

WACONIA CITY COUNCIL MEETING AGENDA



Monday, November 4, 2024
6:00 PM

VISION STATEMENT

A thriving, connected community with deep roots: a great place to live for a lifetime.

MISSION STATEMENT

A city that leads, serves, and governs to enhance the quality of life for all community members.

MAYOR: NICOLE WALDRON
COUNCIL MEMBER : RANDY SORENSEN
COUNCIL MEMBER: NICK GLEASON
COUNCIL MEMBER: JEFF GRENGS
COUNCIL MEMBER: JACOB COLEMAN

NOTE: TO ENSURE THAT YOU ARE PRESENT FOR ITEMS OF INTEREST, PLEASE BE PRESENT AT 6:00 P.M.

Those with items on the agenda should reach out to their staff contact. Others who wish to participate in the meeting, please contact the City Administrator at 952-442-3100 or sfineran@waconia.org to make certain that you are called upon during the meeting.

1. CALL MEETING TO ORDER AND ROLL CALL

2. PLEDGE OF ALLEGIANCE

3. ADOPT AGENDA

4. PUBLIC HEARING

- 1) [2024 Downtown Reconstruction Project Assessment Public Hearing](#)
Motion to Call Public Hearing to Order and Accept Comments
Motion to Close Public Hearing
Adopt Resolution No. 2024-236 Approving Assessment Roll
- 2) [Public Hearing - Vacation of Sanitary Sewer Easement and Driveway Easement - Lots 2 & 3, Block 16, City Lots of Waconia](#)
Motion to Open the Public Hearing and accept public comments
Motion to Close the Public Hearing
Adopt Resolution No. 2024-237 approving the Vacation of the Sanitary Sewer Easement on Lot 3, Block 16, City Lots of Waconia and the Driveway Easement on Lot 2, Block 16, City Lots of Waconia.

5. VISITOR'S PRESENTATIONS, PETITIONS, CORRESPONDENCE

6. ADOPT CONSENT AGENDA

The items listed on the Consent Agenda are considered routine and non-controversial by the Council and will be approved by one motion. There will be no separate discussion of these items unless a Councilmember, City Staff, or Citizen so requests; in which case, the item will be removed from the Consent Agenda and considered

at the end of the Regular Agenda.

- 1) [Approve City Council Minutes October 21, 2024](#)
Motion to approve the October 21, 2024 Council Minutes
- 2) [Approve November 4, 2024 Expenditures](#)
Motion to Approve Payment of November 4, 2024 Expenditures
- 3) [Approve Kraus-Anderson Construction Pay Request #25 for the New Fire Station](#)
Motion to Approve Kraus-Anderson Construction Pay Request #25 for the New Fire Station Project
- 4) [Contractor Pay Request #1 - Waconia Parkway North Mill & Overlay](#)
Motion to approve Pay Estimate No. 1 to Bituminous Roadways, Inc. for the Waconia Parkway North Mill & Overlay
- 5) [Contractor Pay Request #2 - 2024 Infrastructure Improvements](#)
Motion to approve Pay Estimate No. 2 to Valley Paving, Inc. for the 2024 Infrastructure Improvements.
- 6) [Resignation of Firefighter](#)
Adopt Resolution No. 2024-238 Accepting Resignation of Firefighter Robbie Clark
- 7) [Statewide Volunteer Firefighter Plan](#)
Adopt Resolution No. 2024-239 Approving Increase in benefit level for firefighters
- 8) [Consent to Ridgeview Medical Center Loan](#)
Adopt Resolution No. 2024-240 Regarding Ridgeview Medical Center Revolving Line of Credit
- 9) [Approve Exempt Permit for Raffle for the Waconia Hockey Association](#)
Motion to Adopt Resolution No. 2024-241 Approving Application for Exempt Permit, RAFFLE for the Waconia Hockey Association

7. COUNCIL BUSINESS

- 1) [Tax Increment Financing District #6 Development Agreement](#)
Adopt Resolution No. 2024-222 Approving the Tax Increment Financing Plan and Agreement for Tax Increment Financing District #6
- 2) [RECESS TO CLOSED SESSION: Attorney-Client Privilege.](#)
The City Council will meet in closed session pursuant to Minn.State.13D.05, subd3.
Discussion Battlefield Ministries v City of Waconia.
Motion to enter into closed session with assigned counsel to discuss Battlefield Ministries v. Waconia.

8. ITEMS REMOVED FROM CONSENT AGENDA

9. STAFF REPORTS

10. BOARD REPORTS

- 1) Councilmember Sorensen
- 2) Councilmember Coleman
- 3) Councilmember Gleason
- 4) Councilmember Grengs
- 5) Mayor Waldron

11. ANNOUNCEMENTS

12. ADJOURN REGULAR MEETINGOFFICE OF THE CITY ADMINISTRATOR

Shane Fineran

Work Session: Carver County CDA Housing Study Update & Spruce Street Apartments Discussion
2025 Capital Investment Plan Review

UPCOMING CALENDAR OF EVENTS/MEETINGS:

General Election - November 5th - Polls open 7:00 a.m. to 8:00 p.m.

Planning Commission - November 7th at 6:30 p.m.

Veteran's Day - November 11th - Offices Closed

City Council - November 18th at 6:00 p.m.



REQUEST FOR CITY COUNCIL ACTION

Meeting Date:	November 4, 2024					
Item Name:	2024 Downtown Reconstruction Project Assessment Public Hearing					
Originating Department:	Public Services					
Presented by:	Jon Haukaas					
Previous Council Action (if any):	2023-111 Authorizing Approval to Prepare Downtown Phase 2 Design & Feasibility Report & Benefit Analysis 2023-223 Ordering Improvements and Preparation of Plans for Phase 2 Reconstruction 2024-047 Approving Plans and Authorizing Bid for Phase 2 Reconstruction 2024-069 Awarding the 2024 Downtown Reconstruction Phase 2 Project 2024-211 Declaring Costs to be Assessed and Ordering Preparation of Proposed Assessment 2024-212 Receiving Proposed Assessments and Calling for a Public Hearing on Proposed Assessment October 7, 2024 - Adopt Resolution No. 2024-211 Declaring Cost to be Assessed and Ordering the Preparation of Proposed Assessment October 7, 2024 - Adopt Resolution No. 2024-212 Receiving Proposed Assessment and Calling for a Public Hearing on Proposed Assessment					
Item Type (X only one):	Consent	☐	Regular Session	X	Discussion Session	☐
RECOMMENDATIONS/COUNCIL ACTION/MOTION REQUESTED <i>(Include motion in proper format.)</i>						
Motion to Call Public Hearing to Order and Accept Comments Motion to Close Public Hearing Adopt Resolution No. 2024-236 Approving Assessment Roll						
EXPLANATION OF AGENDA ITEM <i>(Include a description of background, benefits, and recommendations.)</i>						
The 2024 Downtown Reconstruction Project Phase 2 is substantially complete and included the reconstruction of street surface, utilities including, sewer, water, storm sewer, street lighting, and sidewalks. As part of the project financing a portion of the project costs were to be assessed to benefitting properties. The final costs have been tallied and apportioned based upon the as bid costs and per the City's assessment process. Included in the work associated with the assessment process was the special benefit evaluation completed by an independent 3rd party to determine final valuations of special benefit to affected properties and the final assessment tally. Final assessment totals have been reduced for identified properties from those provided during the feasibility study phase per the as bid costs and the special benefit report. The final interest rate applied to unpaid assessment balances to be certified to property taxes at a 10 year term will be 4.10% unless paid in full within 30 days of adoption. Assessed properties have been notified of the proposed final assessment and the opportunity present at the public hearing scheduled for this evening. Attachments: 1. Resolution No. 2024-236 Adopting Proposed Assessment 2. Downtown Recon Phase 2 Final Assessment Roll 11-04-2024						
FINANCIAL IMPLICATIONS:			ADVISORY BOARD RECOMMENDATIONS:			
Funding Sources & Uses:						
Budget Information:			Planning Commission			

☒	Budgeted	Parks and Recreation Board	
☐	Non Budgeted	Safari Island Advisory Board	
☐	Amendment Required	Other	

**CITY OF WACONIA
RESOLUTION NO. 2024-236**

RESOLUTION ADOPTING PROPOSED ASSESSMENT

WHEREAS, pursuant to proper notice duly given as required by law, the Waconia City Council has met and heard and passed upon all objections to the proposed assessment for the making of public improvements to the infrastructure of the City of Waconia by the installation of streets, curb and gutter, storm sewer, watermain, sanitary sewer, and sidewalks according to the plans and specifications for such improvements; and

WHEREAS, the Downtown Reconstruction, Phase 2 Project consists of street, sidewalk, drainage, and utility improvements to the following:

- Main Street West from Olive Street to Elm Street
- Main Street East from Elm Street to approximately 100 feet east of Spruce Street
- Elm Street South from Main Street East to First Street
- Pine Street South from Main Street East to First Street
- Spruce Street South from Main Street East to First Street

NOW THEREFORE, BE IT RESOLVED THAT

1. Such proposed assessment, a copy of which is attached hereto and made a part hereof, is hereby accepted and shall constitute the special assessment against the lands named therein, and each tract of land therein included is hereby found to be benefited by the proposed improvement in the amount of the assessment levied against it.
2. Such assessment shall be payable in equal annual installments extending over a period of 10 years, and shall bear interest at the rate of 4.10 percent per annum from the date of the adoption of this assessment resolution. To the first installment shall be added interest on the entire assessment from the date of this resolution until December 31, 2024. To each subsequent installment, when due, shall be added interest for one year on all unpaid installments.
3. The owner of any property so assessed may, at any time prior to certification of the assessment, pay the entire assessment on such property, with interest accrued to the date of payment, to the City of Waconia, except that no interest shall be charged if the entire assessment is paid within 30 days from the adoption of this resolution; and he/she may, at any time thereafter, pay the entire amount of the assessment remaining unpaid, with interest accrued to December 31 of the year in which such payment is made. Such payment must be made before November 15 or interest will be charged through December 31 of the next succeeding year.
4. The Waconia City Clerk shall forthwith transmit a certified duplicate of this assessment to Carver County to be extended on the property tax lists of Carver County. Such assessments shall be collected and paid in the same manner as other municipal taxes.

Adopted by the City Council of the City of Waconia this 4th day of November 2024.

