The City Council of the City of St. Charles welcomes you to its Regular Meeting of Tuesday, January 28, 2020 at 6:00 p.m. at 830 Whitewater Avenue, City Council Chambers, St. Charles, Minnesota.

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<td>8. Ordinance #617 Renaming Portions of South Park Road (1st Reading)</td>
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<td>9. Employee and Volunteer Recognition Program Policy.</td>
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UNSCHEDULED PUBLIC APPEARANCES: Members of the audience may address any item not on the agenda. State Statute prohibits the City Council from discussing an item that is not on the agenda, but the City Council does listen to your concerns and has staff follow up on any questions you raise.

ADJOURNMENT
MEMORANDUM for the CITY COUNCIL of St. Charles for
Tuesday, January 28, 2020

6. Ordinance #616 Approving Emergency Sale to Danmar Properties LLC. Enclosed is the ordinance for consideration for approval based on the Offer Letter submitted to Danmar Properties at the end of 2019.

7. Resolution #06-2020 Approving Sale to Danmar Properties, LLC. Enclosed is the resolution and purchase agreement for consideration to Danmar Properties, LLC.

8. Ordinance #617 Renaming Portions of South Park Road (1st Reading). Enclosed is proposed ordinance as street name inconsistencies were discovered with regard to Park Road and South Park Road. Initially the four new addresses for the Golf Course Third Subdivision were labeled as Park Road. Various sources of recorded documents showed varying names as well as names that logically do not make sense. It is the recommendation to have Park Road that runs south to I-90 remain Park Road. The road labeled as South Park Road would be renamed East Park Road, which will then be utilized by the four new properties. A proposed ordinance is included that is being reviewed by Winona County Recorder Bob Bambenek. Proposed changes may be brought forward Tuesday.

9. Employee and Volunteer Recognition Program Policy. Enclosed is a proposed policy related to employee and volunteer recognition programming. In reviewing the Office of the State Auditor’s opinion and seeking further guidance from the City Attorney regarding recognition program and events, a policy was drafted to better serve the organization in order to keep within state guidelines.
CITY OF ST. CHARLES

ORDINANCE # 616

AN EMERGENCY ORDINANCE OF THE CITY OF ST. CHARLES, MINNESOTA, AUTHORIZING THE SALE OR REAL PROPERTY TO DANMAR PROPERTIES, LLC

Preamble: City Charter, Section 3.09, requires two readings of ordinances plus 30 days following publication before an ordinance becomes effective, except for emergency ordinances.

Charter, Section 3.06, Emergency Ordinances, provides in part as follows:

"An emergency ordinance is an ordinance necessary for the immediate preservation of the public peace, health, morals, safety or welfare in which the emergency is defined and declared in a preamble thereto and is adopted by a vote of at least three of the voting members of the council."

The buyer of the below described Property ("Property"), Danmar Properties, LLC ("Company"), has indicated that they need to close on the Property as soon as possible to facilitate the land purchase with Love’s Leisure and Travel Center and that failure to meet said date could be detrimental to the sale of the Property and their ability to proceed with their commercial development project in the City’s business park.

Based on the above typical City ordinance adoption process in Charter and the additional unique requirement in the Charter that sale of City-owned property requires passage of such an ordinance, as opposed to the far more common passage of a resolution for the sale of property, the closing on the Property would be delayed as much as 60 days if the City follows the typical Charter procedures.

The City Council finds that it is in the public interest to sell the Property to Company and to facilitate the construction schedule of Company in order to allow the Project to move forward in the City’s business park and to forestall any negative consequences to the City and Company resulting from the delay caused by the general ordinance adoption procedure. The City has made considerable investment in the business park. The City finds that the ordinance delay resulting from following the typical ordinance adoption procedure could potentially jeopardize the Project and the City’s investment. As a result and to facilitate Company’s closing schedule, immediate consideration and action by the City Council is necessary pursuant to City Charter, Section 3.06, Emergency Ordinances, to preserve and protect the public welfare.

THE CITY OF ST. CHARLES DOES ORDAIN:

Section 1. The St. Charles City Council hereby authorizes the sale and conveyance of real property legally described as:

1
Lots 1 and 2, Block 3, Chattanooga Innovation Park, Second Addition, City of St. Charles, Winona County, Minnesota

to Danmar Properties, LLC by quitclaim deed pursuant to the terms and conditions of sale set forth in that certain Vacant Land Purchase Agreement between the City and Danmar Properties, LLC.

Section 2. This ordinance shall take effect immediately upon its adoption and shall be subsequently published.

Adopted this 25th day of January, 2020 by the City Council of the City of St. Charles, Minnesota.

