as referred to above is hereby authorized and approved by the City, subject to the approval of the Project by the Commissioner of Securities and to the mutual agreement of this Council, the Corporation and the Investment Bankers as to the detailed terms and conditions on which the Project will be financed, the terms and conditions on which the Bonds will be issued, sold and secured and the terms and conditions of the Revenue Agreement and other instruments and proceedings relating to the Bonds; the agreement of the City must be evidenced by a resolution (the final resolution) of this Council authorizing the issuance of the Bonds for the purpose of financing the Project and authorizing the execution of the necessary documents. In all events, it is understood, however, that the Bonds shall not constitute a charge, lien or encumbrance, legal or equitable, upon any property of the City except the Project, and each Bond, when, as and if issued, shall recite in substance that the Bond, including interest thereon, is payable solely from the revenues received from the Project and property pledged to the payment thereof and shall not constitute a debt of the City.

4. In accordance with Section 474.01, Subdivision 7 of the Act, the Mayor is hereby authorized and directed to submit an application to the Commissioner of Securities for her approval of the Project. The Mayor, City Clerk-Treasurer, City Attorney and other officers, employees and agents of the City are hereby authorized in cooperation with Dorsey, Windhorst, Hannaford, Whitney & Halladay, as bond counsel, to initiate preparation of such documents as may be appropriate to the Project in order that, when and if the Project is approved by the Commissioner, it may be carried forward expeditiously. The Mayor and City Clerk-Treasurer are hereby authorized and directed, when and if the Bonds are issued, to submit to the Department of Economic Development information concerning the Project as required by Subdivision 8 of Section 474.01, Minnesota Statutes.

5. All commitments of the City expressed herein are subject to the condition that within twelve (12) months from the date of adoption of this resolution (or such other date as shall be mutually satisfactory to the City and the Corporation) the City and the Corporation shall have agreed to mutually acceptable terms and conditions of the Revenue Agreement, the Bonds and of the other instruments and proceedings relating to the Bonds. If the events set forth herein do not take place within the time set forth above or any extension thereof and the Bonds are not sold within such time, the Corporation agrees that it will reimburse the City for all reasonable and necessary expenses which the City may incur in the performance by the City of its authorization and approvals hereunder.

Passed this 15th day of August, 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 McHattie, Councilman Denzer, Acting Mayor Hammero. The following voted against the same: None. Whereupon said resolution was duly declared passed and adopted.

The Clerk presented an Affidavit showing publication in the official newspaper of the Notice of Hearing to be held on this date and at this time with respect to the conditional use permit issued to Warren Lembke. Which Affidavit was examined, approved, and ordered placed on file in the office of the City Clerk.

The Clerk then read aloud the Notice of Hearing.

The Acting Mayor then opened the Hearing for consideration of any comments or objections. It was pointed out by Acting Mayor Hammero that the Mayor and one Councilman could not attend this meeting, and that notices had been sent out that this meeting would be continued until September 5, 1979.

Motion that the Public Hearing regarding the Warren Lembke conditional use permit be continued until September 5, 1979, at 7:30 o'clock p.m., made by Councilman Denzer. Seconded by Councilman McHattie. Carried viva voce.

Mike and Jerri Brickzin appeared before the Council complaining about the way the Council handled the refund of the SAC fees. Jerry Lucking also appeared. The Council explained the ramifications involved and the possibility of the Council getting named in a law suit regarding this refund, and it was the Council's feeling that they did it the best possible legal way. Thomas Wendoldk, Carol and Larry Tegantvoort, and Van Nienow also appeared before the Council requesting an extension of the filing of the SAC refund application. The Council also reviewed a letter from Michael Fleming regarding the same. Discussion was held regarding the request of the various persons and what legally the Council was able to do.

Motion that the Attorney be directed to prepare the ordinance which would allow for persons to make application for the remaining SAC fees not claimed for to date, and that said applications may be filed beginning September 1, 1979, and ended October 31, 1979, made by Councilman Denzer. Seconded by Councilman McHattie. Carried viva voce.

A Mr. James Price, a resident of the Rolling Hills Subdivision, appeared before the Council regarding off-site improvements that were to be completed on certain lots in that subdivision. The Council directed that the Attorney look into this matter and prepare a report and that said report be presented to the Council at its September 5, 1979 regular meeting.

Motion that the license applications of Bretoi Builders, for a general contractor's license; Aluminum Products, for a construction contractor's license; and Bill's Tree Trimming Service, for a tree trimming contractor's license, be approved made by Councilman McHattie. Seconded by Councilman Denzer. Carried viva voce.

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

RESOLUTION NO. 79-\_\_\_\_\_

RESOLUTION GRANTING CONDITIONAL USE PERMIT FOR  
WOODMOUNT TOWNHOUSES

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, and Acting Mayor Hammero. The following voted against the same: None. Whereupon motion was denied.\*

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

\*NOTE: Motion denied, as a 4/5 vote was required to pass resolution.