Nicole Waldron, Mayor

ATTEST: _____
Jackie Schulze, Assistant City Administrator

FINAL ASSESSMENT ROLL
DOWNTOWN RECONSTRUCTION, PHASE 2 PROJECT
10/1/2024

= Information Has Changed Since the Preliminary Assessment Roll

PROP. NO.	P.I.D.	OWNER	PROPERTY ADDRESS	OWNER ADDRESS		F/F	*STREET ASSESSMENT	WATERMAIN UNITS	WATERMAIN ASSESSMENT	SANITARY SEWER UNITS	SANITARY SEWER ASSESSMENT	TOTAL ASSESSMENT PER POLICY	TOTAL ASSMT PER BENEFIT EVALUATION	FINAL TOTAL ASSMT (LESSER OF POLICY OR EVALUATION)	**ANNUAL ASSESSMENT PAYMENT
1	750503860	DAVID R III & PEGGY C PHILP	48 MAIN STREET W	10720 NORTH SHORE RD	WACONIA, MN 55387	44.00	\$7,801.20	1.0	\$7,110.13	1.0	\$4,990.19	\$19,901.52	\$20,750.00	\$19,901.52	\$2,465.91
2	750503850	SHAPE IT UP FITNESS LLC	44 MAIN STREET W	408 FIRST STREET W	WACONIA, MN 55387	33.40	\$5,921.82	1.0	\$7,110.13	1.0	\$4,990.19	\$18,022.14	\$13,500.00	\$13,500.00	\$1,672.72
3	750503830	SS JENSEN PROPERTIES LLC	36 MAIN STREET W	36 MAIN STREET W	WACONIA, MN 55387	54.60	\$9,680.58	1.0	\$7,110.13	1.0	\$4,990.19	\$21,780.90	\$42,000.00	\$21,780.90	\$2,698.77
4	750503820	DANIEL R NEUBAUER TRUST	20 MAIN STREET W	252 SUNSET BLVD	WACONIA, MN 55387-1227	44.00	\$7,801.20	1.0	\$7,110.13	1.0	\$4,990.19	\$19,901.52	\$18,750.00	\$18,750.00	\$2,323.23
5	750503813	BETH ANN & JOSEPH R SCHRUPP	16 MAIN STREET W	16 MAIN STREET W	WACONIA, MN 55387-1020	62.00	\$10,992.60	1.0	\$7,110.13	1.0	\$4,990.19	\$23,092.92	\$9,750.00	\$9,750.00	\$1,208.08
6	750503812	ALLEN LUETH	4 MAIN STREET W	10820 COUNTY ROAD 33	NORWOOD YOUNG AMERICA, MN 55397	35.00	\$6,205.50	1.0	\$7,110.13	1.0	\$4,990.19	\$18,305.82	\$8,500.00	\$8,500.00	\$1,053.20
7	750503990	4MAIN LLC	4 MAIN STREET E	13911 RIDGEDALE DR STE 243	MINNETONKA, MN 55305	22.00	\$3,900.60	1.5	\$10,665.20	1.5	\$7,485.29	\$22,051.08	\$3,750.00	\$3,750.00	\$464.65
8	750503980	4MAIN LLC	NA	13911 RIDGEDALE DR STE 243	MINNETONKA, MN 55305	44.00	\$7,801.20	0.0	\$0.00	0.0	\$0.00	\$7,801.20	\$11,250.00	\$7,801.20	\$966.61
9	750503970	4MAIN LLC	NA	13911 RIDGEDALE DR STE 243	MINNETONKA, MN 55305	43.50	\$7,712.55	0.0	\$0.00	0.0	\$0.00	\$7,712.55	\$11,250.00	\$7,712.55	\$955.63
10	750503960	BRIDEN PROPERTIES LLC	24 MAIN STREET E	35 WILLOW WOOD DR	EXCELSIOR, MN 55331	32.50	\$5,762.25	1.0	\$7,110.13	1.0	\$4,990.19	\$17,862.57	\$26,500.00	\$17,862.57	\$2,213.27
11	750503950	SOLTIS PROPERTIES LLC	32 MAIN STREET E	32 MAIN STREET E	WACONIA, MN 55387-1113	34.00	\$6,028.20	1.0	\$7,110.13	1.0	\$4,990.19	\$18,128.52	\$32,500.00	\$18,128.52	\$2,246.22
12	750503940	CLEARY SERVICES INC	40 MAIN STREET E	40 MAIN STREET E	WACONIA, MN 55387	44.00	\$7,801.20	1.0	\$7,110.13	1.0	\$4,990.19	\$19,901.52	\$8,500.00	\$8,500.00	\$1,053.20
13	750503930	JEFFREY & JILL SCHMITT	52 MAIN STREET E	52 MAIN STREET E	WACONIA, MN 55387	44.00	\$7,801.20	1.0	\$7,110.13	1.0	\$4,990.19	\$19,901.52	\$8,500.00	\$8,500.00	\$1,053.20
14	750504070	JOHN S & KRISTINE H DVORAK	104 MAIN STREET E	104 MAIN STREET E	WACONIA, MN 55387	33.00	\$5,850.90	1.0	\$7,110.13	0.0	\$0.00	\$12,961.03	\$7,500.00	\$7,500.00	\$929.29
15	750504060	JAMES K & JANALEE R KITE	116 MAIN STREET E	116 MAIN STREET E	WACONIA, MN 55387-1115	88.00	\$15,602.40	1.0	\$7,110.13	0.0	\$0.00	\$22,712.53	\$7,500.00	\$7,500.00	\$929.29
16	750504050	TIMOTHY L & RHONDA K TESCH	128 MAIN STREET E	128 MAIN STREET E	WACONIA, MN 55387-1115	44.00	\$7,801.20	1.0	\$7,110.13	0.0	\$0.00	\$14,911.33	\$7,500.00	\$7,500.00	\$929.29
17	750504040	THE MITCHELL RANCH LLP	140 MAIN STREET E	BOX 174	CORTEZ, CO 81321-0174	66.00	\$11,701.80	4.0	\$28,440.52	0.0	\$0.00	\$40,142.32	\$45,000.00	\$40,142.32	\$4,973.85
18	750504170	THERESA L HAMER & PAMELA J LEACH	200 MAIN STREET E	312 THIRD STREET W	JORDAN, MN 55352-1426	33.00	\$5,850.90	1.0	\$7,110.13	1.0	\$4,990.19	\$17,951.22	\$8,500.00	\$8,500.00	\$1,053.20
19	750502720	FIRST NATL BANK OF WACONIA	53 MAIN STREET W	PO BOX 80615	INDIANAPOLIS, IN 46280	110.00	\$19,503.00	3.0	\$21,330.39	3.0	\$14,970.57	\$55,803.96	\$65,250.00	\$55,803.96	\$6,914.42
20	750502741	CQ RENTAL LLC	NA	1570 OAKPOINTE DR	WACONIA, MN 55387-4522	54.00	\$9,574.20	0.0	\$0.00	0.0	\$0.00	\$9,574.20	\$6,000.00	\$6,000.00	\$743.43
21	750502730	CQ RENTAL LLC	1 MAIN ST W	1570 OAKPOINTE DR	WACONIA, MN 55387-4522	44.70	\$7,925.31	1.5	\$10,665.20	1.5	\$7,485.29	\$26,075.79	\$9,500.00	\$9,500.00	\$1,177.10
22	750502740	APG REAL PROPERTIES LLC	8 ELM STREET S	29088 AIRPARK DR	EASTON, MD 21601-7000	49.60	\$8,794.08	1.0	\$7,110.13	1.0	\$4,990.19	\$20,894.40	\$12,500.00	\$12,500.00	\$1,548.82
23	750502750	16 SOUTH ELM STREET LLC	16 ELM STREET S	9990 ORCHARD RD	COLOGNE, MN 55322-9083	52.00	\$9,219.60	3.0	\$21,330.39	3.0	\$14,970.57	\$45,520.56	\$53,500.00	\$45,520.56	\$5,640.25
24	750502630	16 SOUTH ELM STREET LLC	26 ELM STREET S	9990 ORCHARD RD	COLOGNE, MN 55322	86.00	\$15,247.80	0.0	\$0.00	0.0	\$0.00	\$15,247.80	\$16,000.00	\$15,247.80	\$1,889.29
25	750502640	EMBARQ CORP	40 ELM STREET S	1025 ELDORADO BLVD	BROOMFIELD, CO 80021	35.50	\$6,294.15	0.0	\$0.00	0.0	\$0.00	\$6,294.15	\$9,750.00	\$6,294.15	\$779.88
26	750502550	CHURCH OF ST JOSEPH	32 FIRST STREET E	41 FIRST STREET E	WACONIA, MN 55387-1526	157.00	\$27,836.10	0.0	\$0.00	0.0	\$0.00	\$27,836.10	\$39,750.00	\$27,836.10	\$3,449.05
27	750502560	CHURCH OF ST JOSEPH	9 MAIN STREET E	41 FIRST STREET E	WACONIA, MN 55387-1526	155.50	\$27,570.15	1.0	\$7,110.13	1.0	\$4,990.19	\$39,670.47	\$37,500.00	\$37,500.00	\$4,646.46
28	750502570	THE CHURCH OF SAINT JOSEPH OF WAC	29 MAIN STREET E	41 FIRST STREET E	WACONIA, MN 55387	33.00	\$5,850.90	1.0	\$7,110.13	1.0	\$4,990.19	\$17,951.22	\$8,250.00	\$8,250.00	\$1,022.22
29	750502580	SHANNON M & MATTHEW R TUREK	37 MAIN STREET E	332 S PINE ST	WACONIA, MN 55387	43.00	\$7,623.90	1.0	\$7,110.13	1.0	\$4,990.19	\$19,724.22	\$12,000.00	\$12,000.00	\$1,486.87
30	750502600	ROSEMARY PETERSON	4 PINE STREET S	4 PINE STREET S	WACONIA, MN 55387	128.50	\$22,783.05	1.0	\$7,110.13	1.0	\$4,990.19	\$34,883.37	\$8,500.00	\$8,500.00	\$1,053.20
31	750502540	WACONIA CITY	101 MAIN STREET E	201 VINE STREET S	WACONIA, MN 55387-1337	495.00	\$87,763.50	0.0	\$0.00	0.0	\$0.00	\$87,763.50	\$15,750.00	\$15,750.00	\$1,951.51
32	750502480	THOMAS MATHWIG & A SICHENEDER	201 MAIN STREET E	201 MAIN STREET E	WACONIA, MN 55387-1119	111.50	\$19,768.95	1.0	\$7,110.13	1.0	\$4,990.19	\$31,869.27	\$8,500.00	\$8,500.00	\$1,053.20
33	750502470	MARTHA LAYBOURN	200 FIRST STREET E	200 FIRST STREET E	WACONIA, MN 55387-1528	78.50	\$13,918.05	0.0	\$0.00	0.0	\$0.00	\$13,918.05	\$8,000.00	\$8,000.00	\$991.24
						2,434.80									

*Cost per FF = \$177.30

**Based on a 4.10% Interest Rate and a 10 Year Term.

TOTAL FRONT FOOTAGE: 3,984.00

CORNER LOT CREDIT: 583.50

ASSESSMENT BASIS FRONT FOOTAGE: 3,400.50

NON-ASSESSABLE FRONT FOOTAGE: 965.70

ASSESSMENT FRONT FOOTAGE: 2,434.80

Totals: \$431,690.04 33.0 \$234,634.29 26.0 \$129,744.94 \$796,069.27 \$602,250.00 \$512,782.15 \$63,536.51



REQUEST FOR CITY COUNCIL ACTION

Meeting Date:		November 4, 2024					
Item Name:		Public Hearing - Vacation of Sanitary Sewer Easement and Driveway Easement - Lots 2 & 3, Block 16, City Lots of Waconia					
Originating Department:		Community Development					
Presented by:		Lane Braaten					
Previous Council Action (if any):							
Item Type (X only one):	☐ Consent	☐	☐ Regular Session	☒ X	☐ Discussion Session	☐	
RECOMMENDATIONS/COUNCIL ACTION/MOTION REQUESTED (Include motion in proper format.)							
Motion to Open the Public Hearing and accept public comments Motion to Close the Public Hearing Adopt Resolution No. 2024-237 approving the Vacation of the Sanitary Sewer Easement on Lot 3, Block 16, City Lots of Waconia and the Driveway Easement on Lot 2, Block 16, City Lots of Waconia.							
EXPLANATION OF AGENDA ITEM (Include a description of background, benefits, and recommendations.)							
The City Council, at their regular meeting on August 19th, 2024, reviewed and approved the mixed-use project titled Olive and Second. The project includes 92 apartment units and nearly 4,300 sq. ft. of commercial space with frontage on both Elm Street South and Olive Street South. The underlying properties were found to have two existing easements which require vacation prior to the recording of the final plat. Section 320.08 of the City Code allows the City Council to vacate any alley, street or publicly owned utility easement on its own motion or on petition of a majority of the property owners abutting the alley, street, or utility easement pursuant to Minnesota Statutes Section 412.851. Olive & Second, LLC as the underlying property owner of Lot 3, Block 16, City Lots of Waconia has petitioned to vacate the identified sewer easement. Additionally, the City, as the underlying property owner of the applicable section of Lot 2, Block 16, City Lots of Waconia, has noticed the intent to vacate the existing driveway easement in association with the project.							
PUBLIC NOTICE/COMMENT							
The notice was published in the WACONIA PATRIOT on October 24th, 2024, and October 31st, 2024, and posted at Waconia City Hall. To date City staff have not received any public hearing comments regarding the proposed request to vacate the sewer and driveway easements.							
CONCLUSION/RECOMMENDATION							
City staff recommend approval of the petition to vacate the existing sewer and driveway easements as it will allow the development of the Olive and Second mixed-use development.							
Attachments:							
1. Resolution No. 2024-237 Vacating Driveway and Sewer Easement Lots 2 and 3 2. Driveway Vacation 3. Sewer Vacation Easement Description							
FINANCIAL IMPLICATIONS:				ADVISORY BOARD RECOMMENDATIONS:			
Funding Sources & Uses:							
Budget Information:				Planning Commission			
☐ Budgeted				Parks and Recreation Board			
☐ Non Budgeted				Safari Island Advisory Board			
☐ Amendment Required				Other			



**CITY OF WACONIA
RESOLUTION 2024-237**

**RESOLUTION VACATING A SANITARY SEWER EASEMENT AND A DRIVEWAY
EASEMENT FOR PARTS OF LOTS 2 AND 3 OF THE CITY LOTS OF WACONIA**

WHEREAS, pursuant to City Code Section 320.08 of the City of Waconia, Minnesota, Olive & Second, LLC proposes to vacate the sanitary sewer easement on Lot 3, Block 16, CITY LOTS OF WACONIA and the driveway easement on Lot, 2, Block 16, CITY LOTS OF WACONIA (the “Easements”); and

WHEREAS, the subject parcels are identified as PID# 750501480 and PID# 750501470; and

WHEREAS, Olive & Second, LLC proposes the vacation of the existing easements to allow the parcels to be redeveloped and replatted as part of the Olive and Second mixed-use project which includes 92 apartment units and 4,300 square feet of commercial space; and

WHEREAS, the City Council, having considered the proposed vacation request, finds the vacation of the existing easements acceptable as the recording of the OLIVE AND SECOND final plat includes the necessary drainage and utility easements.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Waconia hereby approves the vacation of the sanitary sewer easement and the vacation of the driveway easement for those parts of Lot 2 and 3, Block 16, CITY LOTS OF WACONIA.

Adopted by the City Council of the City of Waconia this 4th day of November 2024.

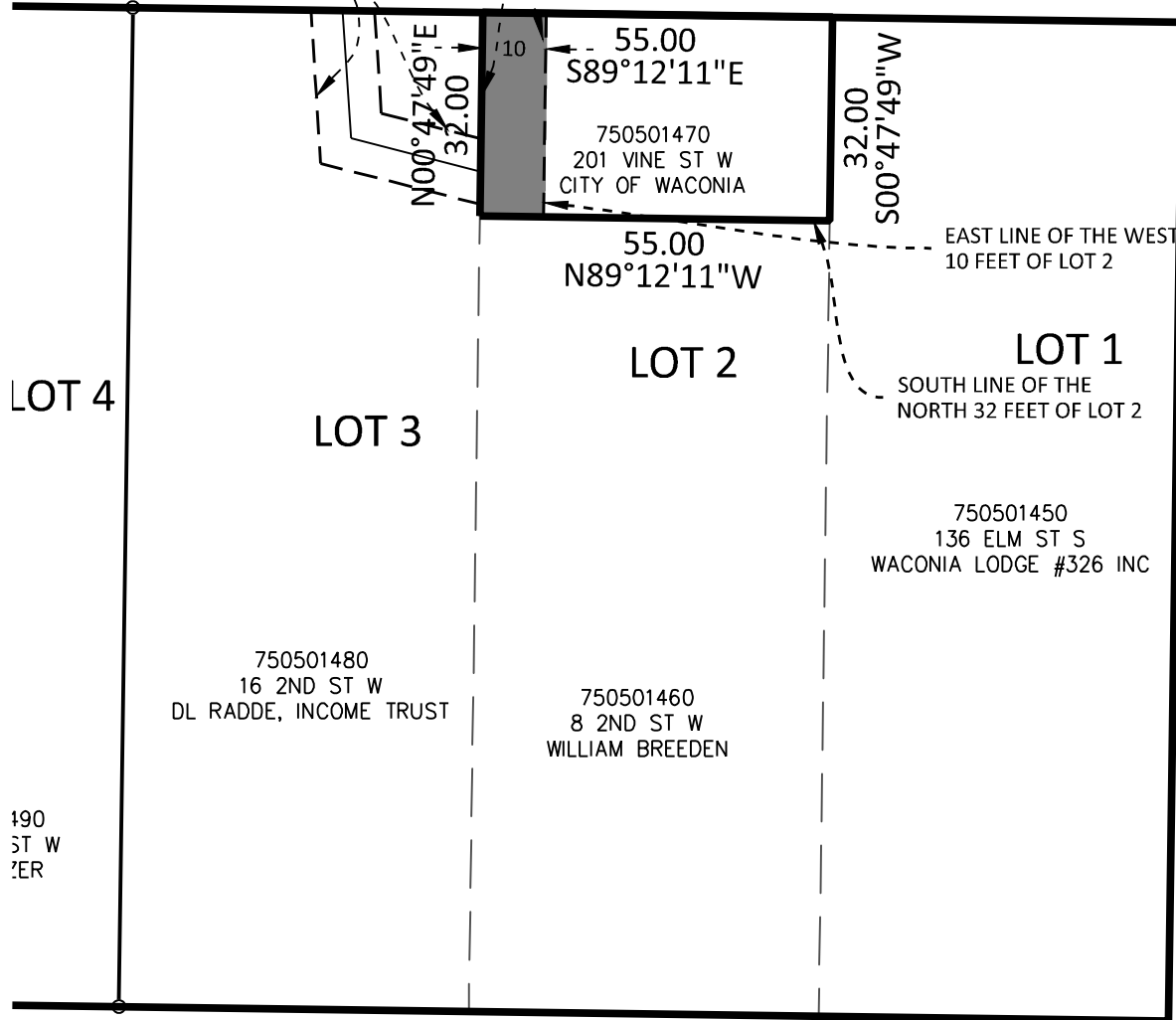
Nicole Waldron, Mayor

ATTEST: _____
Shane Fineran, City Administrator

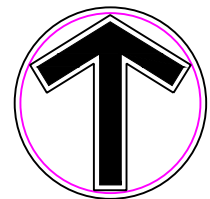
SEWER EASEMENT
PER DOC. NO. 38757

ALLEY

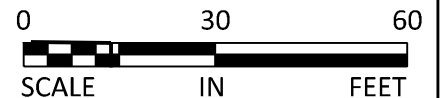
DRIVEWAY EASEMENT PER
DOC NO. 38756 (7)