______________________________
John Schaber, Mayor

Attest:

______________________________
Nick Koverman, City Administrator

Published:

Date: __________________________
A RESOLUTION BY THE MAYOR AND CITY COUNCIL OF THE CITY OF ST. CHARLES, MINNESOTA, APPROVING THE SALE OF REAL PROPERTY IN ST. CHARLES, MINNESOTA, AND DISPENSING WITH REVIEW OF THE SALE BY THE ST. CHARLES PLANNING COMMISSION

WHEREAS, The City of St. Charles ("City") desires to sell certain real property located in St. Charles, Minnesota, legally described as:

Lots 1 and 2, Block 3, Chattanooga Innovation Park, Second Addition, City of St. Charles, Winona County, Minnesota,

referred to herein as the "Property"; and

WHEREAS, the buyer of the Property, Danmar Properties, LLC ("Company") is willing to purchase the Property from the City for $142,876.80; and

WHEREAS, a draft purchase agreement has been prepared for the sale of the Property and is attached hereto as Exhibit A; and

WHEREAS, in accordance with the attached draft purchase agreement, the City and Company expressly understand and agree that the sale of the Property is contingent upon approval by the City Council of the City of St. Charles; and

WHEREAS, if any transaction approval as provided in the purchase agreement is not obtained by the closing date stated in the purchase agreement, the purchase agreement shall then be null and void, without further obligation by either party; and

WHEREAS, Section 12.05 of the City Charter of the City of St. Charles also provides that no real property of the City may be disposed of except by ordinance; and

WHEREAS, the City adopted such an emergency ordinance, Number #616, dated January 25, 2020, approving the sale of the Property by the City; and

WHEREAS, Minnesota Statutes, Section 462.356, subdivision 2 states that no publicly owned interest in real property within a city shall be acquired or disposed of until after the planning commission has reviewed the proposed acquisition or disposal and reported in writing to the city council its findings as to compliance of the proposed acquisition or disposal with the comprehensive plan; and

WHEREAS, the same statute further states, however, that the city council may, by resolution
adopted by two-thirds vote, dispense with the requirements of this subdivision when in its judgment it finds that the acquisition or disposal of real property has no relationship to the comprehensive plan.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND CITY COUNCIL THAT: The City Council hereby finds that the proposed sale of the Property by the City of St. Charles has no relationship to the City’s Comprehensive Plan, and therefore review of the proposed sale by the St. Charles Planning Commission is not required under Minn. Stat. § 462.356, Subd. 2, and is hereby dispensed with as allowed by that statute.

BE IT FURTHER RESOLVED THAT: The City Council hereby approves the attached purchase agreement and authorizes and directs the Mayor and City Administrator to execute the purchase agreement substantially in the form hereby approved and such other documents as are necessary to close on the sale of the Property by the City of St. Charles to Company and that Company record the same in the Office of the Winona County Recorder.

PASSED by the City Council of the City of St. Charles on this 25th day of January, 2020.

ATTEST

Nick Koverman, City Administrator                                         John Schaber, Mayor

VOTE:   ____ SCHABER   ____ BRAUN   ____ GETZ   ____ HILMER   ____ KRAMER
VACANT LAND PURCHASE AGREEMENT

THIS AGREEMENT is made as of January 28, 2020, between the City of St. Charles, a Minnesota municipal corporation, 830 Whitewater Avenue, St. Charles, Minnesota 55972 (herein the “Seller” or “City”), and Danmar Properties, LLC, a Minnesota limited liability company, 12101 35W South, Burnsville, MN 55337 (herein the “Buyer” or “Danmar”); (collectively the “Parties”).

WITNESSETH:

WHEREAS, in 2018, Danmar purchased from the City the following legally described property:

Lots 2, 3, 4, and 5, Block 3, Chattanooga Innovation Park, City of St. Charles, Winona County, Minnesota (the “Danmar Property”); and

WHEREAS, Buyer has now developed certain portions of the Danmar Property with an automobile dealership (Phase 1) in accordance with that certain deed from the City to Danmar, recorded on June 6, 2019 with the Office of the Winona County Recorder, as Document Number 617202 (the “Danmar Deed”); and

WHEREAS, Danmar purchased additional lots within the Danmar Property as part of the Danmar Deed, which have not yet been developed, with the intention that such additional lots could be used for purposes of a possible future second development (Phase 2) on such additional lots; and

WHEREAS, in 2018, Love’s Travel Stops & Country Stores, Inc. (“Love’s”) purchased from the City the following legally described property adjacent to and westerly of the Danmar Property:

Lot 1, Block 3, Chattanooga Innovation Park, City of St. Charles, Winona County, Minnesota (the “Love’s Property”); and

WHEREAS, the Love’s Property contains approximately 6.83 acres; and

WHEREAS, Love’s needs approximately a total of 10 acres of contiguous land, including the Love’s Property, for their proposed development needs in the City and desires to purchase a portion of the Danmar Property adjacent to and easterly of the Love’s Property for such purposes; and

WHEREAS, the City has most recently purchased from Jack A. Thoreson and Janice M. Thoreson additional land easterly of the Danmar Property for purposes of platting the same for the expansion of the City’s existing Chattanooga Innovation Park with a Second Addition thereto (the “Second Addition”); and
WHEREAS, Danmar is willing to sell Love’s a portion of the Danmar Property to facilitate the Love’s development, provided that the City correspondingly conveys to Danmar replacement property directly east of the Danmar Property (the “replacement property”) located within the Second Addition and further provided that such conveyance of the replacement property is without additional infrastructure costs and assessments for the construction and installation of the roads, sewer, water, stormsewer and electric improvements (the “infrastructure improvements”) needed to serve the replacement property from being imposed upon Danmar at the time such infrastructure improvements are constructed and installed by the City to serve the replacement property; and

