



The City Council of the City of St. Charles welcomes you to its  
 Regular Meeting of Tuesday, June 22, 2021 at 6:00 p.m.  
 at 830 Whitewater Avenue, City Council Chambers, St. Charles, Minnesota.

ITEM	ACTION REQUESTED
1. Call to Order	
2. Pledge of Allegiance	
3. Approval of the Agenda	
4. Notices and Communications – (LMC, MN DNR-Drought Info)	
5. Review of Financials	
6. Fire Department Training Burn Request-July 31, 2021	APPROVE
7. Public Hearing—MDD No. 1 and Housing TIF No. 1-9	HOLD
8. Resolution #29-2021 Approving TIF No. 1-9	APPROVE
9. 2020 Energy Program Recap-Franklin Energy	INFORMATION
10. Request for Alley Vacation (848 Wabasha Ave)	APPROVE
11. MMUA Partners4Purpose Participation	APPROVE
12. Resolution #30-2021 Accepting a Library Donation from Legion Aux.	APPROVE
13. Resolution #31-2021 App. for Lawful Gambling-Bluffland Whitetails	APPROVE

**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

Please Note: Some or all councilmembers may participate by telephone or other electronic means as permitted through Minn. Stat. 13D.021.

To attend the conference call please dial 1-320-460-1726 and the  
 conference ID: 995 262 38#



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**MEMORANDUM for the CITY COUNCIL of St. Charles for**  
**Tuesday, June 22, 2021**

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**6. Fire Department Training Burn Request-July 31, 2021.** Please see the enclosed Request For Council Action.

**7. Public Hearing—MDD No. 1 and Housing TIF No. 1-9.** A public hearing will be held regarding the proposed Housing TIF District. Mike Bubany of David Drown & Associates will be present to highlight the enclosed plan and resolution.

**8. Resolution #29-2021 Approving TIF No. 1-9.** Mike Bubany of David Drown & Associates will be present to review the resolution as presented.

**9. 2020 Conservation Improvement Program Recap – Franklin Energy.** Joe Plummer will be present via TEAMS to provide a brief synopsis of the information included in the packet on the 2020 Energy Efficiency programs.

**10. Request for Alley Vacation (848 Wabasha Avenue).** Enclosed is a request to vacate an alley adjacent to 848 Wabasha Avenue. Public Works Director Karger has been in contact with the property owner regarding the request and upon review of the use and the alley, it would be Director Karger's recommendation that maintaining the alley that has been primarily a private drive for many years serves the city in any form. Access to utility lines are approachable from the west in the remainder of the alley that runs the length of the block. A map is included for reference.

**11. MMUA Partners4Purpose Participation.** Included in the packet is request from Minnesota Municipal Utility Association (MMUA) Executive Director Mike Willets has asked if members would be willing to provide a minimum of 8 hours of time in extreme medical emergencies to fellow members on a short term basis as a mutual aid aspect.

**12. Resolution #30-2021 Accepting a Library Donation from Legion Auxiliary.** Please see the enclosed resolution for consideration.

**13. Resolution #31-2021 Application for Gambling-Bluffland Whitetails.** Enclosed for consideration is resolution for lawful gambling by the Bluffland Whitetails Association.



June 11, 2021

City of Saint Charles  
830 Whitewater Ave  
Saint Charles, MN 55972-1129

Dear Mayors and Administrators,

Greetings. We hope that you are doing well and are experiencing renewed energy and excitement about the summer days ahead.

At its June meeting, the League's Board of Directors approved a preliminary maximum membership dues schedule increase of 4% (four percent) for the fiscal year (FY) 2021-22 that runs from September 1, 2021 through August 31, 2022. This is only the second proposed dues increase in the past five fiscal years and reflects the evolving needs of our members. You may recall that the Board opted for no dues increase for FY 2020-21 in anticipation of member budget concerns associated with the COVID-19 pandemic.

Setting the maximum dues schedule increase is similar to a city setting its preliminary levy increase, in that the final dues schedule increase to be approved by the League Board cannot exceed the preliminary approved increase. The Board will formally discuss and approve a final dues schedule increase along with the League's FY 2022 budget at its August meeting.

We are carefully assessing the future of our work and planning programs and services in a post pandemic environment. Anticipated changes in the FY 2022 budget include the addition of two new staff to respond to member needs, and updates and enhancements to our education and training programs. As in every budget cycle, the League is committed to enhancing and improving our base operations and services too.