2ND STREET WEST



NORTH



EASEMENT DESCRIPTION

The West 10 feet of the North 32 feet of Lot 2, Block 16, CITY OF WACONIA, according to the plat thereof, Carver County, Minnesota

DRAWN BY: MS
DESIGNED BY:
CHECKED BY:
ISSUED: 09/03/24
REVISION:
REV DATE:

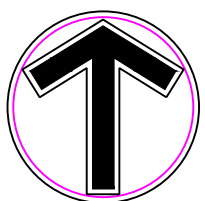
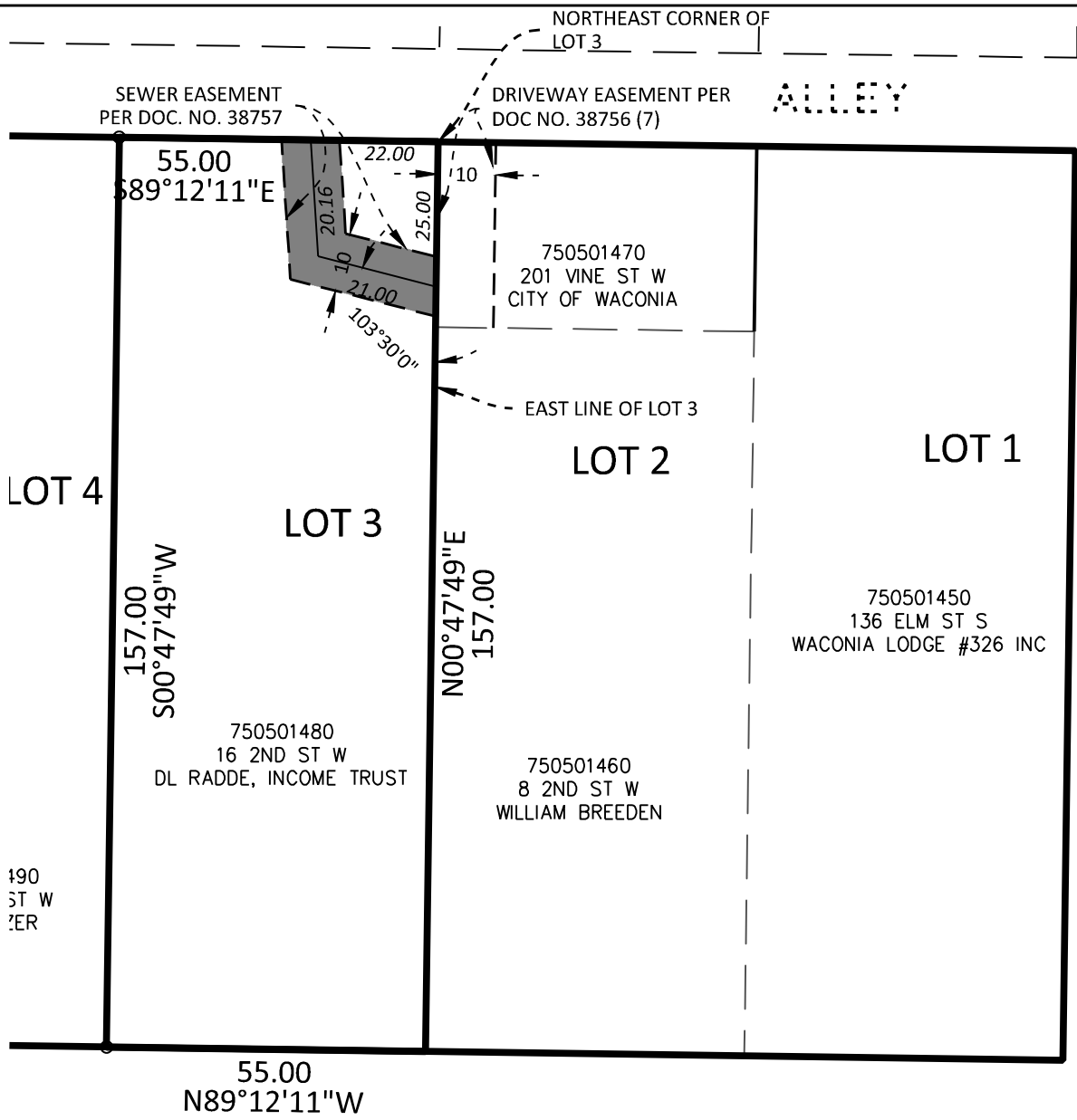


DRIVEWAY VACATION
MOMENTUM DESIGN GROUP
OLIVE STREET APARTMENTS
WACONIA, MN

SHEET
1

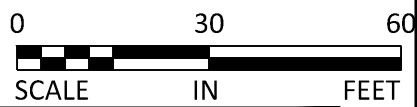
PROJECT NO: 528511

Sep 03, 2024 - 9:35am - User:msalo L:\PROJECTS\52857\CAD\Survey\Exhibits\52857 Sewer Vacation.dwg



NORTH

2ND STREET WEST



EASEMENT DESCRIPTION

A 10.00 foot perpetual easement for sanitary sewer purposes over, under and across the following described property:

Lot 3, Block 16, WACONIA, according to the recorded plat thereof.

The centerline of said easement is described as follows:

Commencing at the northeast corner of said Lot 3; thence south, along the east line of said Lot 3, a distance of 25.00 feet to the point of beginning of the center line to be described; thence westerly, deflecting to the right 103 degrees 30 minutes 00 seconds, a distance of 21.00 feet; thence northerly to a point on the north line of said Lot 3 distant 22.00 feet west from the northeast corner and said line there terminating. The side lines of said easement shall be lengthened or shortened to terminate on the north and east lines of said Lot 3.

DRAWN BY: MS
DESIGNED BY:
CHECKED BY:
ISSUED: 09/03/24
REVISION:
REV DATE:



Sambatek
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Engineering | Surveying | Planning | Environmental

SEWER VACATION

MOMENTUM DESIGN GROUP
OLIVE STREET APARTMENTS
WACONIA, MN

SHEET

1

PROJECT NO: 52857-12



REQUEST FOR CITY COUNCIL ACTION

Meeting Date:		November 4, 2024					
Item Name:		Approve City Council Minutes October 21, 2024					
Originating Department:		Administration					
Presented by:		Sue Schwalbe					
Previous Council Action (if any):							
Item Type (X only one):	Consent	X	Regular Session		Discussion Session		
RECOMMENDATIONS/COUNCIL ACTION/MOTION REQUESTED <i>(Include motion in proper format.)</i>							
Motion to approve the October 21, 2024 Council Minutes							
EXPLANATION OF AGENDA ITEM <i>(Include a description of background, benefits, and recommendations.)</i>							
Approve City Council Minutes of October 21, 2024.							
<u>Attachments:</u>							
1. City Council Minutes October 21, 2024							
FINANCIAL IMPLICATIONS:				ADVISORY BOARD RECOMMENDATIONS:			
Funding Sources & Uses:							
Budget Information: _____ Budgeted _____ Non Budgeted _____ Amendment Required				Planning Commission			
				Parks and Recreation Board			
				Safari Island Advisory Board			
				Other			

**CITY OF WACONIA
OCTOBER 21, 2024**

- 1) CALL MEETING TO ORDER AND ROLL CALL
- 2) PLEDGE OF ALLEGIANCE
- 3) ADOPT AGENDA

Motion by Sorensen second by Coleman to Adopt the Agenda as published.
MOTION CARRIED

4) PUBLIC HEARING

4.1 Certification of Delinquent Charges for Payment with Taxes - Pay 2025

Cover Page

Resolution No. 2024-221 Adopting Certification of Delinquent Utility and Other
Charges Taxes in 2024

Nicole Meyer, Finance Director stated that under Minnesota law, the City may certify payment with tax collections, delinquent utility accounts and other charges for services that have not been paid during the course of normal collection procedures throughout each year.

A public hearing is required for certification of delinquent charges. Property owners have been notified of the past due amounts for goods or services that have benefited their property and have been notified of the public hearing opportunity.

A list of delinquent accounts was provided just prior to the hearing. Residents have until November 27, 2024, to pay past due amounts. After November 27, 2024, the amounts will be certified

Motion by Grengs second by Coleman to open the Public Hearing.
MOTION CARRIED

No comments from the public, written or in person.

Motion by Sorensen, second by Gleason to close the public hearing.
MOTION CARRIED

Motion by Sorensen second by Grengs to Adopt Resolution No. 2024-221 Adopting Certification of Delinquent Utility and Other Charges for Services for Payment with Taxes in 2024.
MOTION CARRIED

4.2 Tax Increment Financing District #6

Cover Page

Resolution No. 2024-222 District 6 Tax Increment Financing

Tax Increment Financing District 6

Tax Increment Financing District 6 Agreement (Redevelopment)

Todd Hagen with Ehlers and Associates stated that Monarch Development Partners have submitted a municipal subsidy application for the redevelopment known as Olive & 2nd. This development encompasses all or portions of six parcels that will be redeveloped in 90 units of multi-family housing, 4,184 square feet of retail space and up to 33 public parking spaces.

Monarch Development Partners have submitted a municipal subsidy application for the redevelopment known as Olive & 2nd. This development encompasses all or portions of six parcels that will be redeveloped in 90 units of multi-family housing, 4,184 square feet of retail space and up to 33 public parking spaces.

The difference between the base value of the property and the new value of the rebuilt value is the basis of the plan. This is a redevelopment district which base value approximately \$1,000,000 and the project new value after construction will be around \$24,000,000.

The development group has submitted eligible Tax Increment Financing (TIF) costs of \$2,930,220 for the redevelopment. The pay as you go TIF note will earn interest of 6.95% over the life of the note and the full life of the district will be 26 years.

Motion by Grengs second by Gleason to open the Public Hearing.
MOTION CARRIED

No comments from the public, written or in person.

Motion by Gleason second by Sorensen to close the public hearing.

Shane Fineran, City Administrators stated the Consideration of the Development Agreement and Resolution No. 2024-222 District 6 Financing will be on the agenda at the November 4, 2024, Council Meeting.

5) VISITOR'S PRESENTATIONS, PETITIONS, CORRESPONDENCE

Jessi McKinnon, Southern Valley Alliance Volunteer Manager. Shared with the Council an update/insight on the Southern Valley Alliance. Southern Valley Alliance is the only comprehensive provider of domestic violence services in Carver County and founded in the early 1980s. SVA is located in downtown Shakopee. Since January there has been an

increase in the number of clients being seen every day. There has been a 27% increase in the number of clients as in the same period as last year. Calls to the crises line have increased by 23% over the same period as last year. In Waconia specifically, SVA served 41 individuals, which is an increase of 41% from last year.

SVA has started a new transitional housing program; which has seven scattered apartment sites for victim survivors and their families who are fleeing from domestic violence can stay for up to 12 months. SVA is working on better communication to let people know what they are about. Nationally October is domestic violence awareness month and SVA is requesting assistance from the Council on spreading the information that help is available through SVA.

6) [ADOPT CONSENT AGENDA](#)

6.1 [Approve City Council Minutes October 7, 2024](#)

[Cover Page](#)

[October 7, 2024 Council Minutes](#)

6.2 [Approve October 21, 2024 Expenditures](#)

[Cover Page](#)

[10-21-2024 Expenditures - Regular](#)

[10-21-2024 Expenditures - Electronic](#)

[10-21-2024 Expenditures - Purchasing Card](#)

6.3 [Approve Rink Management Services Corporation Waconia Ice Arena Expenditures Incurred September 2024](#)

[Cover Page](#)

[09-2024 Ice Arena - Applied Payments](#)

6.4 [Approve Rink Management Services Corporation Safari Island Community Center Expenditures Incurred September 2024](#)

[Cover Page](#)

[Safari Island - Bills Applied Payments September 24.pdf](#)

6.5 [Recruitment for Assistant Public Services Director](#)

[Cover Page](#)

[Resolution No. 2024-223 Authorizing Recruitment Assistant Public Services Director](#)

[Assistant Public Services Director](#)

6.6 Authorize Acquisition of Replacement Aerial Lift Truck, CIP Project 308

[Cover Page](#)

[Resolution No. 2024-224 Authorizing Acquisition Replacement to Unit #39](#)

[Quote VST 55HDI BFX 84 Ford F600](#)

[VST-55-HDI-Brochure](#)

6.7 Contractor for Winter Towing & Impound Services

[Cover Page](#)

[Resolution No. 2024-225 Approving Contractor 2024-2025 Winter Towing and Impound Services](#)

[R&V Towing Proposal](#)

[Colony Plaza Towing Proposal](#)

6.8 Accepting Donation and Approving Pass Thru Recommendation - Waconia Fire Relief Association

[Cover Page](#)

[Resolution No. 2024-226 Accepting Donation and Pass Thru Recommendation from Waconia Fire Relief Association](#)

6.9 Franchise Fee Study Proposal

[Cover Page](#)

[Resolution No. 2024-227 Approving Proposal for Franchise Fee Study with Ehlers](#)

[Franchise Fee Study Proposal](#)

6.10 Amend Section 900.05.3, R-2, Single-Family Residential District, Section 900.05.7, B-1 Highway Business District and Section 900.11 - Above Ground, Portable Fuel Storage

[Cover Page](#)

[Ordinance 776 Amending Chapter 900 Regarding Zoning](#)

[Resolution No. 2024-228 Summary Publication Ordinance No. 776](#)

[Sample Fuel Tank Photo](#)

6.11 Lockridge, Grindal, & Nauen Legislative Services

[Cover Page](#)

[Resolution No. 2024-229 Approving Legislative Services Contract](#)

[Legislative Services Agreement with Lockridge Grindal Nauen](#)

6.12 Request MnDOT Conduct a Speed Study of Waconia Parkway South

[Cover Page](#)

[Resolution No. 2024-230 Requesting MnDOT Conduct Speed Study of Waconia Parkway South](#)

6.13 Employee Conflict of Interest Acknowledgement & Invoice Payment Approval

[Cover Page](#)

[Resolution No. 2024-231 Approving Employee Conflict of Interest Acknowledgement](#)

[Cousin Tree Care LLC Invoice](#)

6.14 Authorize a Contract for a Rental Loader for use During the 2024-2025 Winter Maintenance Season

[Cover Page](#)

[Resolution No. 2024-232 Authorizing Approval of Loader Rental for Winter Operations](#)

[Rental Loader Comparison 2024-2025](#)

[RDO - JD 624 Quote](#)

[RDO JD624 Photo](#)

6.15 Grants of Easements - 425 Lake Street East - Retaining Wall

[Cover Page](#)

[Resolution No. 2024-235 Approving Grants of Easements](#)

[Temporary Construction Easement Agreement](#)

Council Member Sorensen requested Consent Agenda Item #14 be removed from the Consent Agenda

Motion by Sorensen second by Coleman to Adopt the Consent Agenda as Published with the removal of Item #6.14 Authorize a Contract for a Rental Loader for use During the 2024-2025 Winter Maintenance Season
MOTION CARRIED

7) COUNCIL BUSINESS

7.1 Variance - 241 Olive Street South

[Cover Page](#)

[Resolution No. 2024-233 Approving Variance at 241 Oliver Street North](#)

[Variance Letter](#)

[Location Map](#)

Ethan Nelson, City Planner stated staff has received a variance application from the property owners of 241 Oliver Street South to construct a detached garage and site improvements that exceed the 35% impervious surface maximum allowed in the R-2 district. The structure is proposed to encroach beyond the minimum five feet accessory structure yard setback. The Planning Commission held a public hearing with no comments received.