WHEREAS, with other prior real estate transactions within the existing Chattanooga Innovation Park, the infrastructure improvements were constructed and installed by the City prior to the conveyance of lots by the City to respective developers and the costs of such infrastructure improvements were included into the sale price of such respective lots or were otherwise part of a business subsidy package to facilitate such economic development and create employment for citizens of the City; and

WHEREAS, for purposes of the Second Addition the infrastructure improvements have not yet been constructed and installed and are not currently planned or scheduled for construction or installation by the City at this time and may not proceed, which determination will remain in the City’s judgment and discretion, until a specific development proposal is brought forward for the replacement property or for other lots located within the Second Addition, which determination by the City or which development proposal, respectively, may not occur for a period of one or more years; and

WHEREAS, pursuant to Minnesota Statutes, Section 469.185, and based upon the foregoing recitals, the City finds that the real estate transaction provided in this Agreement is in the public interest and necessary to facilitate the Love’s development as well as a possible future Phase 2 expansion by Danmar on the replacement property, and will create employment for citizens of the City and promote and enhance industry and economic development in the City.

In consideration of the covenants and agreements of the Parties hereto, Seller and Buyer agree as follows:

1. **SALE OF PROPERTY.** Upon and subject to the terms and conditions of this Agreement, Seller agrees to sell to Buyer, and Buyer agrees to purchase from Seller, the following property:

   a. **Real Property.** The real property located in Winona County, Minnesota, depicted on Exhibit A, attached hereto and incorporated herein by reference, and legally described as follows:

   **Lots 1 and 2, Block 3, Chattanooga Innovation Park, Second Addition, City of St. Charles, Winona County, Minnesota**
excepting any easements and rights benefiting or appurtenant to the Real Property and improvements including any right, title or interest in the bed of any street, road, highway or alley adjoining the Real Property (herein “Real Property” or “replacement property”).

b. **Personal Property:** None.

2. **PURCHASE PRICE AND MANNER OF PAYMENT.** The total purchase price (“Purchase Price”) to be paid by Buyer to Seller for the Real Property is One Hundred Forty-Two Thousand Eight Hundred Seventy-Six and 80/100ths ($142,876.80) Dollars, which amount shall be paid as follows:

   a. $10,000.00 as earnest money; receipt of which is hereby acknowledged by Seller; and
   
   b. $132,876.80 cash, on the Closing date.

3. **CLOSING.** The closing of the purchase and sale contemplated by this Agreement (the “Closing”) shall occur on or before July 31, 2020 (the “Closing Date”), at St. Charles City Hall, 830 Whitewater Avenue, St. Charles, Minnesota 55972, or at such other time and place as may be agreed to mutually by the Parties subject to the contingencies and other terms and conditions contained herein being satisfied. Seller agrees to deliver possession of the Real Property to Buyer on the closing date.

   a. **Seller’s Closing Documents.** On the Closing Date, Seller shall execute and/or deliver to Buyer the following (collectively, “Seller’s Closing Documents”):

      i. **Form of Quit Claim Deed.** Attached hereto and made a part hereof as Exhibit B is the form of the Quit Claim Deed containing the terms, covenants, and conditions upon which the sale of the Real Property is based. The Quit Claim Deed shall contain the following restrictions, covenants, and conditions:

         1. The Real Property herein conveyed shall be devoted to the following use: commercial/industrial.
         
         2. The Real Property shall be devoted to such intended use by the Buyer in accordance with the provisions of the Deed.
         
         3. The Buyer shall not transfer title to the real property within five (5) years after the date of the Deed without the express written consent of the Seller; such consent shall not be unreasonably withheld, conditioned or delayed.
         
         4. Any transfer of title to the Real Property made pursuant to the provisions of paragraph 3 hereof shall be made only to a purchaser
who demonstrates to the satisfaction of Seller that such purchaser has the ability to perform in place of Buyer.

ii. **Well Certificate.** If there are wells on the Real Property, a Well Certificate in the form required by Minn. Stat. § 1031.235.

iii. **Other Affidavits.** Any other affidavits or certificates that may be required under Minn. Stat. § 116.48, Subd. 6, or Sect. 115B.16 or other provisions of law.

iv. **Other.** Such other documents as may reasonably be required to transfer fee title to the Property to Buyer.

b. **Buyer’s Closing Documents.** On the Closing Date, Buyer will execute and/or deliver to Seller the following (collectively, “Buyer’s Closing Documents):

i. **Purchase Price.** The Purchase Price, by check or wire transfer.

ii. **Certificate of Real Estate Value.** A Certificate of Real Estate Value.

4. **CONTINGENCIES.** The obligations of the Parties to perform under this Purchase Agreement are contingent upon the timely occurrence or satisfaction of each of the following conditions prior to or on the Closing Date:

a. On the Closing Date, title to the Real Property shall be acceptable to Buyer subject to and in accordance with the provisions of Section 8 regarding title examination.

b. The representations and warranties of Seller shall be true and correct in all material respects up through and including the Date of Closing.

c. The Parties understand and agree that the purchase of the Property is contingent upon approval by the City Council of the City of St. Charles.