The past year has certainly been challenging for all of us. We will continue to reach out to members in the coming days to learn more about how the League can adapt to the changing needs of member cities in a post-pandemic world.

Feel free to contact David Unmacht at (651) 281-1205 or [dunmacht@lmc.org](mailto:dunmacht@lmc.org) with any questions. If your future travels lead you to St. Paul, be sure to stop by the League to visit the new member areas of our renovated building on University Avenue. We'd love to give you a tour and have you use our space.

The League staff is serious about our responsibility to carefully manage member assets and we thank you for your continued support of the work we do on your behalf.

Brad Wiersum

A handwritten signature in cursive script, appearing to read "Brad Wiersum".

President

David Unmacht

A handwritten signature in cursive script, appearing to read "David Unmacht".

Executive Director



Minnesota Department of Natural Resources  
500 Lafayette Road  
St. Paul, MN 55155-4025

June 15, 2021

**Subject: Drought Conditions and Water Conservation**

Dear Water Supplier,

Drought is a naturally occurring aspect of Minnesota's climate. In 2021 we have seen abnormally dry conditions to moderate drought conditions since early spring in many parts of the state. If dry conditions continue in specific areas of the state, the DNR might need to ask cities with persistent moderate drought conditions to begin implementing their Local Water Supply Plan water conservation measures and water use restrictions.

For water suppliers serving over 1,000 people, please take a few minutes to review your Water Supply Plan sections on Emergency Preparedness Procedures, Water Conservation, and specifically the Triggers of Allocation and Demand Reduction Actions. You may want to request time at your next city council meeting to update them on the city's roles and responsibilities during a drought.

As the summer heats up, consider focusing your water conservation education and outreach on outdoor water use. There are effective ready-made messages available for your convenience:

- DNR [Water Conservation](#) webpage
- University of Minnesota [Turfgrass Science](#) irrigation resources
- EPA [WaterSense Program](#)
- Metropolitan Council [Water Conservation Toolbox](#)
- [Minnesota Rural Water Association](#) downloadable ads

Also, please alert your local [DNR hydrologists](#) to any water supply concerns or issues during the summer.

[Sign up](#) to receive GovDelivery updates about drought in Minnesota, drought preparations and response, and important ways to conserve water.

Sincerely,

**Randall Doneen**

Conservation Assistance and Regulations (CAR) Section Manager | Ecological & Water Resources

Phone: 651-259-5156

Email: [randall.doneen@state.mn.us](mailto:randall.doneen@state.mn.us)

[mndnr.gov](http://mndnr.gov)



CITY OF ST. CHARLES

ORDINANCE #614

AN ORDINANCE OF THE CITY OF ST. CHARLES, MINNESOTA, AMENDING CHAPTER 51 OF THE ST. CHARLES WATER CODE REGULATING NONESSENTIAL WATER USAGE UPON CRITICAL WATER DEFICIENCY AS AUTHORIZED BY MINN. STAT. § 103G.291, SUBD. 1 AND 2.

THE CITY OF ST. CHARLES DOES ORDAIN (deleted material is enclosed in brackets and lined out; new material is underlined; subsections which are not being amended are omitted):

Section 1. Title V: Public Works, Chapter 51: Water, is amended to add a new Section 51.04, as follows:

**§ 51.04 REGULATING NON ESSENTIAL WATER USAGE UPON CRITICAL WATER DEFICIENCY**

(A) Purpose. This ordinance establishes water conservation restrictions; and the plan will be in effect at any time the governor declares by executive order a critical water deficiency, pursuant to Minnesota Statutes section 103G.291.

(B) Definitions.

For the purpose of this chapter, the following definitions shall apply unless the context clearly indicates or requires a different meaning.

**CLERK.** In statutory cities means the person assigned duties pursuant to Minn. Stat. § 412.151; or the city manager pursuant to Minn. Stat. § 412.601 – 412.751 or in charter cities as determined by city charter.

**DEPARTMENT.** The city water department.

**EMERGENCY.** The declaration of a critical water deficiency by the governor.

**IRRIGATION.** The watering of shrubs, trees, sod, seeded areas, gardens, lawns, or any other outdoor vegetation, except outdoor vegetation utilized for agricultural purposes.