Motion by Gleason second by Sorensen to adopt Resolution No. 2024-233 Approving Variance at 241 Oliver Street North
MOTION CARRIED

7.2 Site Plan & Design Review and Variance at 80 8th Street

[Cover Page](#)

[Resolution No. 2024-234 Approving Site Plan & Design Review and Variance Applications at 80 3th Street](#)

[Variance Letter \(2 Pages\)](#)

Location Map

Site Plan (7 Pages)

Staff Review Comments (4 Pages)

Ethan Nelson, City Planner stated staff received a Site Plan & Design Review and Variance Request application from Saltire, LLC for 80 8th Street to construct a 24,640 square foot industrial building and site improvements which proposes a loading dock to be located along the front of the building facing 8th Street. The applicant indicates that the variance is necessary due to steep slopes and extreme elevations that exist on the property.

As per the Planning Commission, the applicant will make corrections prior to permit review, 36 parking spaces are required, must screen around the ground mounted mechanical equipment, ponding area will be relocated to the east.

Justin Stueve of Copperwood Real Estate stated that there are no current plans for the existing facility.

Motion by Gleason second by Coleman to Adopt Resolution No. 2024-234 Approving Site Plan & Design Review and Variance Application at 80 8th Street
MOTION CARRIED

8) ITEMS REMOVED FROM CONSENT AGENDA

Council Member Sorensen requested Agenda item 6.14 Authorize a Contract for a Rental Loader for use During the 2024-2025 Winter Maintenance Season.

Jon Haukaas, Public Services Director stated this is a rental agreement. This has been used for the last several years with last year being light due to the low snowfall. Staff requested quotes from multiple vendors and six quotes were returned. Staff is recommending RDO due to the pricing structure. RDO is offering a base charge for availability and the City will only be charged the hours of use.

Motion by Grengs second by Gleason to Adopt Resolution No. 2024-232 Authorizing Loader Winter Rental.
MOTION CARRIED

9) STAFF REPORTS

Jackie Schulze, Assistant City Administrator, updated the Council on Elections, stating the Council has had several speakers over the past few months concerning the County's processes with elections. One of the concerns was that Carver County's absentee ballot board doesn't have party balance because deputized county staff are working on those boards as well. State law does allow for deputized county or city staff to serve on the absentee ballot boards. This law was changed in 2013 and reaffirmed in 2022 by the

Minnesota State Supreme Court. The two tasks that don't apply are duplication of ballots and signature verification. The City of Waconia is the only city in Carver County that administers absentee voting. This is a time intensive process to offer absentee voting. This year the City has brought in four bi-partisan election judges. 851 Waconia residents have early voted just at City Hall. That is an average of 43 per day; however, on October 18th, the City processed 64 voters in four hours at City Hall. The numbers will likely remain constant through election day.

The public accuracy test was conducted, and notice was legally published in the paper. All materials tested at 100% accuracy. All voting information regarding hours and location can be found on the City website.

Jon Haukaas provided the Council with an update on a few projects including the Downtown Phase 2 Project which only have a couple of punch list items to complete, Waconia Parkway North mill and overlay project was smooth and complete. Brooke Peterson Park dugout project is completed.

10) BOARD REPORTS

Council Person Sorensen: Will be attending the CIP Meeting
Council Member Grengs: Nothing to report
Council Member Coleman: Nothing to report
Council Member Gleason: The Park Board Meeting was cancelled and will be attending the CIP Meeting
Mayor Waldron: Thanked staff for the Maintenance Hub App on the City website and has received many positive remarks

11) ANNOUNCEMENTS

Shane Fineran, City Administer stated winter parking begins on November 1, 2024. No parking on any city streets between the hours of 12:00 am and 8:00 a.m. to clear the snow from the city streets.

12) ADJOURN REGULAR MEETING

Motion by Sorensen second by Coleman to adjourn the October 21, 2024, council meeting at 7:00 p.m.
MOTION CARRIED

Nicole Waldron, Mayor

ATTEST: _____

Sue Schwalbe, Office Assistant



REQUEST FOR CITY COUNCIL ACTION

Meeting Date:		November 4, 2024					
Item Name:		Approve November 4, 2024 Expenditures					
Originating Department:		Finance					
Presented by:		Nicole Meyer					
Previous Council Action (if any):							
Item Type (X only one):		Consent	X	Regular Session		Discussion Session	
RECOMMENDATIONS/COUNCIL ACTION/MOTION REQUESTED <i>(Include motion in proper format.)</i>							
Motion to Approve Payment of November 4, 2024 Expenditures							
EXPLANATION OF AGENDA ITEM <i>(Include a description of background, benefits, and recommendations.)</i>							
Attached is the claim and disbursements register for the City of Waconia as of November 4, 2024. Payments are made to vendors via check, electric payment, and through the City's purchasing card program.							
<u>Attachments:</u>							
FINANCIAL IMPLICATIONS:				ADVISORY BOARD RECOMMENDATIONS:			
Funding Sources & Uses:							
Budget Information: _____ Budgeted _____ Non Budgeted _____ Amendment Required				Planning Commission			
				Parks and Recreation Board			
				Safari Island Advisory Board			
				Other			



REQUEST FOR CITY COUNCIL ACTION

Meeting Date:		November 4, 2024					
Item Name:		Approve Kraus-Anderson Construction Pay Request #25 for the New Fire Station					
Originating Department:		Finance					
Presented by:		Amanda Ortloff					
Previous Council Action (if any):							
Item Type (X only one):	Consent	☒	X	Regular Session	☐	Discussion Session	☐
RECOMMENDATIONS/COUNCIL ACTION/MOTION REQUESTED <i>(Include motion in proper format.)</i>							
Motion to Approve Kraus-Anderson Construction Pay Request #25 for the New Fire Station Project							
EXPLANATION OF AGENDA ITEM <i>(Include a description of background, benefits, and recommendations.)</i>							
Kraus-Anderson Construction Co. has reviewed the contractor pay request #25 for the new fire station project. The contractors requesting payment are as follows: Wells Concrete Products Company \$15,704.32 A.M.E Construction Corp \$1,576.77 Central Roofing Company \$1,826.18 Kendell Doors & Hardware, Inc. \$2,319.57 Wasche Commercial Finishes, Inc. \$6,674.00 Electrical Production Services, Inc. \$4,047.86 The total amount of the contractor payments for this request is \$32,148.70. Retainage remains due for each contractor until the project is complete and upon review of liquidated damages. <u>Attachments:</u>							
FINANCIAL IMPLICATIONS:				ADVISORY BOARD RECOMMENDATIONS:			
Funding Sources & Uses:							
PIR							
Budget Information:				Planning Commission			
☒ Budgeted				Parks and Recreation Board			
☐ Non Budgeted				Safari Island Advisory Board			
☐ Amendment Required				Other			



REQUEST FOR CITY COUNCIL ACTION

Meeting Date:		November 4, 2024					
Item Name:		Contractor Pay Request #1 - Waconia Parkway North Mill & Overlay					
Originating Department:		Finance					
Presented by:		Amanda Ortloff					
Previous Council Action (if any):							
Item Type (X only one):		Consent	☒	Regular Session	☐	Discussion Session	☐
RECOMMENDATIONS/COUNCIL ACTION/MOTION REQUESTED <i>(Include motion in proper format.)</i>							
Motion to approve Pay Estimate No. 1 to Bituminous Roadways, Inc. for the Waconia Parkway North Mill & Overlay							
EXPLANATION OF AGENDA ITEM <i>(Include a description of background, benefits, and recommendations.)</i>							
Staff has reviewed the contractor pay request for the Waconia Parkway North Mill & Overlay Project and recommends payment of \$368,446.34 based on the engineering request for payment. This payment represents approximately 81% of the total approved contract for the project.							
<u>Attachments:</u>							
FINANCIAL IMPLICATIONS:				ADVISORY BOARD RECOMMENDATIONS:			
Funding Sources & Uses: PIR							
Budget Information: ☒ Budgeted ☐ Non Budgeted ☐ Amendment Required				Planning Commission			
				Parks and Recreation Board			
				Safari Island Advisory Board			
				Other			



REQUEST FOR CITY COUNCIL ACTION

Meeting Date:		November 4, 2024					
Item Name:		Contractor Pay Request #2 - 2024 Infrastructure Improvements					
Originating Department:		Finance					
Presented by:		Amanda Ortloff					
Previous Council Action (if any):							
Item Type (X only one):		Consent	X	Regular Session		Discussion Session	
RECOMMENDATIONS/COUNCIL ACTION/MOTION REQUESTED <i>(Include motion in proper format.)</i>							
Motion to approve Pay Estimate No. 2 to Valley Paving, Inc. for the 2024 Infrastructure Improvements.							
EXPLANATION OF AGENDA ITEM <i>(Include a description of background, benefits, and recommendations.)</i>							
Staff has reviewed the contractor pay request for the Waconia 2024 Infrastructure Improvements and recommends payment of \$75,130.04 based on the engineering request for payment. This payment represents approximately 95% of the total approved contract for the project.							
<u>Attachments:</u>							
FINANCIAL IMPLICATIONS:				ADVISORY BOARD RECOMMENDATIONS:			
Funding Sources & Uses:							
Streets & Parks							
Budget Information:				Planning Commission			
☒ Budgeted				Parks and Recreation Board			
☐ Non Budgeted				Safari Island Advisory Board			
☐ Amendment Required				Other			



REQUEST FOR CITY COUNCIL ACTION

Meeting Date:		November 4, 2024					
Item Name:		Resignation of Firefighter					
Originating Department:		Administration					
Presented by:		Jackie Schulze					
Previous Council Action (if any):							
Item Type (X only one):	Consent	☒	X	Regular Session	☐	Discussion Session	☐
RECOMMENDATIONS/COUNCIL ACTION/MOTION REQUESTED <i>(Include motion in proper format.)</i>							
Adopt Resolution No. 2024-238 Accepting Resignation of Firefighter Robbie Clark							
EXPLANATION OF AGENDA ITEM <i>(Include a description of background, benefits, and recommendations.)</i>							
In late October, Chief Sorensen received a resignation letter from Firefighter Robbie Clark. Firefighter Clark has been a member of the Fire Department for ten years. He is resigning in good standing and we wish him the best and thank him for his service to the community. <u>Attachments:</u> 1. Resolution No. 2024-238 Accepting Voluntary Resignation of Firefighter							
FINANCIAL IMPLICATIONS:				ADVISORY BOARD RECOMMENDATIONS:			
Funding Sources & Uses:							
Budget Information:				Planning Commission			
_____ Budgeted				Parks and Recreation Board			
_____ Non Budgeted				Safari Island Advisory Board			
_____ Amendment Required				Other			

**CITY OF WACONIA
RESOLUTION NO. 2024-238**

**RESOLUTION ACCEPTING VOLUNTARY
RESIGNATION OF FIREFIGHTER ROBBIE CLARK**

WHEREAS, the City has received the voluntary resignation of Firefighter Robbie Clark;
and

WHEREAS, the City has received this notice in accordance with its personnel policies to
be effective immediately; and

NOW, THEREFORE, BE IT RESOLVED, that, the City Council hereby accepts the
resignation of Firefighter Robbie Clark and thanks him for his ten years of service to the
Waconia Fire Department.

Adopted by the City Council of the City of Waconia this 4th day of November, 2024.