The contingencies in this section are solely for the benefit of, and may at any time be waived by, the Party so benefitted. If any approval as provided herein is not obtained by the Closing Date, this Agreement shall be null and void.

5. **PURCHASE, AS-IS.** The Real Property described in this Purchase Agreement is being sold in an “as is” and with “all faults” condition, Buyer hereby acknowledges that Buyer has had an opportunity to inspect the Real Property prior to the execution of this Agreement. Buyer’s acceptance of title to the Real Property shall represent Buyer’s acknowledgment and agreement that, except as expressly set forth in this Agreement: (i) Seller has not made any written or oral representation or warranty of any kind with respect to the Real Property (including without limitation express or implied warranties of title, merchantability, or fitness for a particular purpose or use), (ii) Buyer has not
relied on any written or oral representation or warranty made by Seller, its agents or employees with respect to the condition or value of the Real Property, (iii) Buyer has had an adequate opportunity to inspect the condition of the Real Property, including without limitation, any environmental testing, and to inspect documents applicable thereto, and Buyer is relying solely on such inspection and testing, and (iv) the condition of the Real Property is fit for Buyer’s intended use. Buyer agrees to accept all risk of Claims (including without limitation all Claims under any Environmental Law and all Claims arising at common law, in equity or under a federal, state or local statute, rule or regulation) whether past, present or future, existing or contingent, known or unknown, arising out of, resulting from or relating to the condition of the property, known or unknown, contemplated or unanticipated, suspected or unsuspected, including without limitation, the presence of any Hazardous Substance on the Real Property, whether such Hazardous Substance is located on or under the Real Property, or has migrated or will migrate from or to the Real Property.

a. For purposes of this Section, the following terms have the following meanings:

i. “Environmental Law” means the Comprehensive Environmental Response, Compensation and Liability Act (“CERCLA”), 42 U.S.C. §9601 et seq., the Resource Conservation and Recovery Act, 42 U.S.C. §9601 et seq. the Federal Water Pollution Control Act, 33 U.S.C. §1201 et seq., the Clean Water Act, 33 U.S.C. §1321 et seq., the Clean Air Act, 42 U.S.C. §7401 et seq., the Toxic Substances Control Act, 33 U.S.C. §1251 et seq., all as amended from time to time, and any other federal, state, local or other governmental statute, regulation, rule, law or ordinance dealing with the protection of human health, safety, natural resources or the environment now existing and hereafter enacted; and

ii. “Hazardous Substance” means any pollutant, contaminant, hazardous substance or waste, solid waste, petroleum product, distillate, or fraction, radioactive material, chemical known to cause cancer or reproductive toxicity, polychlorinated biphenyl or any other chemical, substance or material listed or identified in or regulated by any Environmental Law.

iii. “Claim” or “Claims” means any and all liabilities, suits, claims, counterclaims, causes of action, demands, penalties, debts, obligations, promises, acts, fines, judgment, damages, consequential damages, losses, costs, and expenses of every kind (including without limitation any attorney’s fees, consultant’s fees, costs, remedial action costs, cleanup costs and expenses which may be related to any claims).

6. Wells and Individual Sewage Treatment Systems. The Seller certifies that the Seller does not know of any wells or individual sewage treatment systems on or serving the Real Property described herein.
7. **PRORATIONS.** Seller and Buyer agree to the following prorations and allocation of costs regarding the Real Property and this Agreement.

   a. **Deed Tax.** Buyer shall pay all state deed tax regarding the deed to be delivered by Seller under this Agreement.

   b. **Real Estate Taxes and Special Assessments.** Real estate taxes and any special assessments payable in the year 2019 shall be prorated between Seller and Buyer to the Closing Date. The Buyer shall pay real estate taxes and any special assessments payable therewith in 2020 and thereafter.

   c. **Recording Costs.** Buyer will pay the cost of recording the Deed. Seller shall pay the cost of recording any documents necessary to perfect its own title.

   d. **Other Costs.** All other operating costs of the Real Property will be allocated between Seller and Buyer as of the Closing Date, so that Seller pays that part of such other operating costs accruing on or before the Closing Date, and Buyer pays that part of such operating costs accruing after the Closing Date.

   e. **Attorneys’ Fees.** Each of the parties will pay its own attorneys’, accountants’ and consultants’ fees.

8. **TITLE EXAMINATION.**

   a. **The Delivery of the Title Commitment.** Buyer may obtain, at its option and expense, a commitment for an owner’s policy of title insurance. Buyer shall pay all costs associated with obtaining title insurance including, but not limited to, updating of the abstract or obtaining a new abstract of title for the Real Property, title insurance premiums and title examination fees (hereinafter the “Title Commitment”), issued by a Title Insurance Company authorized to do business in the State of Minnesota and approved by Buyer (hereinafter the “Title Company”). The Title Commitment shall be based upon the description of the Real Property provided herein and shall show fee title in the Seller, subject only to the permitted encumbrances waived in writing by Buyer, and shall provide for extended coverage risks and include special endorsements for zoning, contiguity and such other matters as Buyer may request.

   b. **The Making and Curing of Title Objections.** Buyer shall be allowed fifteen (15) days after receipt of the Title Commitment in which to make objections to the content of the commitment, said objections to be made in writing. If there are any objections to the title which are not remedied by the Closing Date, the Seller shall have sixty (60) days from the date of receipt of said written objections in which to remedy said objections.

   c. **The Consequences of Failing to Cure Title Objections.** If said objections are not remedied within sixty (60) days from the date of Seller’s receipt of said
objections, then Buyer shall have the following two alternatives:

i. Buyer may accept title to said Real Property subject to said objections; or

ii. Buyer may declare this entire transaction to be null and void.