**NOTIFICATION TO PUBLIC.** The notification to the public through local media, including interviews and issuance of news releases.

**PUBLIC WATER SUPPLIER.** The city or other entity that owns, manages, or operates a public water supply, as defined in Minn. Stat. § 144.382, subdivision 4.

**RECLAIMED WATER.** Water collected from rooftops, paved surfaces, or other collection devices and all water utilized more than once before re-entering the natural water cycle.

**WATER RECIRCULATION SYSTEM.** Any system which enables a user to reuse water at least once prior to returning the water to the natural water cycle.

(C) Application

(1) This ordinance applies to all customers of public water suppliers who own or control water use on any premises.

(2) No person shall make, cause, use, or permit the use of water received from a public water supply for residential, commercial, industrial, governmental, or any other purpose in any manner contrary to any provision in this ordinance.

(3) Mandatory emergency conservation measures shall be implemented based upon the declaration of a critical water emergency by the governor.

(D) Declaration of Critical Water Deficiency. Upon the declaration of a critical water deficiency by the governor, the public water supplier shall immediately post notice of the emergency declaration at the usual meeting place of the city council, or the official city bulletin board. The city shall provide notification to the public as quickly as possible or through established water supply plans emergency response plans or procedures.

(E) Mandatory Emergency Water Conservation Measures. Upon declaration of a water emergency and notification to the public, the following mandatory restrictions upon nonessential water use shall be enforced:

(1) Outdoor irrigation of yards, gardens, golf courses, parklands, and other non-agricultural land, except for those areas irrigated with reclaimed water, is prohibited.

(2) Washing or spraying of sidewalks, driveways, parking areas, tennis courts, patios, or other paved areas with water from any pressurized source, including garden hoses, except to alleviate immediate health or safety hazards, is prohibited.

(3) The outdoor use of any water-based play apparatus connected to a pressurized source is prohibited.

(4) Restaurants and other food service establishments are prohibited from serving water to their customers, unless water is specifically requested by the customer.

(5) Operation of outdoor misting systems used to cool public areas is prohibited.

(6) The filling of swimming pools, fountains, spas, or other exterior water features is prohibited.

(7) The washing of automobiles, trucks, trailers, and other types of mobile equipment is prohibited, except at facilities equipped with wash water recirculation systems, and for vehicles requiring frequent washing to protect public health, safety, and welfare.

(F) Variances. The City Administrator or their designee, is authorized to grant variances to this ordinance where strict application of its provisions would result in serious hardship to a customer. A variance may be granted only for reasons involving health or safety. An applicant may appeal the denial of a variance within five (5) days of the decision by submitting a written appeal to the City

Administrator. The City Council shall hear the appeal at the next City Council meeting. The decision of the City Council is final.

(G) Violations.

(1) Violations shall be determined and cited by the City Administrator or his/her designee. A violator may appeal the citation within five (5) days of its issuance by submitting a written appeal to the City. The City Council shall hear the appeal at the next City Council meeting. The decision of the City Council is final. Violators may be granted an administrative waiver if evidence is provided that equipment failure was the cause of the violation. A letter from a qualified vendor or equipment invoice will be required to show proof of equipment failure.

(2) Upon discovery of a first violation, the violator shall be issued, either personally or by mail, a warning letter that sets forth the violation and which shall describe the remedy and fines for future violations.

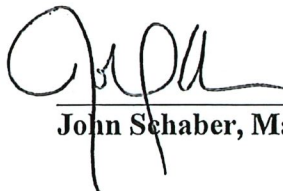
(3) Upon subsequent violations at the same location, the violator shall be issued, either personally or by mail, a citation that sets forth the violation and shall describe the remedy. Fines shall be added to the monthly water bill of the owner or current occupant of the premises where the violation occurred. The imposition of the fine shall in no way limit the right of the City to pursue other legal remedies.

(H) Enforcement. The City Administrator or his/her designee is authorized to designate city employees or law enforcement personnel to enforce the provisions of this ordinance.

(I) Severability. If any provision of this ordinance or the application of any provision to a particular situation is held to be invalid by a court of competent jurisdiction, the remaining portions of the ordinance and the application of the ordinance to any other situation shall not be invalidated.

Section 2: This Ordinance shall take effect thirty days after its publication.

Adopted this 2nd day of January, 2020 by the City Council of the City of St. Charles, Minnesota.