Nicole Waldron, Mayor

Attest: _____
Jackie Schulze, Assistant City Administrator



REQUEST FOR CITY COUNCIL ACTION

Meeting Date:		November 4, 2024					
Item Name:		Statewide Volunteer Firefighter Plan					
Originating Department:		Administration					
Presented by:		Shane Fineran					
Previous Council Action (if any):							
Item Type (X only one):		Consent	X	Regular Session		Discussion Session	
RECOMMENDATIONS/COUNCIL ACTION/MOTION REQUESTED <i>(Include motion in proper format.)</i>							
Adopt Resolution No. 2024-239 Approving Increase in benefit level for firefighters							
EXPLANATION OF AGENDA ITEM <i>(Include a description of background, benefits, and recommendations.)</i>							
The pension benefit administered by Public Employee Retirement Association for fire fighters via the Statewide Volunteer Firefighter Plan (SVF) was reviewed this year to evaluate the capacity for a benefit level increase. The benefit level was last increased in 2024 at \$6,200 per year of vested service for eligible retirees. The recent evaluation performed by PERA demonstrates that a benefit level increase up to \$6,700 per year of service would retain a funding ratio of 139%, which means the fund is in strong financial position to make this commitment and would not require additional financial contribution by the city or employees. The evaluation was reviewed by the Fire Relief Association leadership group and they support the benefit level increase to this amount. If approved the benefit level increase would become effective for eligible retirees in 2025.							
Attachments:							
1. Resolution No. 2024-239 Increase Benefit Level for Firefighters							
FINANCIAL IMPLICATIONS:				ADVISORY BOARD RECOMMENDATIONS:			
Funding Sources & Uses:							
Budget Information:				Planning Commission			
_____ Budgeted				Parks and Recreation Board			
_____ Non Budgeted				Safari Island Advisory Board			
_____ Amendment Required				Other			

**CITY OF WACONIA
RESOLUTION NO. 2024-239**

**A RESOLUTION OPTING TO INCREASE THE BENEFIT LEVEL FOR FIREFIGHTERS
WHO ARE VESTED IN THE STATEWIDE VOLUNTEER FIREFIGHTER PLAN**

WHEREAS: The City previously authorized the fire department to join the Statewide Volunteer Firefighter Plan administered by the Public Employees Retirement Association (PERA); and

WHEREAS: The City requested and obtained a cost analysis of increasing the benefit level for firefighters who are vested in the Statewide Volunteer Firefighter Plan from PERA not more than 120 days ago; and

WHEREAS: The City understands that Minnesota statutes do not have provisions for a decrease in benefit levels; and

WHEREAS: The City highly values the contributions of City Fire Department members to the safety and wellbeing of our community and wishes to safeguard their pension investments in a prudent manner.

**NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF
WACONIA, MINNESOTA:**

- 1) The City hereby approves an increase in the benefit level for firefighters who have completed at least 5 years of good time service credit as a member of the Statewide Volunteer Firefighter Plan administered by PERA at the \$6,700.00 benefit level per year of service, effective January 1, 2025; and
- 2) The City Clerk/Administrator and Mayor are hereby authorized to execute all documents necessary to effectuate the intent of this resolution.

Adopted by the City Council of the City of Waconia this 4th day of November 2024.

Nicole Waldron, Mayor

Attest: _____
Jackie Schulze, Assistant City Administrator



REQUEST FOR CITY COUNCIL ACTION

Meeting Date:		November 4, 2024					
Item Name:		Consent to Ridgeview Medical Center Loan					
Originating Department:		Administration					
Presented by:		Shane Fineran					
Previous Council Action (if any):							
Item Type (X only one):		Consent	X	Regular Session		Discussion Session	
RECOMMENDATIONS/COUNCIL ACTION/MOTION REQUESTED <i>(Include motion in proper format.)</i>							
Adopt Resolution No. 2024-240 Regarding Ridgeview Medical Center Revolving Line of Credit							
EXPLANATION OF AGENDA ITEM <i>(Include a description of background, benefits, and recommendations.)</i>							
Ridgeview Medical Center has requested the city's consent, consistent with the original operating lease and subsequent amendments, to their entering into a revolving credit agreement with BMO Harris Bank. This arrangement will replace two existing letters of credit with the bank, both of which the city provided consent to. This loan will provide short term flexibility and liquidity to support their operations. The city will not be a party to the financing agreement. The resolution and request has been reviewed by outside counsel with Taft Law and finds the resolution and terms acceptable. <u>Attachments:</u> 1. Resolution No. 2024-240 Revolving Line of Credit Ridgeview Medical Center 2. Ridgeview Letter of Credit with City of Waconia							
FINANCIAL IMPLICATIONS:				ADVISORY BOARD RECOMMENDATIONS:			
Funding Sources & Uses:							
Budget Information:				Planning Commission			
_____ Budgeted				Parks and Recreation Board			
_____ Non Budgeted				Safari Island Advisory Board			
_____ Amendment Required				Other			

**CITY OF WACONIA
RESOLUTION NO. 2024-240
RESOLUTON REGARDING RIDGEVIEW MEDICAL CENTER
REVOLVING LINE OF CREDIT**

WHEREAS, the City of Waconia (the “City”) and Ridgeview Medical Center (“RMC”) are parties to a Hospital Operating Lease Agreement dated November 15, 1999 (the “Original Lease”), pursuant to which the City leased certain hospital system assets to RMC commencing January 1, 2000; and

WHEREAS, the Original Lease was amended by that certain First Amendment to Hospital Operating Lease Agreement dated April 12, 2007, and that certain Second Amendment to Hospital Operating Lease Agreement dated December 3, 2018 (the Original Lease and such amendments are, collectively, the “Lease”); and

WHEREAS, Section 6.2 of the Original Lease provides, in relevant part:

RMC shall not mortgage, pledge, or otherwise encumber all or substantially all of its interest in the Hospital or its revenues from Hospital Operations as security for, or in connection with, the incurrence of indebtedness, whether in the form of taxable or tax-exempt bond financing, borrowings, leaseings or otherwise, without *first obtaining the consent of the City, which consent shall not be unreasonably withheld*; provided, however, that the City’s consent shall not be required in connection with any unsecured indebtedness incurred in the ordinary course of business...

(emphasis added); and

WHEREAS, RMC previously entered into two revolving credit agreements with BMO Bank N.A. (formerly BMO Harris Bank N.A.) (the “Bank”) after obtaining the City’s consent, the first of which has a credit limit of Ten Million Dollars (\$10,000,000.00) and the second of which has a credit limit of Fifteen Million Dollars (\$15,000,000.00) (collectively, the “Current LOCs”); and

WHEREAS, RMC now desires to enter into a new revolving credit agreement with the Bank or amend one of the Current LOCs to combine the Current LOCs (whether a new agreement or amendment of one of the Current LOCs, as the same may be amended and renewed from time to time, the “Revolving Credit Agreement”) in order for RMC to have access to draw an aggregate principal amount of debt up to Thirty-Five Million (\$35,000,000.00) pursuant to a single short-term debt instrument; and

WHEREAS, the Revolving Credit Agreement will be memorialized by one or more agreements between RMC and the Bank, one or more notes, one or more indentures supplemental to the Master Trust Indenture between RMC and UMB Bank, National Association, as trustee, dated as of December 1, 2018, and other ancillary documents as may be required by RMC, the Bank, or counsel to RMC or the Bank; and

WHEREAS, RMC intends to renew the Revolving Credit Agreement each year so it continuously has short-term credit available to further RMC’s corporate mission in a manner consistent with the requirements of the Lease; and

WHEREAS, pursuant to Section 6.2 of the Lease, RMC has requested the City's consent to grant a security interest in substantially all its interest in the Hospital (as defined in the Lease) and/or substantially all of RMC's revenues from Hospital Operations (as defined in the Lease) to secure the Revolving Credit Agreement (the "City's Consent"); and

WHEREAS, the City Council finds it appropriate and in the best interests of the City and its residents to provide the City's Consent;

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Waconia, Minnesota, that:

1. The above recitals, including the findings contained therein, are incorporated as resolutions of the City Council.
2. The City hereby grants the City's Consent for RMC to enter into and secure the Revolving Credit Agreement, to consummate the transaction contemplated thereby, to take such other action as RMC deems necessary to comply with its obligations under the Revolving Credit Agreement, and to annually renew the Revolving Credit Agreement without exceeding the aggregate principal amount described above (as such terms are defined in the above recitals).
3. The Mayor and City Clerk are hereby authorized to prepare, execute, acknowledge, and deliver, from time to time, any requested acknowledgement of the City's Consent or certified copies of this resolution as may be requested. In the event of the absence or disability of the Mayor or the City Clerk, such officers of the City as, in the opinion of legal counsel, may act on their behalf shall, without further act or authorization of the City Council, do all things and execute all instruments and documents required to be done or executed by such absent or disabled officers. The execution of any document or instrument by the appropriate officer or officers of the City authorized herein shall be conclusive evidence of the approval of such document or instrument in accordance with the terms of this resolution.

Passed and adopted by the City Council of the City of Waconia this 4th day of November 2024.

Nicole Waldron, Mayor

ATTEST: _____
Jacqueline Schulze, Assistant City Administrator



500 S. Maple St. | Waconia, MN 55387-1791
 952.442.2191 | 800.967.4620
RidgeviewMedical.org

October 16, 2024

Shane Fineran
 City Administrator
 City of Waconia
 201 South Vine Street
 Waconia, MN 55387

Dear Shane,

Thank you for connecting with me to discuss the Line of Credit (LOC) Ridgeview Medical Center, a Minnesota nonprofit corporation (Ridgeview) desires to put in place, which will replace its two existing LOCs with BMO Harris Bank N.A. The LOC will continue to provide cash flow flexibility to Ridgeview by allowing it to access cash for a short amount of time at a low short-term interest rate. The amendment will allow Ridgeview to renew the LOC each year. This will be classified as short-term debt and will be paid off annually at renewal.

Background:

Prior to January 1, 2000, the City of Waconia (City) operated the hospital campus in Waconia (and certain other facilities) as a municipal hospital. In 1999, the City and Ridgeview entered into a Hospital Operating Lease Agreement (Lease) pursuant to which the City leased the municipal hospital assets to Ridgeview. Since January 1, 2000, Ridgeview has operated a health care system using the leased assets and additional assets it has acquired. Today, the 1999 hospital assets comprise approximately 15% of the total assets used by Ridgeview. The Lease gives Ridgeview an option to purchase the 1999 hospital assets for a predetermined price on December 31, 2029, and December 31, 2059.

When the City and Ridgeview executed the Lease in 1999, the City also issued tax-exempt bonds on Ridgeview's behalf. These original bonds were paid off many years ago. Although the City is no longer a party to Ridgeview's financing, the Lease still requires Ridgeview to seek the City's consent for new financing if such financing is secured by a pledge of substantially all of Ridgeview's assets or its revenue.

Consent:

Pursuant to the Lease, Ridgeview must obtain the City's consent for the new LOC, which consent shall not be unreasonably withheld. This request is not unusual. Over the past 24 years, Ridgeview has requested and the City has granted such consent several times. As always, Ridgeview thanks the City for its support.

A handwritten signature in black ink, appearing to read "Brent Wordelman".

Brent Wordelman
 Vice President, Finance



REQUEST FOR CITY COUNCIL ACTION

Meeting Date:		November 4, 2024					
Item Name:		Approve Exempt Permit for Raffle for the Waconia Hockey Association					
Originating Department:		Administration					
Presented by:		Sue Schwalbe					
Previous Council Action (if any):							
Item Type (X only one):		Consent	X	Regular Session		Discussion Session	
RECOMMENDATIONS/COUNCIL ACTION/MOTION REQUESTED <i>(Include motion in proper format.)</i>							
Motion to Adopt Resolution No. 2024-241 Approving Application for Exempt Permit, RAFFLE for the Waconia Hockey Association							
EXPLANATION OF AGENDA ITEM <i>(Include a description of background, benefits, and recommendations.)</i>							
On October 28, 2024, the City received an application for an exempt permit from the Waconia Hockey Association in order to conduct a RAFFLE at 1250 Oak Avenue in Waconia on February 18, 2025.							
<u>Attachments:</u>							
1. Resolution No. 2024-241 Approving Exempt Permit Waconia Hockey Association							
FINANCIAL IMPLICATIONS:				ADVISORY BOARD RECOMMENDATIONS:			
Funding Sources & Uses:							
Budget Information: _____ Budgeted _____ Non Budgeted _____ Amendment Required				Planning Commission			
				Parks and Recreation Board			
				Safari Island Advisory Board			
				Other			

**CITY OF WACONIA
RESOLUTION NO. 2024-241**

**RESOLUTION APPROVING APPLICATION FOR EXEMPT PERMIT
WACONIA HOCKEY ASSOCIATION**

WHEREAS, an application for An Exempt Permit has been received in the Office of the City Administrator from the Waconia Hockey Association for February 18, 2025, at 1250 Oak Avenue in Waconia Minnesota; and

WHEREAS, the Waconia Hockey Association has requested this exempt permit in order to conduct a “Raffle” at 1250 Oak Avenue in Waconia as stated on the application for said exempt permit; and

WHEREAS, the applicant shall furnish the City of Waconia a certificate of insurance naming the city as additional insured with the limits consistent with the Special Events Policy and at least two weeks prior to the event; and

WHEREAS, the City Clerk is hereby instructed to provide a copy of this Resolution to be included with the permit application to the Department of Gaming, Gambling Control Division, State of Minnesota.

NOW, THEREFORE, BE IT RESOLVED That the City Council of the City of Waconia hereby approves the Application for Exempt Permit Application of the Waconia Hockey Association for February 18, 2025, contingent upon completion of all forms, payment of fees, receipt of certificate of insurance, and proof of compliance with state and local requirements

Adopted by the City Council of the City of Waconia this 4th day of November 2024.

Nicole Waldron, Mayor

Attest: _____
Jackie Schulze, Assistant City Administrator



REQUEST FOR CITY COUNCIL ACTION

Meeting Date:		November 4, 2024					
Item Name:		Tax Increment Financing District #6 Development Agreement					
Originating Department:		Administration					
Presented by:		Shane Fineran					
Previous Council Action (if any):		Conducted a Public Hearing on October 21, 2024 regarding the modification of the Waconia development district and District #6 TIF Plan.					
Item Type (X only one):	Consent		Regular Session	X	Discussion Session		
RECOMMENDATIONS/COUNCIL ACTION/MOTION REQUESTED <i>(Include motion in proper format.)</i>							
Adopt Resolution No. 2024-222 Approving the Tax Increment Financing Plan and Agreement for Tax Increment Financing District #6							
EXPLANATION OF AGENDA ITEM <i>(Include a description of background, benefits, and recommendations.)</i>							
Monarch Development Partners have submitted a municipal subsidy application for the redevelopment known as Olive & 2nd. This development encompasses all or portions of 6 parcels that will be redeveloped into 92 units of multi-family housing, 4,184 square feet of retail space, and up to 33 public parking spaces. The City Council conducted a public hearing on October 21, 2024 regarding the Tax Increment Financing plan and proposed agreement. The development group has submitted eligible TIF costs of \$2,930,220 for the redevelopment, These generally include acquisition, foundations, parking, grading & excavation, utilities, soil testing, and are included in its full list as exhibit C of the attached TIF Agreement. The pay as you go TIF note will earn interest of 7.25% over the life of the note and the full life of the district will be 26 years. The full value of the note over the duration is \$3,500,000. The City and developer will also need to execute a development agreement for the public improvements proposed on and adjacent to the site as well as the public parking easement documents and execute a purchase agreement for the city owned parcel proposed as part of the development project. Attachments: 1. Resolution No. 2024-222 TIF 6 Approving Modification to DP, Establish TIF 6 (Redevelopment) & Interfund Loan 3. Waconia TIF 6 - Development Agreement (Redevelopment)							
FINANCIAL IMPLICATIONS:				ADVISORY BOARD RECOMMENDATIONS:			
Funding Sources & Uses: General Fund>Tax Increment							
Budget Information: ☒ Budgeted ☐ Non Budgeted ☐ Amendment Required				Planning Commission			
				Parks and Recreation Board			
				Safari Island Advisory Board			
				Other			

EXTRACT OF MINUTES OF A MEETING OF THE
CITY COUNCIL OF THE CITY
OF WACONIA, MINNESOTA

HELD: November 4, 2024

Pursuant to due call and notice thereof, a regular or special meeting of the City Council of the City of Waconia, Carver County, Minnesota, was duly called and held at the City Hall, on November 4, 2024, at 6:00 P.M.