If Buyer declares this transaction to be null and void pursuant to this Section, all Earnest Money paid by Buyer to Seller shall be immediately refunded by Seller to Buyer.

9. ENTIRE AGREEMENT; MODIFICATION. This written Agreement constitutes the complete agreement between the Parties and supersedes any prior oral or written agreements between the Parties regarding the Real Property. There are no verbal agreements that change this Agreement and no waiver of any of its terms will be effective unless in writing executed by the Parties.

10. BINDING EFFECT. This Agreement binds and benefits the Parties and their successors and assigns.

11. CONTROLLING LAW. The Parties acknowledge and agree that each has been given the opportunity to independently review this Agreement with legal counsel, and/or has the requisite experience and sophistication to understand, interpret, and agree to the particular language of this Agreement. The Parties have equal bargaining power, and intend the plain meaning of the provisions of this Agreement. In the event of an ambiguity in or dispute regarding the interpretation of this Agreement, the ambiguity or dispute shall not be resolved by application of any rule that provides for interpretation against the drafter of the Agreement. This Agreement has been made under the laws of the State of Minnesota, and such laws will control its interpretation.

12. DATES AND TIME PERIODS. Should the date for the giving of any notice, the performance of any act, or the beginning or end of any period provided for herein fall on a Saturday, Sunday or legal holiday, such date shall be extended to the next succeeding business day which is not a Saturday, Sunday or legal holiday.

13. NOTICES. Any notice required or permitted to be given by any party upon the other is given in accordance with this Agreement if it is directed to Seller by delivering it personally to an officer of Seller; or if it is directed to Buyer, by delivering to a partner of Buyer; or if mailed by United States registered or certified mail; return receipt requested, postage prepaid; or if deposited cost paid with a nationally recognized, reputable overnight courier, properly addressed as follows:

If to Buyer:  Mark Saba, Manager
Danmar Properties, LLC
12101 35W South
Burnsville, MN 55337
If to Seller: Nick Koverman, City Administrator
City of St. Charles
830 Whitewater Avenue
St. Charles, MN 55972

Notices shall be deemed effective on the earlier of the date of receipt or the date of deposit as aforesaid; provided, however, that if notice is given by deposit, that the time for response to any notice by the other party shall commence to run two (2) business days after any such deposit. Any party may change its address for the service of notice by giving written notice of such change to the other party, in any manner above specified.

14. REMEDIES. If Buyer defaults under this Agreement, Seller shall have the right to terminate this Agreement by giving written notice to Buyer. If Buyer fails to cure such default within thirty (30) days after receipt of such written notice, this Agreement will terminate, and upon such termination Seller will retain the Earnest Money as liquidated damages, time being of the essence of this Agreement. The termination of this Agreement and retention of the Earnest Money will be the sole remedy available to Seller for such default by Buyer, and Buyer will not be liable for damages. If Seller defaults under this Agreement, Buyer may terminate the Agreement upon thirty (30) days’ written notice to Seller (Seller having cure rights during the 30-day period), and upon such termination, the Earnest Money shall be refunded to Buyer and thereafter, neither party shall have any further rights or obligations hereunder.

15. INFRASTRUCTURE IMPROVEMENTS. In consideration of Danmar selling Love’s a portion of the Danmar Property to facilitate the Love’s development, and pursuant to Minnesota Statutes, Section 469.185, the City hereby agrees to convey to Danmar the replacement property described herein without imposing any additional infrastructure costs and assessments for the construction and installation of the roads, sewer, water, stormsewer and electric improvements (the “infrastructure improvements”) needed to serve the replacement property at the time such infrastructure improvements are constructed and installed by the City to serve the replacement property. Buyer and Seller agree that City construction and installation of the infrastructure improvements within the Second Addition by the City shall be at such time as the City determines in its sole judgment and discretion, provided however that if Danmar submits a complete site plan to the City, which is otherwise in compliance with City Code, for an industrial/commercial development upon the replacement property, the City shall within 18 months of the date the City Administrator determines such site plan submission is complete, construct and install the infrastructure improvements to serve the proposed development on the replacement property. The City reserves to right to construct and install the infrastructure improvements, or any portion thereof, within the Second Addition, or to any portion thereof, at any time, except as otherwise provided in this section. The City reserves the right to impose the costs and assessments for the same upon all other lots within the Second addition other than the replacement property described herein. The Parties agree that the City has the legal authority to assess the replacement property for future public improvements, other than the initial construction and installation of the infrastructure improvements provided herein, which otherwise
benefit the replacement property in accordance with applicable law. The Parties agree to execute such documentation as the City may deem necessary or advisable to allow the City to construct and install the infrastructure improvements, including but not limited to a business subsidy agreement in the event that the City determines that the infrastructure improvements benefiting the replacement property constitute a business subsidy under the Minnesota Business Subsidy Act, Minnesota Statues, Sections 116J.993-116J.995, as amended.