  
\_\_\_\_\_  
John Schaber, Mayor

Attest:



Nick Koverman, City Administrator

First Reading:

Date: 12/10/19

Ayes: John Schaber, Wayne Getz, Dave Braun, David Kramer, Craig Hilmer

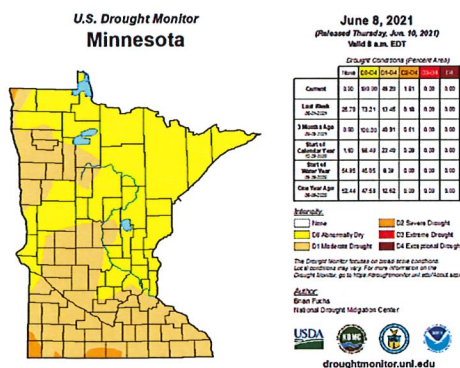
By: Luigi Romolo – Climatology;  
Nelson, Miller & Hovey – Water Regulation Unit

## Key Messages in this Update

1. Drought management actions:
  - a. **New:** Drought conditions continue to expand. Coverage of moderate drought is now 50% of the state and severe drought accounts for 5%. The rest of the state is abnormally dry.
  - b. Minnesota is currently in the Drought Watch Phase. This means that a significant portion of the watershed is Abnormally Dry or in a Moderate Drought.
  - c. The weather prediction models call for seasonable temperatures for the remainder of June, (not in 90s) but only 50% of normal rainfall. Early July is looking to be hot again.
  - d. Field staff are hearing complaints about low water levels on lakes and a few blue-green algae blooms.
  - e. See below for additional drought management actions.
2. Streamflow management actions:
  - a. **New:** The main stem of the Mississippi River is low, as are the St. Croix River and Lake Superior basins.
  - b. Three watersheds in the north central and northwestern MN dropped below the Q90 on Sunday, June 13, 2021. There is potential for 100 permits to be suspended in the Crow Wing and Redeye watersheds.
3. Fire management actions:
  - a. **New:** As of June 17, 2021, fire danger is high to extreme over the entire state. Extreme fire danger dominates the west central counties.
  - b. DNR is requiring permits, or other restrictions in all counties of the state. Five counties now do not allow open burning, however campfires are allowed.

## Drought Information

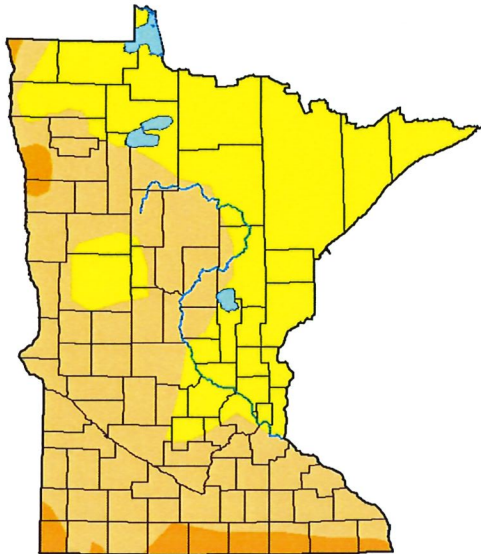
Last 2 weeks of Drought Maps:



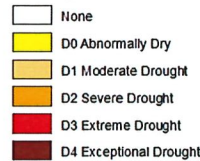


**U.S. Drought Monitor  
Minnesota**

**June 15, 2021**  
(Released Thursday, Jun. 17, 2021)  
Valid 8 a.m. EDT



**Intensity:**



*The Drought Monitor focuses on broad-scale conditions. Local conditions may vary. For more information on the Drought Monitor, go to <https://droughtmonitor.unl.edu/About.aspx>*

**Author:**

Curtis Riganti  
National Drought Mitigation Center



[droughtmonitor.unl.edu](https://droughtmonitor.unl.edu)

Links to the maps: <https://droughtmonitor.unl.edu/CurrentMap/StateDroughtMonitor.aspx?MN>