The following members of the Council were present:

and the following were absent:

Member _____ introduced the following resolution and moved its adoption:

RESOLUTION NO. _____

RESOLUTION APPROVING THE MODIFICATION TO THE DEVELOPMENT PROGRAM FOR THE WACONIA DEVELOPMENT DISTRICT; ESTABLISHING TAX INCREMENT FINANCING DISTRICT NO. 6 WITHIN THE WACONIA DEVELOPMENT DISTRICT; APPROVING THE TAX INCREMENT FINANCING PLAN THEREFOR; AUTHORIZING AN INTERFUND LOAN; AND AUTHORIZING THE EXECUTION OF A DEVELOPMENT AGREEMENT

A. WHEREAS, it has been proposed that the City of Waconia, Minnesota (the "City") (1) modify the Development Program for the Waconia Development District (the "Development District"); (2) establish Tax Increment Financing District No. 6 therein (the "TIF District"); (3) approve and adopt the proposed Tax Increment Financing Plan therefor under the provisions of Minnesota Statutes, Sections 469.174 to 469.1794, as amended (the "Act"); (4) authorize an Interfund Loan (hereinafter defined); and (5) authorize the execution of a development agreement (as hereinafter defined); and

B. WHEREAS, the City Council has investigated the facts and has caused to be prepared the Modification to the Development Program for the Development District (the "Development Program Modification"), and has caused to be prepared a proposed tax increment financing plan for the TIF District therein (the "TIF Plan"); and

C. WHEREAS, the City has performed all actions required by law to be performed prior to the approval of the modification of the Development District and the establishment of the TIF District therein, and the adoption of the Development Program Modification and TIF Plan therefor, including, but not limited to, notification of Carver County and Independent School District No. 110 (Waconia Public Schools) having taxing jurisdiction over the property to be included in the TIF District, and the holding of a public hearing upon published and mailed notice as required by law; and

D. WHEREAS, Monarch Development Partners, LLC, a Minnesota limited liability company (the "Developer") has requested the City to assist with the financing of certain costs incurred in connection with the construction of an apartment building containing ninety-two (92) units, approximately 4,184 square feet of retail space, and 41 spaces of public parking (the "Project") on property located in the City; and

E. WHEREAS, the Developer and the City have determined to enter into a development agreement providing for the City's tax increment financing assistance for the Project (the "Developer Agreement"); and

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Waconia follows:

1. Development District. The City is not modifying the boundaries of the Development District.

2. Development Program Modification. The Modification to the Waconia Development District, a copy of which is on file in the office of the Finance Director, is adopted.

3. Tax Increment Financing District No. 6. There is hereby established in the City within the Development District, Tax Increment Financing District No. 6, a redevelopment tax increment financing district, the initial boundaries of which are determined as described in the TIF Plan.

4. Tax Increment Financing Plan. The TIF Plan is adopted as the tax increment financing plan for the TIF District, and the City Council makes the following findings:

(a) The TIF District is a redevelopment district as defined in Minnesota Statutes, Section 469.174, Subd. 10, the specific basis for such determination is set forth in Appendix C and Appendix D of the TIF Plan.

(b) The proposed development, in the opinion of the City Council, would not reasonably be expected to occur solely through private investment within the reasonably foreseeable future. The reasons for such determination are set forth in Appendix C of the TIF Plan.

(c) In the opinion of the City Council, the increased market value of the site that could reasonably be expected to occur without the use of tax increment financing would be less than the increase in the market value estimated to result from the proposed development after subtracting the present value of the projected tax increments for the maximum duration of the TIF District permitted by the TIF Plan. The reasons supporting this finding are set forth in Appendix B and Appendix C of the TIF Plan.

(d) The TIF Plan for the TIF District conforms to the general plan for development or redevelopment of the City as a whole. The reasons for supporting this finding are set forth in Appendix C of the TIF Plan.

(e) The TIF Plan will afford maximum opportunity, consistent with the sound needs of the City as a whole, for the development or redevelopment of the Development District by private enterprise. The reasons supporting this finding are set forth in Appendix C of the TIF Plan.

(f) Appendices B, C, and D of the TIF Plan are incorporated herein by reference.

5. Public Purpose. The adoption of the TIF Plan for the TIF District within the Development District conforms in all respects to the requirements of the Act and will help fulfill a need to develop an area of the State which is already built up to provide employment opportunities, to help prevent the emergence of blight, to improve the tax base and to improve the general economy of the State and thereby serves a public purpose.

6. Certification. The Auditor of Carver County is requested to certify the original net tax capacity of the TIF District as described in TIF Plan, and to certify in each year thereafter the amount by which the original net tax capacity has increased or decreased in accordance with the Act; and the Finance Director is authorized and directed to forthwith transmit this request to the County Auditor in such form and content as the Auditor may specify, together with a list of all properties within the TIF District for which building permits have been issued during the 18 months immediately preceding the adoption of this Resolution.

7. Filing. The Finance Director is further authorized and directed to file a copy of the Modification and TIF Plan for the TIF District with the Commissioner of Revenue and the Office of the State Auditor.

8. Administration. The administration of the Development District is assigned to the Finance Director who shall from time to time be granted such powers and duties pursuant to Minnesota Statutes, Sections 469.130 and 469.131 as the City Council may deem appropriate.

9. Interfund Loan. The City has determined that it may pay for certain costs (the "Qualified Costs") identified in the TIF Plan which costs may be financed on a temporary basis from the City's general fund or any other fund from which such advances may be legally made (the "Fund"). Under Minnesota Statutes, Section 469.178, Subd. 7, the City is authorized to advance or loan money from the Fund in order to finance the Qualified Costs. The City intends to reimburse itself for the payment of the Qualified Costs, plus interest thereon, from tax increments derived from the TIF District in accordance with the following terms (which terms are referred to collectively as the "Interfund Loan"):

(a) The City shall repay to the Fund from which the Qualified Costs are initially paid, the principal amount of \$300,263 (or, if less, the amount actually paid from such fund) together with interest at 5.00% per annum (which is not more than the greater of (i) the rate specified under Minnesota Statutes, Section 270C.40, or (ii) the rate specified under Minnesota Statutes, Section 549.09) from the date of the payment.

(b) Principal and interest on the Interfund Loan ("Payments") shall be paid annually on each December 31 commencing with the date the tax increments from the TIF District are available and not otherwise pledged to and including the earlier of (a) the date

the principal and accrued interest of the Interfund Loan is paid in full, or (b) the date of last receipt of tax increment from the TIF District ("Payment Dates") which Payments will be made in the amount and only to the extent of available tax increments. Payments shall be applied first to accrued interest, and then to unpaid principal.

(c) Payments on the Interfund Loan are payable solely from the tax increment generated in the preceding twelve (12) months with respect to the TIF District and remitted to the City by Carver County, all in accordance with Minnesota Statutes, Sections 469.174 to 469.1794, as amended. Payments on this Interfund Loan are subordinate to any outstanding or future bonds, notes or contracts secured in whole or in part with tax increment, and are on parity with any other outstanding or future interfund loans secured in whole or in part with tax increments.

(d) The principal sum and all accrued interest payable under this Interfund Loan are pre-payable in whole or in part at any time by the City without premium or penalty. No partial prepayment shall affect the amount or timing of any other regular payment otherwise required to be made under this Interfund Loan.

(e) The Interfund Loan is evidence of an internal borrowing by the City in accordance with Minnesota Statutes, Section 469.178, Subd. 7, and is a limited obligation payable solely from tax increment pledged to the payment hereof under this resolution. The Interfund Loan and the interest hereon shall not be deemed to constitute a general obligation of the State of Minnesota or any political subdivision thereof, including, without limitation, the City. Neither the State of Minnesota, nor any political subdivision thereof shall be obligated to pay the principal of or interest on the Interfund Loan or other costs incident hereto except out of tax increment, and neither the full faith and credit nor the taxing power of the State of Minnesota or any political subdivision thereof is pledged to the payment of the principal of or interest on the Interfund Loan or other costs incident hereto. The City shall have no obligation to pay any principal amount of the Interfund Loan or accrued interest thereon, which may remain unpaid after the termination of the TIF District.

(f) The City may amend the terms of the Interfund Loan at any time by resolution of the City Council, including a determination to forgive the outstanding principal amount and accrued interest to the extent permissible under law

10. Development Agreement.

(a) The Council hereby approves the Development Agreement in substantially the form submitted and the Mayor and the City Administrator are hereby authorized and directed to execute the Development Agreement on behalf of the Council.

(b) The approval hereby given to the Development Agreement includes approval of such additional details therein as may be necessary and appropriate and such modifications thereof, deletions therefrom and additions thereto as may be necessary and appropriate and approved by the City officials authorized by this resolution to execute the Development Agreement. The execution of the Development Agreement by the appropriate

officer or officers of the City shall be conclusive evidence of the approval of the Development Agreement in accordance with the terms hereof..

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

and the following voted against same:

Adopted this 4th day of November, 2024.

Mayor

Attest: _____
City Administrator

STATE OF MINNESOTA
CARVER COUNTY
CITY OF WACONIA

I, the undersigned, being the duly qualified and acting City Administrator of the City of Waconia, Minnesota, DO HEREBY CERTIFY that I have compared the attached and foregoing extract of minutes with the original thereof on file in my office, and that the same is a full, true and complete transcript of the minutes of a meeting of the City Council of said City, duly called and held on the date therein indicated, insofar as such minutes relate to the establishment of the Tax Increment Financing District No. 6 in the City, and authorization of an interfund loan.

WITNESS my hand as such City Administrator of the City Council of the City of Waconia, Minnesota this ____ day of November, 2024.

City Administrator

DEVELOPMENT AGREEMENT

BY AND BETWEEN

CITY OF WACONIA, MINNESOTA

AND

MONARCH DEVELOPMENT PARTNERS, LLC

This document drafted by:

TAFT STETTINIUS & HOLLISTER LLP
2200 IDS Center
80 South 8th Street
Minneapolis, Minnesota 55402

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DEVELOPMENT AGREEMENT

THIS DEVELOPMENT AGREEMENT (the "Agreement"), made as of the 21st day of October, 2024, by and between the City of Waconia, Minnesota (the "City"), a municipal corporation existing under the laws of the State of Minnesota and Monarch Development Partners, LLC, a Minnesota limited liability company (the "Developer").

WITNESSETH:

WHEREAS, pursuant to Minnesota Statutes, Section 469.124 through 469.133, as amended, the City has heretofore established the Waconia Development District (the "Development District") and has adopted a development program therefor (the "Development Program"); and

WHEREAS, pursuant to the provisions of Minnesota Statutes, Section 469.174 through 469.1794, as amended (hereinafter, the "Tax Increment Act"), the City has heretofore established, within the Development District, Tax Increment Financing District No. 6 (the "Tax Increment District") and has adopted a tax increment financing plan therefor (the "Tax Increment Plan") which provides for the use of tax increment financing in connection with certain development within the Tax Increment District and the Development District; and

WHEREAS, in order to achieve the objectives of the Development Program and particularly to make the land in the Development District available for development by private enterprise in conformance with the Development Program, the City has determined to assist the Developer with the financing of certain costs of a Project (as hereinafter defined) to be constructed within the Tax Increment District as more particularly set forth in this Agreement; and

WHEREAS, the City believes that the redevelopment and construction of the Project, and fulfillment of this Agreement are vital and are in the best interests of the City, the health, safety, morals and welfare of residents of the City, and in accordance with the public purpose and provisions of the applicable state and local laws and requirements under which the Project has been undertaken and is being assisted; and

WHEREAS, the requirements of the Business Subsidy Law, Minnesota Statutes, Section 116J.993 through 116J.995, do not apply to this Agreement pursuant to an exemption for housing.

NOW, THEREFORE, in consideration of the premises and the mutual obligations of the parties hereto, each of them does hereby covenant and agree with the other as follows:

ARTICLE I

DEFINITIONS

Section 1.1 Definitions. All capitalized terms used and not otherwise defined herein shall have the following meanings unless a different meaning clearly appears from the context:

Agreement means this Development Agreement by and between the City and the Developer, as the same may be from time to time modified, amended or supplemented;

Business Day means any day except a Saturday, Sunday or a legal holiday or a day on which banking institutions in the City are authorized by law or executive order to close;

City means the City of Waconia, Minnesota;

County means Carver County, Minnesota;

Developer means Monarch Development Partners, LLC, a Minnesota limited liability company, its successors, and assigns;

Development District means the Waconia Development District, including the real property described in the Development Program;

Development Program means the development program approved in connection with the Development District;

Development Property means the real property described in Exhibit A attached to this Agreement;

Event of Default means any of the events described in Section 4.1 hereof;

Legal and Administrative Expenses means the fees and expenses incurred by the City in connection with the review and analysis of the development proposed under this Agreement with the adoption and administration of the Tax Increment Financing Plan and establishment of the Tax Increment District, the preparation of this Agreement, the issuance of the TIF Note, including, but not limited to, attorney and municipal advisor fees and expenses;

Note Payment Date means August 1, 2028, and each February 1 and August 1 thereafter to and including August 1, 2052; provided, that if any such Note Payment Date should not be a Business Day, the Note Payment Date shall be the next succeeding Business Day;

Prime Rate means the rate of interest from time to time publicly announced by U.S. Bank National Association in Minneapolis, Minnesota, as its "reference rate" or any successor rate, which rate shall change as and when that prime rate or successor rate changes;

Project means the construction of an apartment building containing ninety-two (92) units, approximately 4,184 square feet of retail space, and up to 33 spaces of public parking by the Developer on the Development Property;

Site Improvements means the site improvements undertaken or to be undertaken on the Development Property, more particularly described on Exhibit C attached hereto;

State means the State of Minnesota;

Tax Increments means 97% of the tax increments derived from the Development Property which have been received and retained by the City in accordance with the provisions of Minnesota Statutes, Section 469.177, which tax increments from the Development Property are calculated in the sole discretion of the City;

Tax Increment Act means Minnesota Statutes, Sections 469.174 through 469.1794, as amended;

Tax Increment District means Tax Increment Financing District No. 6 located within the Development District, a description of which is set forth in the Tax Increment Financing Plan, and qualified as a redevelopment district under the Tax Increment Act;

Tax Increment Financing Plan means the tax increment financing plan approved for the Tax Increment District by the City Council on November 4, 2024, and any future amendments thereto;

Termination Date means the earlier of (i) August 1, 2052, (ii) the date the TIF Note is paid in full, (iii) the date the Developer has been reimbursed an amount not to exceed \$8,990,528, (iv) the date on which the Tax Increment District expires or is otherwise terminated, or (v) the date this Agreement is terminated or rescinded in accordance with its terms; and

TIF Note means the Tax Increment Revenue Note (Monarch Development Project) to be executed by the City and delivered to the Developer pursuant to Article III hereof, a form of which is attached hereto as Exhibit B; and

Unavoidable Delays means delays, outside the control of the party claiming its occurrence, which are the direct result of strikes, other labor troubles, material shortages, transportation shortages or interruptions, unusually severe or prolonged bad weather, acts of God, fire or other casualty to the Project, litigation commenced by third parties which, by injunction or other similar judicial action or by the exercise of reasonable discretion, directly results in delays, or acts of any federal, state or local governmental unit (other than the City) which directly result in delays, government order or law, national or regional emergency, disease, pandemics or epidemics.