16. MISCELLANEOUS PROVISIONS.

a. **Voluntary and Knowing Action.** The Parties, by executing this Agreement, state that they have carefully read this Agreement and understand fully the contents thereof; that in executing this Agreement they voluntarily accept all terms described in this Agreement without duress, coercion, undue influence, or otherwise, and that they intend to be legally bound thereby.

b. **Authorized Signatories.** The Parties each represent and warrant to the other that (1) the persons signing this Agreement are authorized signatories for the entities represented, and (2) no further approvals, actions or ratifications are needed for the full enforceability of this Agreement; each party indemnifies and holds the other harmless against any breach of the foregoing representation and warranty.

c. **Data Practices.** The Parties acknowledge that this Agreement is subject to the requirements of Minnesota’s Government Data Practices Act, Minnesota Statutes, Section 13.01 et seq.

d. **Assignment.** This Agreement may not be assigned by either Party without the written consent of the other Party, which consent shall not be unreasonably withheld, conditioned or delayed.

e. **Headings and Captions.** Headings and captions contained in this Agreement are for convenience only and are not intended to alter any of the provisions of this Agreement and shall not be used for the interpretation of the validity of the Agreement or any provision hereof.

f. **Survival.** The respective covenants, agreements, indemnifications, warranties and other terms of this Agreement will survive and be in full force and effect for a period of twelve (12) months after the Closing, and shall not be deemed to have merged into any of the Closing Documents.

g. **Other Documents.** Each Party to this Agreement agrees, both at the Closing and after the Closing, to execute such other documents as may be reasonably requested by the other Party in order to complete the transactions contemplated by this Agreement.

h. **Recitals.** The recitals hereto are made a part hereof.
i. **Counterparts.** This Purchase Agreement may be executed in counterparts, each of which shall be deemed an original, and which together shall constitute a single, integrated contract.

17. **SELLER’S TRANSACTION APPROVAL.** Seller’s obligation to perform hereunder is contingent upon Seller obtaining, before the Closing Date, approval of the transaction contemplated by this Agreement by the City Council of the City of St. Charles, Minnesota. Notwithstanding anything in this Agreement to the contrary, if such approval has not been obtained by the Closing Date, this Agreement shall be null and void, and in this event Seller will return the earnest money paid by Buyer. Execution of this Agreement by any person on behalf of the Seller prior to obtaining the necessary approvals provided herein shall not confer any personal authority nor create any personal liability on the signer for the obligations of Seller under this Agreement.

*Remainder of this page intentionally left blank.*
IN WITNESS WHEREOF, Seller and Buyer have each executed this Agreement in their corporate names as of the date first written above.

BUYER:  
DANMAR PROPERTIES, LLC

Date: ____________________________  By: ____________________________  
Mark Saba, Its MANAGER

STATE OF MINNESOTA  )  ) ss.
COUNTY OF WINONA  )  

This instrument was acknowledged before me on ____________________________, 2020, by Mark Saba, the Manager of Danmar Properties, LLC, a limited liability company under the laws of the State of Minnesota, Buyer.

(Notary Seal)  

__________________________________________________________  
Notary Public
SELLER:
CITY OF ST. CHARLES, MINNESOTA

Date: ____________________________

By: _________________________________
   John Schaber, Its Mayor

Date: ____________________________

By: _________________________________
   Nick Koverman, Its City Administrator

STATE OF MINNESOTA )
) ss.
COUNTY OF WINONA )

This instrument was acknowledged before me on ________________, 2020, by John Schaber, the Mayor, and by Nick Koverman, the City Administrator of the City of St. Charles, Minnesota, a municipal corporation under the laws of the State of Minnesota, Seller.

(Notary Seal)

__________________________________________
Notary Public

THIS INSTRUMENT WAS DRAFTED BY:

FLAHERTY & HOOD, P.A.
525 Park Street, Suite 470
St. Paul, MN  55103
Phone: 651-225-8840
Fax: 651-225-9088
ORDINANCE # 617

AN ORDINANCE RENAMING CERTAIN STREETS WITH THE ST. CHARLES CITY CODE.

THE CITY COUNCIL OF THE CITY OF ST. CHARLES DOES ORDAIN:

Section (1). The City finds that it is in the best interest of the citizens of St. Charles that a portion of South Park Road street name be changed. The portion of the street known as South Park Road/Park Road SE and platted as Park Road running West to East on the subdivision plats of Golf Course Estates and Golf Course Estates 2nd described as follows: Beginning at the intersection of the East line of the currently called Park Rd and the west line of the currently called South Park Road/Park Road SE thence East following South Park Road/Park Road SE to the intersection with the East line of Gladiola Drive if said East line were extended and thus ending. Said Road being located in the City of St. Charles, Winona County, Minnesota. These portions of the street names to be changed as indicated:

<table>
<thead>
<tr>
<th>Existing Street Name</th>
<th>Changed To</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. South Park Road</td>
<td>East Park Road</td>
</tr>
<tr>
<td>2. South Park Road (as platted on Subdivision plat of Countryside Acres And continuing to the south line of The SE ¼ of the NW ¼ Section 29, Township 106, Range 10).</td>
<td>Park Road</td>
</tr>
</tbody>
</table>

Section (2) Effective Date. This ordinance shall become effective 30 days after its publication.