**Drought Analysis and Recommendations:**

1. Verbal Description of the drought situation:
  - a. Counties in exceptional drought (D4): 0
  - b. Counties in extreme drought (D3): 0
  - c. Counties in severe drought (D2): **New: 12**
  - d. Counties in moderate drought (D1): **New: Over 70** counties in the northwest and southern counties of the state.
  - e. Counties abnormally dry (D0 – not drought): **New: 17**
  - f. Estimated population in Drought Areas: 2,526,026
2. Drought management actions:
  - a. 6/14 to 6/16 there were 13 drought media contacts, plus 8 fire media contacts
  - b. Currently there are six possible well interference complaints, but no forms have been submitted yet. One is from the City of Darwin municipal water supply.
  - c. Drought management actions taken this week include: email notices to State Drought Task Force informing them of conditions; emails to all municipalities notifying them of drought conditions, suggest review of Water Supply Plans and conservation measures; emails to all irrigators encouraging water conservation; emails to hydroelectric operators asking them to review their Low Flow Plans. Drought Communications Plan is drafted, Commissioner Office briefings are scheduled, media replies completed. Monitor Mississippi River flows and coordinate with the U.S. Army Corps of Engineers (USACE).
  - d. Upcoming actions: Initiate public awareness. Develop a new tracking system for drought Impacts and observations, email livestock operators, and send a general message through MPARS.

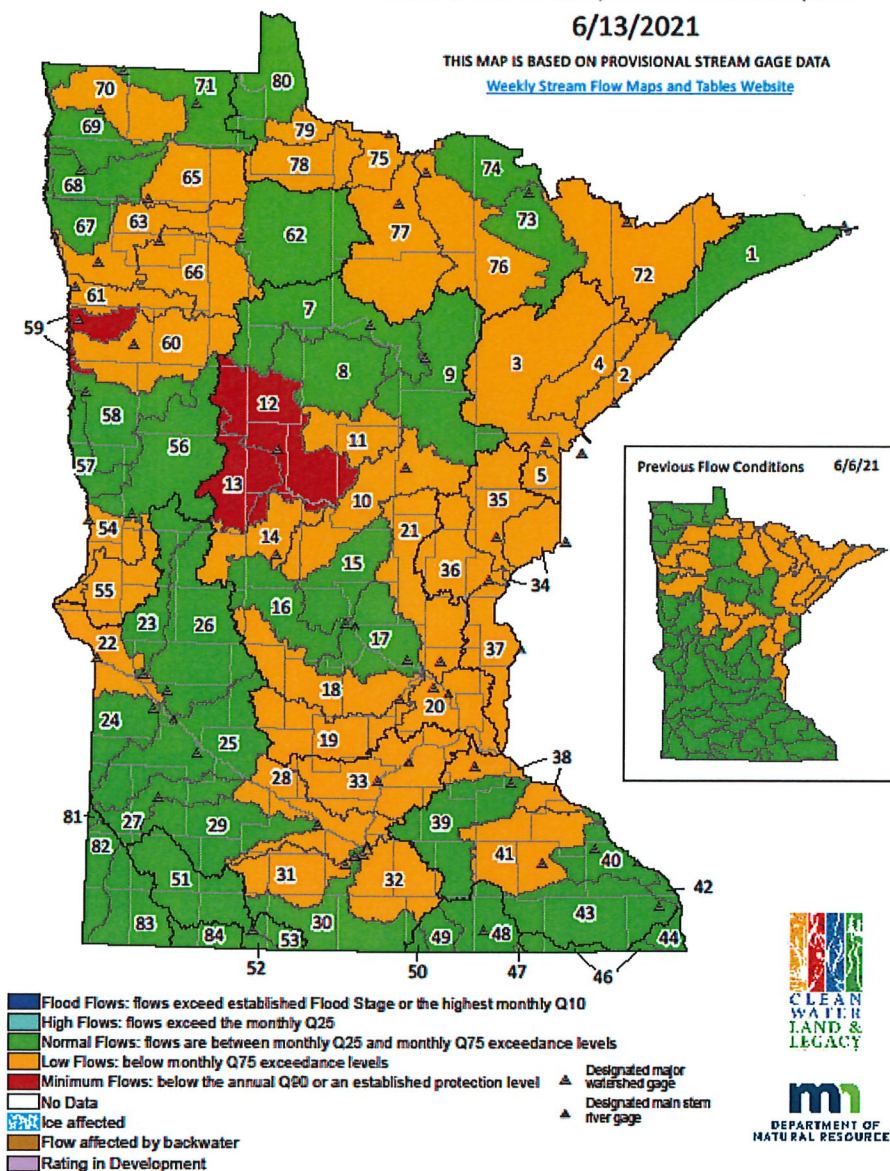
**For additional information contact:**

1. Luigi Romolo, State Climatologist, 651-296-4212; [luigi.romolo@state.mn.us](mailto:luigi.romolo@state.mn.us)
2. Tom Hovey, Water Regulations Unit Supervisor, 651-259-5654; [tom.hovey@state.mn.us](mailto:tom.hovey@state.mn.us)

