

Council Minutes

Owatonna City Administration Building

Tuesday, November 22, 2011

5:30 p.m.

The Owatonna City Council met in special session on Tuesday, November 22, 2011 at 5:30 p.m. in the Council Chambers of the City Administration Building with Council President Abraham presiding. Present were Council Members Svenby, Truelson, Dotson, Schultz; City Administrator Busse; City Attorney Walbran; Mayor Kuntz; Community Development Director Klecker; Finance Director Moen, and Assistant City Clerk Clawson. Council Member Wittrock joined the meeting at 5:33 p.m. and Council Member Burbank was not present.

Following the Pledge of Allegiance, Council President Abraham welcomed everyone in attendance. Council Member Svenby made a motion to approve the agenda, Council Member Truelson seconded the motion; all members present voted aye for approval.

At 5:35 p.m. a public hearing was held for consideration of the proposed restructuring of the city's \$5,000,000 2005 Replacement Industrial Development Revenue Bonds, Series 1997. City Attorney Walbran advised the original proceeds of these bonds were loaned to Slidell, Inc. to assist in the acquisition and construction of an approximately 132, 000 square foot office and manufacturing facility, which was later transferred to Lemond Properties, LLC. Pursuant to a proposed First Amendment to Amended and Restated Loan Agreement, replacement bonds will be issued in which, among other things, the average maturity date will be extended; however, the final maturity date will not change and remains May 1, 2027.

Paul Swenson, 818 South Street said he is not opposed to Chart Industries bringing their business operation to town with 100 jobs; but, he is not in favor of a second amendment to the original loan agreement with no guarantee another amendment will not be needed in the future. Swenson suggested delinquent taxes should be paid now and not included in an extended payment agreement.

Community Development Director Klecker stated the delinquent taxes will be paid at the closing.

Brad Meier, Executive Director of the Owatonna Chamber of Commerce spoke in favor of the proposed agreement to promote this project which will allow growth within the city's business sector. Chart Industries has a large growth pattern and the City of Owatonna is able to meet their needs, the company will be required to bring 100 new jobs to the city within the next year. Meier thanked council and staff for progress which has been made on this project and hopes it will continue to move forward.

At 5:43 p.m., Council Member Truelson made a motion to close the public hearing, Council Member Svenby seconded the motion; all members present voted aye for approval.

City Attorney Walbran introduced Resolution 70-11 authorizing the execution of an agreement with Lemond Properties, LLC stipulating to the Tax Increment shortfall amount and providing for payment of the remaining balance, \$61,998.43. Council discussed the terms of the agreement regarding the repayment schedule for the current balance owed which will be paid when the property is sold or to be payable when the bonds mature, May 1, 2027. City Attorney Walbran clarified this is not a new TIF, this is a stipulation needed to finalize the agreement. Council Member Wittrock made a motion to approve Resolution 70-11, Council Member Schultz seconded the motion; all members present voted aye for approval.

During Council Comment, Council Member Wittrock commented it will be nice to see new jobs coming to Owatonna. Mayor Kuntz advised Chart Industries planned to take possession of the building on November 23rd and would be working with the state's business development department for announcement of this expansion project.

At 5:59 p.m. Council Member Truelson made a motion to adjourn the meeting, Council Member Svenby seconded the motion; all members present voted aye for approval.

Dated: December 2, 2011

Respectfully submitted,
Jeanette Clawson, Assistant City Clerk