ARTICLE II

REPRESENTATIONS AND WARRANTIES

Section 2.1 Representations and Warranties of the City. The City makes the following representations and warranties:

(1) The City is a municipal corporation and has the power to enter into this Agreement and carry out its obligations hereunder.

(2) The Tax Increment District is a "redevelopment district" within the meaning of Minnesota Statutes, Section 469.174, Subdivision 10 and was created, adopted and approved in accordance with the terms of the Tax Increment Act.

(3) The development contemplated by this Agreement is in conformance with the development objectives set forth in the Development Program.

(4) To finance certain costs within the Tax Increment District, the City agrees, subject to the further provisions of this Agreement, to apply Tax Increments to reimburse the Developer for a portion of the costs of the acquisition of the Development Property and the construction of Site Improvements incurred in connection with the Project as further provided in this Agreement.

(5) The City makes no representation or warranty, either expressed or implied, as to the Development Property or its condition or the soil conditions thereon, or that the Development Property shall be suitable for the Developer's or Developer's purposes or needs.

Section 2.2 Representations and Warranties of the Developer. The Developer makes the following representations and warranties:

(1) The Developer is a Minnesota limited liability company and has the power and authority to enter into this Agreement and to perform its obligations hereunder and doing so will not violate its articles of organization, member control agreement, or operating agreement, or the laws of the State and by proper action has authorized the execution and delivery of this Agreement.

(2) The Developer shall cause the Project to be constructed in accordance with the terms of this Agreement, the Development Program, Tax Increment Financing Plan, and all applicable local, state and federal laws and regulations (including, but not limited to, environmental, zoning, energy conservation, building code and public health laws and regulations).

(3) The construction of the Project would not be undertaken by the Developer, and in the opinion of the Developer would not have been or be economically feasible within the reasonably foreseeable future, without the assistance and benefit to the Developer provided for in this Agreement.

(4) The Developer will obtain, or cause to be obtained, in a timely manner, all required permits, licenses and approvals, and will meet, in a timely manner, all requirements of all applicable local, state, and federal laws and regulations which must be obtained or met before the Project may be lawfully constructed.

(5) Neither the execution and delivery of this Agreement, the consummation of the transactions contemplated hereby, nor the fulfillment of or compliance with the terms and conditions of this Agreement is prevented, limited by or conflicts with or results in a breach of, the terms, conditions or provision of any contractual restriction, evidence of indebtedness, agreement or instrument of whatever nature to which the Developer is now a party or by which it is bound, or constitutes a default under any of the foregoing.

(6) The Developer will cooperate fully with the City with respect to any litigation commenced with respect to the Project.

(7) The Developer will cooperate fully with the City in resolution of any traffic, parking, trash removal or public safety problems which may arise in connection with the construction and operation of the Project.

(8) The construction of the Project will commence on or before December 1, 2024 and barring Unavoidable Delays, the Project will be substantially completed by July 31, 2026.

(9) The Developer acknowledges that Tax Increment projections contained in the Tax Increment Financing Plan are estimates only and the Developer acknowledges that it shall place no reliance on the amount of projected Tax Increments and the sufficiency of such Tax Increments to reimburse the Developer for a portion of the costs of the acquisition of the Development Property and the construction of the Site Improvements as provided in Article III.

ARTICLE III

UNDERTAKINGS BY DEVELOPER AND CITY

Section 3.1 Development Property, Site Improvements; and Legal and Administrative Expenses.

(1) The parties agree that the acquisition of the Development Property by the Developer and the Site Improvements to be constructed by the Developer are essential to the successful completion of the Project. The costs of the acquisition of the Development Property and the construction of the Site Improvements shall be paid by the Developer. The City shall reimburse the Developer for the lesser of (a) \$3,500,000 or (b) the costs of acquisition of the Development Property and constructing the Site Improvements actually incurred and paid by the Developer (the "Developer Reimbursement Amount") as further provided in Section 3.3.

(2) The Developer shall pay the Legal and Administrative Expenses incurred by the City.

Section 3.2 Limitations on Undertaking of the City. Notwithstanding the provisions of Section 3.3, the City shall have no obligation to the Developer under this Agreement to reimburse the Developer for the Reimbursement Amount, if the City, at the time or times such payment is to be made is entitled under Section 4.2 to exercise any of the remedies set forth therein as a result of an Event of Default which has not been cured.

Section 3.3 Reimbursement: TIF Note. The City shall reimburse for the costs identified in Section 3.3 through the issuance of the City's TIF Note in substantially the form attached to this Agreement as Exhibit B, subject to the following conditions:

(1) The Note shall be dated, issued and delivered when the Developer shall have demonstrated in writing to the reasonable satisfaction of the City that the Developer has (a) completed the Project and has incurred and paid the costs of the acquisition of the Development Property and the construction of the Site Improvements, as described in and limited by Section 3.1(1) and (b) the Developer has provided the City with a settlement statement or other evidence of payment of the costs of the acquisition of the Development Property and copies of paid invoices for the Site Improvements in an amount not less than the Reimbursement Amount.

(2) The unpaid principal amount of the TIF Note shall bear simple, non-compounding interest from the date of issuance of the TIF Note, at 7.25% per annum. Interest shall be computed on the basis of a 360 day year consisting of twelve (12) 30-day months.

(3) The principal amount of the TIF Note and the interest thereon shall be payable solely from the Tax Increments.

(4) On each Note Payment Date and subject to the provisions of the TIF Note, the City shall pay, against the principal and interest outstanding on the TIF Note, the Tax Increments received by the City during the preceding six (6) months. All such payments shall be applied first to accrued interest and then to reduce the principal of the TIF Note.

(5) The TIF Note shall be a special and limited obligation of the City and not a general obligation of the City, and only Tax Increments shall be used to pay the principal of and interest on the TIF Note. If, on any Note Payment Date, the Tax Increments for the payment of the accrued and unpaid interest on the TIF Note are insufficient for such purposes, the difference shall be carried forward, without interest accruing thereon, and shall be paid if and to the extent that on a future Note Payment Date there are Tax Increments in excess of the amounts needed to pay the accrued interest then due on the TIF Note.

(6) The City's obligation to make payments on the TIF Note on any Note Payment Date or any date thereafter shall be conditioned upon the requirement that there shall not at that time be an Event of Default that has occurred and is continuing under this Agreement.

(7) The TIF Note shall be governed by and payable pursuant to the additional terms thereof, as set forth in Exhibit B. In the event of any conflict between the terms of the TIF Note and the terms of this Section 3.3, the terms of the TIF Note shall govern. The issuance of the TIF Note pursuant and subject to the terms of this Agreement, and the taking by the City of such additional actions as bond counsel for the TIF Note may require in connection therewith, are hereby authorized and approved by the City.

Section 3.4 Prohibition Against Transfer of Project and Assignment of Agreement. The Developer represents and agrees that prior to the Termination Date the Developer shall not transfer the Project or any part thereof or any interest therein to a unrelated entity, without the prior written approval of the City. The City shall be entitled to require as conditions to any such approval that:

(1) Any proposed transferee shall have the qualifications and financial responsibility, in the reasonable judgment of the City, necessary and adequate to fulfill the obligations undertaken in this Agreement by the Developer.

(2) Any proposed transferee, by instrument in writing satisfactory to the City shall, for itself and its successors and assigns, and expressly for the benefit of the City, have expressly assumed all of the obligations of the Developer under this Agreement and agreed to be subject to all the conditions and restrictions to which the Developer is subject.

(3) There shall be submitted to the City for review and prior written approval all instruments and other legal documents involved in effecting the transfer of any interest in this Agreement or the Project.

Section 3.5 Real Property Taxes. Prior to the Termination Date, the Developer shall pay all real property taxes payable with respect to all and any parts of the Development Property acquired and owned by it until the Developer's obligations have been assumed by any other person pursuant to the provisions of this Agreement.

The Developer agrees that, so long as it owns all or any portion of the Development Property, prior to the Termination Date:

(1) It will not seek administrative review or judicial review of the applicability of any tax statute relating to the ad valorem property taxation of real property contained on the Development Property determined by any tax official to be applicable to the Project or the Developer or raise the inapplicability of any such tax statute as a defense in any proceedings with

respect to the Development Property, including delinquent tax proceedings; provided, however, "tax statute" does not include any local ordinance or resolution levying a tax;

(2) It will not seek administrative review or judicial review of the constitutionality of any tax statute relating to the taxation of real property contained on the Development Property determined by any tax official to be applicable to the Project or the Developer or raise the unconstitutionality of any such tax statute as a defense in any proceedings, including delinquent tax proceedings with respect to the Development Property; provided, however, "tax statute" does not include any local ordinance or resolution levying a tax;

(3) It will not seek any tax deferral or abatement, either presently or prospectively authorized under Minnesota Statutes, Section 469.1813, or any other State or federal law, of the ad valorem property taxation of the Development Property between the date of execution of this Agreement and the Termination Date; and

(4) It will not seek a reduction in the market value as determined by the Carver County Assessor of the Project or other facilities, if any, that it constructs on the Development Property, pursuant to the provisions of this Agreement, for so long as the TIF Note remains outstanding.

Section 3.6 Compliance with City Fair Housing Policy. The Developer has read and understood the Waconia Fair Housing Policy (the "Policy"), which is fully incorporated herein by reference. The Developer shall at all times comply with the Policy. Through its operation of the Project, the Developer shall not discriminate upon the basis of race, color, religion, gender, sexual orientation, marital status, status with regard to public assistances, familial status, national origin, or disability.

ARTICLE IV

EVENTS OF DEFAULT

Section 4.1 Events of Default Defined. The following shall be "Events of Default" under this Agreement and the term "Event of Default" shall mean whenever it is used in this Agreement any one or more of the following events:

(1) Failure by the Developer to timely pay any ad valorem real property taxes and special assessments levied against the Development Property and all public utility or other City payments due and owing with respect to the Development Property when due and payable.

(2) Failure by the Developer to cause the construction of the Project to be completed pursuant to the terms, conditions and limitations of this Agreement.

(3) Failure of the Developer to observe or perform any other covenant, condition, obligation or agreement on its part to be observed or performed under this Agreement.

(4) The holder of any mortgage on the Development Property or any improvements thereon, or any portion thereof, commences foreclosure proceedings as a result of any default under the applicable mortgage documents.

(5) If the Developer shall:

(A) file any petition in bankruptcy or for any reorganization, arrangement, composition, readjustment, liquidation, dissolution, or similar relief under the United States Bankruptcy Act of 1978, as amended or under any similar federal or state law; or

(B) make an assignment for the benefit of its creditors; or

(C) admit in writing its inability to pay its debts generally as they become due;
or

(D) be adjudicated as bankrupt or insolvent; or if a petition or answer proposing the adjudication of the Developer as bankrupt or its reorganization under any present or future federal bankruptcy act or any similar federal or state law shall be filed in any court and such petition or answer shall not be discharged or denied within sixty (60) days after the filing thereof; or a receiver, trustee or liquidator of the Developer, or of the Project, or part thereof, shall be appointed in any proceeding brought against the Developer, and shall not be discharged within sixty (60) days after such appointment, or if the Developer, shall consent to or acquiesce in such appointment.

Section 4.2 Remedies on Default. Whenever any Event of Default referred to in Section 4.1 occurs and is continuing, the City, as specified below, may take any one or more of the following actions after the giving of thirty (30) days' written notice to the Developer, but only if the Event of Default has not been cured within said thirty (30) days:

(1) The City may suspend its performance under this Agreement and the TIF Note until it receives assurances from the Developer, deemed adequate by the City, that the Developer will cure its default and continue its performance under this Agreement.

(2) The City may cancel and rescind the Agreement and the TIF Note.

(3) The City may take any action, including legal or administrative action, in law or equity, which may appear necessary or desirable to enforce performance and observance of any obligation, agreement, or covenant of the Developer under this Agreement.

Section 4.3 No Remedy Exclusive. No remedy herein conferred upon or reserved to the City is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient.

Section 4.4 No Implied Waiver. In the event any agreement contained in this Agreement should be breached by any party and thereafter waived by any other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other concurrent, previous or subsequent breach hereunder.

Section 4.5 Agreement to Pay Attorney's Fees and Expenses. Whenever any Event of Default occurs and the City shall employ attorneys or incur other expenses for the collection of payments due or to become due or for the enforcement or performance or observance of any obligation or agreement on the part of the Developer herein contained, the Developer agrees that it shall, on demand therefor, pay to the City the fees of such attorneys and such other expenses so incurred by the City.

Section 4.6 Indemnification of City.

(1) The Developer releases from and covenants and agrees that the City, its governing body members, officers, agents, including the independent contractors, consultants and legal counsel, servants and employees thereof (hereinafter, for purposes of this Section, collectively the "Indemnified Parties") shall not be liable for and agrees to indemnify and hold harmless the Indemnified Parties against any loss or damage to property or any injury to or death of any person occurring at or about or resulting from any defect in the Project, provided that the foregoing indemnification shall not be effective for any actions of the Indemnified Parties that are not contemplated by this Agreement.