## Streamflow Information

### Minnesota Weekly Stream Flow Report 6/13/2021

THIS MAP IS BASED ON PROVISIONAL STREAM GAGE DATA  
[Weekly Stream Flow Maps and Tables Website](https://www.dnr.state.mn.us/waters/surfacewater_section/stream_hydro/streamflow_weekly.html)



Links to the map: [https://www.dnr.state.mn.us/waters/surfacewater\\_section/stream\\_hydro/streamflow\\_weekly.html](https://www.dnr.state.mn.us/waters/surfacewater_section/stream_hydro/streamflow_weekly.html)

### Analysis and Recommendations:

- Verbal description of the streamflow situation:
  - Watersheds at Minimum Flow (below Q90): **New:** 3 (No. 12-Crow Wing River; No. 13-Redeye River; No. 59-Marsh River)
  - Watersheds at Low Flow: **New:** 42 watersheds are in low flow, up from last week's 24. The entire Great Lakes Basin and St. Croix River Basin are at low flow.
  - Zero watersheds are at High Flows.
- Streamflow management actions:

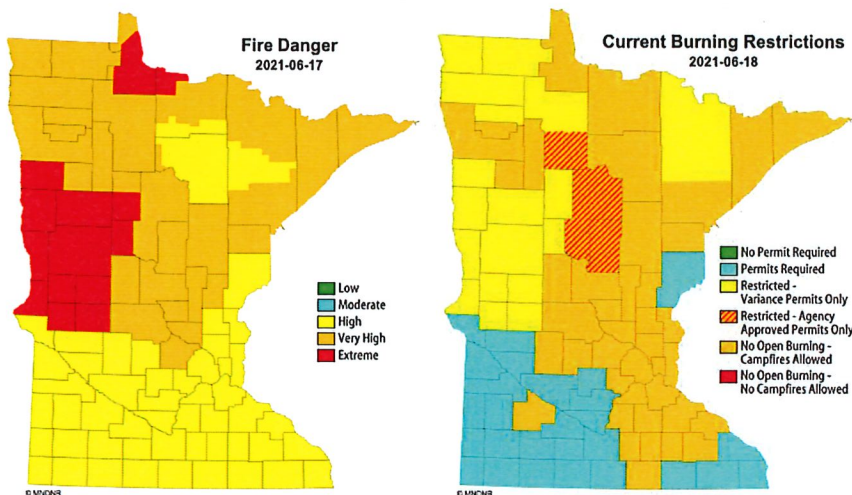


- a. **New:** Flows dropped below Minimum Flow (Q90) in 3 watersheds on Sunday, June 13, 2021. Our permit suspension guidelines require 5 days of flows below Q90 prior to suspending permits. There is the potential for 100 permits to be suspended in the Crow Wing River (No. 12) and Redeye River (No. 13) watersheds. The [streamflow monitoring gage](#) at Nimrod, MN as of Friday, June 18 at 7 am was reading 180 cfs. The Q90 at this gage is 220 cfs. There are no surface water appropriations in the Marsh River watershed (No. 59).
- b. The Mississippi River at Sauk Rapids has hit the low flow threshold – 1,450 cfs and the trigger is 1,700 cfs. This is likely a temporary situation due to a gate operation error in St. Cloud. The Anoka gauge cfs is okay so far.
- c. We recommend remaining vigilant about the changing streamflow conditions.