Adopted by the Council of the City of St. Charles, Minnesota this 11th day of February 2020.

______________________________
John Schaber, Mayor

Attest: __________________________
Nick Koverman, City Administrator

First Reading:

Date: ________________

Ayes: ____________________________________________
Nays: ____________________________________________
Absent: __________________________________________
Abstain __________________________________________

Page 1 of 2
Second Reading:
Date: ________________

Ayes: __________________________________________
Nays: __________________________________________
Absent: _________________________________________
Abstain _________________________________________

Published:
Date: ________________
That part of the Road currently known as South Park Road/Park Road SE and platted as Park Road running West to East on the subdivision plats of Golf Course Estates and Golf Course Estates 2nd. Described as follows: Beginning at the intersection of the East line of the currently called Park Rd and the west line of the currently called South Park Road/Park Road SE thence East following South Park Road/Park Road SE to the intersection with the East line of Gladiola Drive if said East line were extended and thus ending. Said Road being located in the City of St Charles, Winona County, Minnesota.

As shown on attached map.

Shall now be known as East Park Road
Disclaimer: This map is created from data contained in Winona County GIS and is for reference purposes only. While significant effort has been invested to depict boundary extents as accurately as possible per existing records, this map should not be considered a replacement for professional land survey.
South Park Road as platted on the subdivision plat of Countryside Acres and continuing south to the south line of the SE ¼ of the NW ¼ Section 29 Township 106 Range 10, being located in the City of St Charles, Winona County, Minnesota

As shown on attached map.

Shall be known as Park Road.
Winona County Parcel Sketch

Roads
- Interstate
- US/State Highways
- County Road
- Township Roads
- City Streets
- Private Drives
- Other
- Quarters
- Lots
- Sections
- Townships
- Subdivisions
- Municipalities

Date created: 1/14/2020
Time created: 3:52:43 PM
Coordinate System: WGS 1984 Web Mercator Auxiliary Sphere

Disclaimer: This map is created from data contained in Winona County GIS and is for reference purposes only. While significant effort has been invested to depict boundary extents as accurately as possible per existing records, this map should not be considered a replacement for professional land survey.
Employee and Volunteer Recognition Program

Purpose:
The St. Charles City Council has adopted an Employee and Recognition Program policy for the public purpose of expressing appreciation for employee and volunteer accomplishments, acknowledgement of contributions made by employees and volunteers to the advancement of the City’s business objectives, promotion of a healthy workplace that aids in attracting and retaining employees and volunteers. The following information will serve as guidelines relating to the implementation of this City of St. Charles policy.

Annual Departmental Employee Recognition Fund
A budget within each City Department will be established to be spent in accordance with this policy in recognition of City employees.

Employee Recognition
The City of St. Charles will provide a plaque at anniversary dates commencing on the 5th year of continuous service and continuing every 5 years. In addition, ten dollars ($10) per person may be used to purchase employee recognition gifts for those receiving anniversary plaques and special commendations.

With the approval of the department head, these funds may also be utilized to purchase clothing which contains a City logo for each department member on a yearly basis in order to express appreciation for a department’s good work. Each member of the department should receive the same worth of clothing item, not to exceed $50 per employee.

Funds should never be used to purchase and/or be distributed as monetary rewards (i.e. gift cards/certificates).

All full and part time employees of the City may attend an annual Employee-Volunteer Appreciation Dinner in recognition of their continued service to the citizens of St. Charles.

Retirement and Employee Separation Recognition Event
Full-time employees with 20 or more years of service with the City of St. Charles are eligible to receive a service award upon their voluntary retirement or resignation. The Department Head or his/her designee is responsible for planning an event for the retiring employee.

Total expenses for this event, which the City of St. Charles will be responsible for, will not exceed $150.00. Additional expenses may be supplemented by the departmental employees if they choose. In addition to the $150.00 allowed expenses for the event, a retiring employee will be presented with an appropriate gift selected by the department (excluding gift certificates/cards and cash) with a value up to:

<table>
<thead>
<tr>
<th>Years of Service</th>
<th>Gift Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>20</td>
<td>$150.00</td>
</tr>
</tbody>
</table>
Upon reaching an employee’s 30th anniversary, regardless of voluntary retirement or resignation, would hereby qualify for the 30-year gift, but would not receive a duplicate benefit upon their eventual voluntary retirement or resignation.

The department head or his/her designee may choose an appropriate gift for the retiree based upon these established amounts.

**Annual Employee-Volunteer Dinner**

Each year, the City shall hold an annual employee-volunteer dinner, inviting all regular full and part-time staff; contracted City Engineer, building inspector, and City Attorney; and volunteers who serve on City Boards, Commissions, and Committee within the past year. Members of the City fire and ambulance units may only attend if their department heads decide to use the line items of their budgets to attend the annual dinner in lieu of supporting a St. Charles Fire Relief Association recognition event. The purpose of the dinner is to recognize the accomplishments of the City’s employees and volunteers, in furtherance of this policy.