(2) Except for any willful misrepresentation or any willful or wanton misconduct of the Indemnified Parties, the Developer agrees to protect and defend the Indemnified Parties, now and forever, and further agrees to hold the aforesaid harmless from any claim, demand, suit, action or other proceeding whatsoever by any person or entity whatsoever arising or purportedly arising from the actions or inactions of the Developer (or other persons acting on its behalf or under its direction or control) under this Agreement, or the transactions contemplated hereby or the acquisition, construction, installation, ownership, and operation of the Project; provided, that this indemnification shall not apply to the warranties made or obligations undertaken by the City in this Agreement or to any actions undertaken by the City which are not contemplated by this Agreement but shall, in any event and without regard to any fault on the part of the City, apply to any pecuniary loss or penalty (including interest thereon from the date the loss is incurred or penalty is paid by the City at a rate equal to the Prime Rate) as a result of the Developer operating

the Project so that the Tax Increment District does not qualify or cease to qualify as a "redevelopment district" under Section 469.174, Subdivision 10, of the Act, or (ii) to violate limitations as to the use of Tax Increments as set forth in Section 469.176, Subdivision 4j.

(3) All covenants, stipulations, promises, agreements and obligations of the City contained herein shall be deemed to be the covenants, stipulations, promises, agreements and obligations of the City and not of any governing body member, officer, agent, servant or employee of the City.

ARTICLE V

DEVELOPER'S OPTION TO TERMINATE AGREEMENT

Section 5.1 The Developer's Option to Terminate. This Agreement may be terminated by Developer, if (i) the Developer is in compliance with all material terms of this Agreement and no Event of Default has occurred; and (ii) the City fails to comply with any material term of this Agreement, and, after written notice by the Developer of such failure, the City has failed to cure such noncompliance within ninety (90) days of receipt of such notice, or, if such noncompliance cannot reasonably be cured by the City within ninety (90) days, of receipt of such notice, the City has not provided assurances, reasonably satisfactory to the Developer that such noncompliance will be cured as soon as reasonably possible.

Section 5.2 Action to Terminate. Termination of this Agreement pursuant to Section 5.1 must be accomplished by written notification by the Developer to the City within sixty (60) days after the date when such option to terminate may first be exercised. A failure by the Developer to terminate this Agreement within such period constitutes a waiver by the Developer of their rights to terminate this Agreement due to such occurrence or event.

Section 5.3 Effect of Termination. If this Agreement is terminated pursuant to this Article V, this Agreement shall be from such date forward null and void and of no further effect; provided, however, the termination of this Agreement shall not affect the rights of either party to institute any action, claim or demand for damages suffered as a result of breach or default of the terms of this Agreement by the other party, or to recover amounts which had accrued and become due and payable as of the date of such termination. Upon termination of this Agreement pursuant to this Article V, the Developer shall be free to proceed with the Project at their own expense and without regard to the provisions of this Agreement; provided, however, that the City shall have no further obligations to the Developer with respect to reimbursement of the expenses set forth in Section 3.3, or to make any further payments on the TIF Note (but the termination of such obligations is not intended to relieve the City for any damages to Developer caused by the City's failure to comply with its obligations under this Agreement or the TIF Note).

ARTICLE VI

ADDITIONAL PROVISIONS

Section 6.1 Restrictions on Use. The Developer agrees for itself, its successors and assigns and every successor in interest to the Project that during the term of this Agreement the Developer and its successors and assigns shall operate, or cause to be operated, the Project as contemplated in this Agreement, and shall devote the Project to, and in accordance with, the uses specified in this Agreement.

Section 6.2 Conflicts of Interest. No member of the governing body or other official of the City shall have any financial interest, direct or indirect, in this Agreement, the Development Property or the Project, or any contract, agreement or other transaction contemplated to occur or be undertaken thereunder or with respect thereto, nor shall any such member of the governing body or other official participate in any decision relating to the Agreement which affects his or her personal interests or the interests of any corporation, partnership or association in which he or she is directly or indirectly interested. No member, official or employee of the City shall be personally liable to the City in the event of any default or breach by the Developer or successor or on any obligations under the terms of this Agreement.

Section 6.3 Titles of Articles and Sections. Any titles of the several parts, articles and sections of the Agreement are inserted for convenience of reference only and shall be disregarded in construing or interpreting any of its provisions.

Section 6.4 Notices and Demands. Except as otherwise expressly provided in this Agreement, a notice, demand or other communication under this Agreement by any party to any other shall be sufficiently given or delivered if it is dispatched by registered or certified mail, postage prepaid, return receipt requested, or delivered personally, and

- (1) in the case of the Developer is addressed to or delivered personally to:

Monarch Development Partners, LLC
441 Second St.
Excelsior, MN 55331

- (2) in the case of the City is addressed to or delivered personally to the City at:

City of Waconia, Minnesota
201 South Vine St.
Waconia, MN 55387

with a copy to:

Taft Stettinius & Hollister LLP
Attention: Mary Ippel
2200 IDS Center
80 South 8th Street
Minneapolis, MN 55402

or at such other address with respect to any such party as that party may, from time to time, designate in writing and forward to the other, as provided in this Section.

Section 6.5 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall constitute one and the same instrument.

Section 6.6 Law Governing. This Agreement will be governed and construed in accordance with the laws of the State.

Section 6.7 Expiration. This Agreement shall expire on the Termination Date.

Section 6.8 Provisions Surviving Rescission or Expiration. Sections 4.5 and 4.6 shall survive any rescission, termination or expiration of this Agreement with respect to or arising out of any event, occurrence or circumstance existing prior to the date thereof.

Section 6.9 Assignability of TIF Note. The TIF Note may only be assigned pursuant to the terms of the TIF Note.

IN WITNESS WHEREOF, the City has caused this Agreement to be duly executed in its name and on its behalf and its seal to be hereunto duly affixed, the Developer has caused this Agreement to be duly executed on its behalf, on or as of the date first above written.

CITY OF WACONIA, MINNESOTA

By _____
Its Mayor

By _____
Its City Administrator

This is a signature page to the Development Agreement by and between the City of Waconia, and Monarch Development Partners, LLC

MONARCH DEVELOPMENT PARTNERS,
LLC

Its

Its

This is a signature page to the Development Agreement by and between the City of Waconia,
and Monarch Development Partners, LLC.

EXHIBIT A

DESCRIPTION OF DEVELOPMENT PROPERTY

Property located in the City of Waconia, Carver County, Minnesota with the following parcel identification number:

75.050.1450	75.050.1480	75.050.1511
75.050.1460	75.050.1505	75.050.1470

EXHIBIT B

FORM OF TIF NOTE

No. R-1

\$ _____

UNITED STATES OF AMERICA
STATE OF MINNESOTA
COUNTY OF CARVER
CITY OF WACONIA

TAX INCREMENT REVENUE NOTE
(MONARCH DEVELOPMENT PROJECT)

The City of Waconia, Minnesota (the "City"), hereby acknowledges itself to be indebted and, for value received, hereby promises to pay the amounts hereinafter described (the "Payment Amounts") to Monarch Development Partners, LLC, a Minnesota limited liability company, or its registered assigns (the "Developer" or "Registered Owner"), but only in the manner, at the times, from the sources of revenue, and to the extent hereinafter provided.

The principal amount of this Note shall equal from time to time the principal amount stated above, as reduced to the extent that such principal installments shall have been paid in whole or in part pursuant to the terms hereof; provided that the sum of the principal amount listed above shall in no event exceed \$3,500,000 as provided in that certain Development Agreement, dated as of November 4, 2024, as the same may be amended from time to time (the "TIF Agreement"), by and between the City and the Developer. The unpaid principal amount hereof shall bear interest from the date of this Note at the simple, non-compounding interest at a rate of seven and a quarter percent (7.25%) per annum. Interest shall be computed on the basis of a 360 day year consisting of twelve (12) 30-day months.

The amounts due under this Note shall be payable on August 1, 2028, and on each February 1 and August 1 thereafter to and including August 1, 2052, or, if the first should not be a Business Day (as defined in the TIF Agreement), the next succeeding Business Day (the "Payment Dates"). On each Payment Date the City shall pay by check or draft mailed to the person that was the Registered Owner of this Note at the close of the last business day of the City preceding such Payment Date an amount equal to the sum of the Tax Increments (hereinafter defined) received by the City during the six (6) month period preceding such Payment Date. All payments made by the City under this Note shall first be applied to accrued interest and then to principal. This Note is prepayable by the City, in whole or in part, on any date.

The Payment Amounts due hereon shall be payable solely from 97% of the tax increments (the "Tax Increments") from the Development Property (as defined in the Development Agreement) within the City's Tax Increment Financing District No. 6 (the "Tax Increment District") within its Waconia Development District which are paid to the City and which the City is entitled to retain pursuant to the provisions of Minnesota Statutes, Sections 469.174 through 469.1794, as the same may be amended or supplemented from time to time (the "Tax Increment Act"). This Note shall terminate and be of no further force and effect (i) following the termination

of the Tax Increment District, (ii) on any date upon which the City shall have terminated the Development Agreement under Section 4.2(2) thereof or the Developer shall have terminated the Development Agreement under Article V thereof, (iii) on the date that all principal and interest payable hereunder shall have been paid in full, (iv) or on the date the Developer has been reimbursed an amount not to exceed \$8,990,528 whichever occurs earliest.

The City makes no representation or covenant, expressed or implied, that the Tax Increments will be sufficient to pay, in whole or in part, the amounts which are or may become due and payable hereunder.

The City's payment obligations hereunder shall be further conditioned on the fact that no Event of Default under the Development Agreement shall have occurred and be continuing at the time payment is otherwise due hereunder, but such unpaid amounts shall become payable if said Event of Default shall thereafter have been cured; and, further, if pursuant to the occurrence of an Event of Default under the Development Agreement the City elects to cancel and rescind the Development Agreement, the City shall have no further debt or obligation under this Note whatsoever. Reference is hereby made to all of the provisions of the Development Agreement, including without limitation Section 3.3 thereof, for a fuller statement of the rights and obligations of the City to pay the principal of this Note, and said provisions are hereby incorporated into this Note as though set out in full herein.

This Note is a special, limited revenue obligation and not a general obligation of the City and is payable by the City only from the sources and subject to the qualifications stated or referenced herein. This Note is not a general obligation of the City of Waconia, Minnesota, and neither the full faith and credit nor the taxing powers of the City are pledged to the payment of the principal of this Note and no property or other asset of the City, save and except the above-referenced Tax Increments, is or shall be a source of payment of the City's obligations hereunder.

This Note is issued by the City in aid of financing a project pursuant to and in full conformity with the Constitution and laws of the State of Minnesota, including the Tax Increment Act.

This Note is subject to prepayment in immediately available funds on any date at the option of the City, in whole or in part and without penalty.

This Note may be assigned only with the consent of the City, which consent shall not be unreasonably withheld, conditioned or delayed. In order to assign the Note, the assignee shall surrender the same to the City either in exchange for a new fully registered note or for transfer of this Note on the registration records for the Note maintained by the City. Each permitted assignee shall take this Note subject to the foregoing conditions and subject to all provisions stated or referenced herein.

IT IS HEREBY CERTIFIED AND RECITED that all acts, conditions, and things required by the Constitution and laws of the State of Minnesota to be done, to have happened, and to be performed precedent to and in the issuance of this Note have been done, have happened, and have been performed in regular and due form, time, and manner as required by law; and that this Note, together with all other indebtedness of the City outstanding on the date hereof and on the date of

its actual issuance and delivery, does not cause the indebtedness of the City to exceed any constitutional, statutory or charter limitation thereon.

IN WITNESS WHEREOF, City of Waconia, Minnesota, by its City Council, has caused this Note to be executed by the manual signatures of its Mayor and City Administrator and has caused this Note to be issued on and dated _____, 20__.

City Administrator

Mayor

DO NOT EXECUTE UNTIL PAID INVOICES, A SETTLEMENT STATEMENT OR OTHER EVIDENCE OF PAYMENT FOR LAND ACQUISITION AND SITE IMPROVEMENTS ARE GIVEN TO THE CITY - REFER TO SECTION 3.3(1).

CERTIFICATION OF REGISTRATION

It is hereby certified that the foregoing Note, as originally issued on _____, 20__, was on said date registered in the name of MONARCH DEVELOPMENT PARTNERS, LLC, and that, at the request of the Registered Owner of this Note, the undersigned has this day registered the Note in the name of such Registered Owner, as indicated in the registration blank below, on the books kept by the undersigned for such purposes.

NAME AND ADDRESS OF
REGISTERED OWNER

DATE OF
REGISTRATION

SIGNATURE OF
CITY ADMINISTRATOR

Monarch Development Partners, LLC
441 Second St.
Excelsior, MN 55331

EXHIBIT C

SITE IMPROVEMENTS

Building Permit Fees
Engineering
Environmental Testing
Foundations and Footings
Grading/earthwork
Landscaping, including irrigation
Onsite Utilities
Onsite Road, Curb, Gutter, Driveway, Sidewalk and Streetscape Improvements
Outdoor Lighting
Parking
SAC/WAC Fees
Site Preparation
Site Utilities
Soil Testing & Boring
Storm Water/Ponding
Survey

REQUEST FOR CITY COUNCIL ACTION

Meeting Date: November 4, 2024

Item Name:	RECESS TO CLOSED SESSION: Attorney-Client Privilege.
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Originating Department: Administration

Presented by: Shane Fineran

Previous Council Action (if any):

Item Type (X only one):	Consent		Regular Session	X	Discussion Session
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RECOMMENDATIONS/COUNCIL ACTION/MOTION REQUESTED (Include motion in proper format.)

The City Council will meet in closed session pursuant to Minn.State.13D.05, subd3.

Discussion Battlefield Ministries v City of Waconia.

Motion to enter into closed session with assigned counsel to discuss Battlefield Ministries v. Waconia.

EXPLANATION OF AGENDA ITEM (Include a description of background, benefits, and recommendations.)

The Council will meet in closed session pursuant to Minn. Stat. § 13D.05, subd. 3(b) to discuss Battlefield Ministries v. Waconia with assigned counsel.

Attachments:

FINANCIAL IMPLICATIONS:

Funding Sources & Uses:

Budget Information:

Budgeted

Non Budgeted

Amendment Required

ADVISORY BOARD RECOMMENDATIONS:

Planning Commission

Parks and Recreation Board

Safari Island Advisory Board

Other