RESOLUTION NO. 79-109/114

RESOLUTION REPEALING RESOLUTION NO. 78-93  
AND AMENDING RESOLUTION NO. 76-158, A RESOLUTION ESTABLISHING NEW  
ELECTION PRECINCTS AND POLLING PLACES FOR THE CITY OF COTTAGE GROVE, MN

WHEREAS, the Cottage Grove City Council passed Resolution No. 78-93, which amended Resolution No. 76-158, a Resolution setting forth the election precincts and polling places for the City of Cottage Grove, and

WHEREAS, the City Council has been advised that it can again use the Community Evangelical Covenant Church as a polling place for the City of Cottage Grove, now

THEREFORE, BE IT RESOLVED, by the City Council of the City of Cottage Grove, County of Washington, State of Minnesota, that Resolution No. 78-93 be, and hereby is, repealed, and that Resolution No. 76-158, adopted on the 29th day of December, 1976, is hereby amended back to its original form showing the polling place for Precinct No. 11 as the Community Evangelical Covenant Church, located at 7891 Ivystone Ave. S., Cottage Grove, Minnesota.

Passed this 15th day of August, 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 McHattie, Councilman Denzer, and Acting Mayor Hammero. And the following voted against the same: None. Whereupon said resolution was duly declared passed and adopted.

Motion that the Council accept the recommendation of the CRIME Stop Technical Coordinating Committee, and that the Township of Grey Cloud be accepted into the CRIME Stop program for dispatching and record-keeping purposes only with the stipulation that Grey Cloud pay the regular per capita cost as the rest of the participating communities and that the existing joint powers agreement be changed to include this change only until December 31, 1979, and that the Attorney is hereby directed to prepare the necessary joint powers agreement change made by Councilman Denzer. Seconded by Councilman McHattie. Carried viva voce.

Motion that Change Order No. 1 between the W. G. Jaques Company and the City of Cottage Grove for the trunk sewer testing be changed by adding \$3,000.00 and that the Mayor and Clerk are authorized to sign said change order, made by Councilman Denzer. Seconded by Councilman McHattie. Carried viva voce.

The Council acknowledged receipt of the letter from the Minnesota Department of Transportation regarding their request for access from Trunk Highway 61 to the Point Douglas South service road. Discussion was also held regarding the Department of Transportation's removal from its capital improvement program and the construction of the overpass and underpass at Beldon Boulevard and Jamaca Avenue.

Motion that the request by the Director of Public Works to purchase one Wausau reversible plow in the amount of \$3,080.00 and one Amercian Roads tailgate fender in the amount of \$1,385.00 be approved made by Councilman McHattie. Seconded by Councilman Denzer. Carried viva voce.

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Motion that the Council approve the request that Regina Lammers be promoted to the position of full-time dispatcher, effective September 15, 1979, made by Councilman Denzer. Seconded by Councilman McHattie. Carried viva voce.

Motion that the Council authorize the Engineer to negotiate with various companies for the 1979 sanitary sewer television inspection made by Councilman McHattie. Seconded by Councilman Denzer. Carried viva voce.

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

RESOLUTION NO. 79-110 115

RESOLUTION AUTHORIZING FORMATION OF A GRANT APPLICATION  
AND EXECUTION OF GRANT AGREEMENT FOR THE SOUTH COMMUNITIES YOUTH SERVICE BUREAU

BE IT RESOLVED, by the City Council of the City of Cottage Grove, County of Washington, State of Minnesota, that the City of Cottage Grove act as sponsoring agency or unit of government and grantee for the project titled South Communities Youth Service Bureau, to be conducted by the South Communities Board of Directors during the period from January 1, 1980 through September 31, 1980, and

BE IT FURTHER RESOLVED, that the City Clerk, Carl F. Meissner, is hereby authorized to apply to the Crime Control Planning Board for funding of the project and execute such agreements as are necessary to implement the project, on behalf of the City of Cottage Grove,

Passed this 15th day of August, 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, and Acting Mayor Hammero. And the following voted against the same: None. Whereupon said resolution was duly declared passed and adopted.

Motion that the bills as presented be allowed, including the SAC refund checks, made by Councilman McHattie. Seconded by Councilman Denzer. Carried viva voce.

Motion that the meeting be adjourned made by Councilman Denzer. Seconded by Councilman McHattie. Carried viva voce.

Meeting adjourned at 10:50 p.m.

Respectfully submitted.

*Carl F. Meissner*  
CARL F. MEISSNER  
Clerk Administrator

STATE OF MINNESOTA  
DEPARTMENT OF STATE  
FILED  
AUG 22 1979  
*John Anderson*  
Secretary of State

32319  
O.D.