**Fire and Ambulance Recognition Event**

The City of St. Charles recognizes the substantial contributions to the community of the volunteer Firefighters and Ambulance personnel. As such, recognizing the members of these departments is a key object of the City, in order to encourage the continued recruitment of talented men and women.

The heads of the City Fire and Ambulance Departments may use the funds provided for volunteer recognition either to hold a separate event in coordination with the St. Charles Fire Relief Association or for the volunteer members of the Fire and Ambulance Departments to attend the annual Employee-Volunteer Dinner.

If used for a separate event, City funds shall not pay for: alcoholic beverages, the attendance of family members or other third parties, or monetary rewards (i.e. gift certificates/cards or cash). City funds may provide recognition items, such as plaques, service awards, Hometown Hero awards; food; or other items necessary to achieve the objective of the volunteer recognition program.

**Volunteer Recognition Program**

**Purpose:** Certain departments within the City of St. Charles utilize citizen volunteers through its various Boards, Commissions, and Committees for the purpose of assisting staff in the advancement of City and/or departmental strategic objectives. As such, volunteer recognition is a key component of the objectives of the City of St. Charles. These volunteers have made substantial contributions to the community by donating their time and talents to City-sponsored activities/meetings.

**Board Appreciation/Volunteer Recognition Awards**
Funding for volunteer recognition will be designated by each department and approved by the City Administrator as well as by Council in the annual budget approval process. Funds should never be used to purchase and/or distributed as monetary rewards (i.e. gift certificates/cards or cash). Examples of such recognition items includes, but is not limited to, plaques, Community Service awards and Hometown Heroes awards.

Date:____________________

____________________
John Schaber, Mayor

ATTEST:

____________________
Nick Koverman, City Administrator
Statement of Position
Employee Recognition Programs and Events

Local units of government often ask whether they can spend money to hold holiday parties, employee banquets or other employee social events. These questions appear to be motivated by a desire to celebrate a holiday or significant event in an employee’s career or to generally boost morale in the workplace. Important limitations exist on the use of public funds for employee social and recognition events.

The key question is whether a local government has legal authority for this type of expenditure. Generally, in order to spend money, a local government must have authority to do so. Authority for an expenditure may be specifically stated in a statute or charter, or it may be implied as necessary to do what an express power authorizes.

The Minnesota Attorney General’s Office has considered the issue several times and has consistently said that local governments do not have implied authority to sponsor employee social events simply because they have the express power to compensate employees.

Instead, the Attorney General’s position is that non-monetary benefits must be specifically authorized by law or charter. Based on this rationale, the Attorney General’s Office wrote to the Champlin city attorney in 1998, indicating that no statutory authority existed for a city to hold an annual employee appreciation dinner or to award employee recognition gifts to employees. The Attorney General’s Office stated: “[W]hile an agreed upon monetary bonus might be provided as part of a salary plan to employees who meet performance or longevity standards, we are at a loss to locate authority for expenditures of funds for in-kind awards or social occasions of the type described.”

Limited Statutory Authority Granted to Counties and Cities

Counties and cities have specific authority for a wellness and employee recognition program under Minn. Stat. § 15.46. This statute states that a county or a statutory or home rule charter city “may establish and operate a program of preventive health and employee recognition services for its employees and may provide necessary staff, equipment, and facilities and may expend funds as necessary to achieve the objectives of the program.” Cities were added to the statute in 2007. This statute does not currently extend to other local units of government.

Reviewed: February 2014
Revised: February 2014

This Statement of Position is not legal advice and is subject to revision.
Properly established programs should be in writing and approved by the county board or city council. They should include clear wellness and recognition objectives. The county board or city council must determine what amounts can be expended as “necessary to achieve the objectives of the program.”

The Office of the State Auditor, in reviewing county or city expenditures for wellness and employee recognition programs, will be guided by what is permitted and what is prohibited for state employees. Counties and cities cannot simply provide employee banquets or parties for all employees. County and city funds can be spent only as necessary to achieve the objectives of an established wellness and employee recognition program. The public entity may not pay for spouses or third parties to attend a recognition event. In addition, expenditure of public funds to purchase alcohol is not permitted.

**Towns Have Specific Statutory Authority Regarding Volunteers and Retiring Officers**

Although towns are not mentioned in section 15.46, the 2008 Legislature granted town electors the authority to set an amount of money for the town board to spend recognizing “volunteers, service efforts, and retiring town officers.”¹ The statute specifically requires the electors at their annual town meeting to set the amount of money to be spent on these recognitions. Absent such a vote by the electors, towns do not have authority to hold volunteer or retiring officer recognition events.

**School Districts Have Separate Specific Authority**

School districts have separate specific statutory authority to recognize district employees. A school board may establish and operate an employee recognition program for district employees, including teachers, and may expend funds as necessary to achieve the objectives of the program. The statute specifically states, however, that employee recognition programs “shall not include monetary awards.”²

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¹ Minn. Stat. § 365.10, subd.12.
² See Minn. Stat. §123B.02, subd. 14a.