For additional information contact:

1. Joy Loughry, Water Monitoring Unit Supervisor, 651-539-2109; joy.loughry@state.mn.us
2. Tom Hovey, Water Regulations Unit Supervisor, 651-259-5654; tom.hovey@state.mn.us
3. Luigi Romolo, State Climatologist, 651-296-4212; luigi.romolo@state.mn.us

## Fire Danger and Management



Links to the map: [https://www.dnr.state.mn.us/forestry/fire/firerating\\_restrictions.html](https://www.dnr.state.mn.us/forestry/fire/firerating_restrictions.html)

### Fire Danger Analysis and Recommendations:

(Fire danger conditions can change daily based on local meteorological variables. Information presented illustrates a real-time snap shot of current conditions on June 17, 2021)

1. Counties with Extreme Fire Danger: **New:** 16
2. Counties with Very High Fire Danger: **New:** 24, more than double last week's number
3. Counties with High Fire Danger: over 48
4. Fire management actions:
  - a. As of June 17, 2021, Extreme fire danger dominates the west central counties. Fire danger is very high over north central and north western Minnesota and high in the remainder of the state.
  - c. As of June 17, 2021, DNR activating burning restrictions beginning 12:01 a.m. Friday for the southern and eastern portions of Beltrami county, and all of Cass, Crow Wing, Hubbard, Itasca, Morrison, Todd and Wadena counties

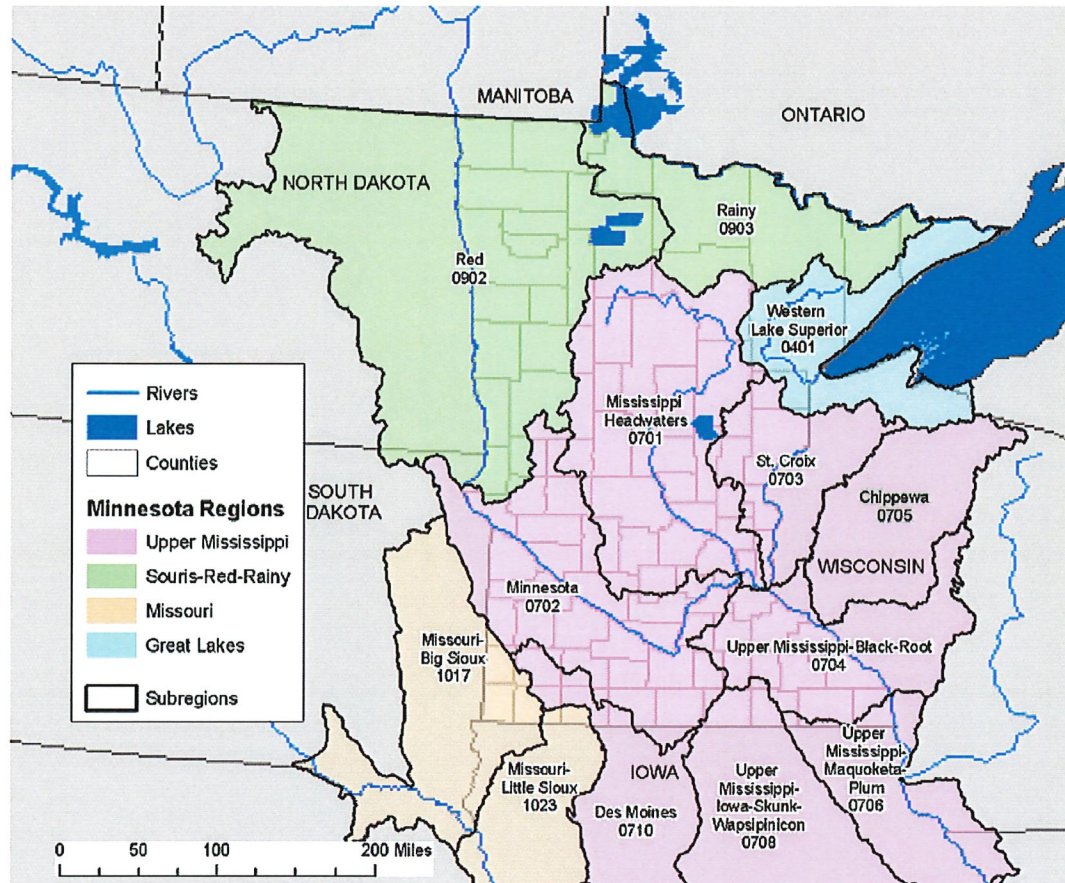
- b. Forestry reports over 100 days of fires season so far this year. Wildland fire agencies have responded to around 1,350 fires.

For additional information contact:

1. Travis Verdegan, Predictive Services Coordinator, 218-322-2682, [travis.verdegan@state.mn.us](mailto:travis.verdegan@state.mn.us)
2. William Glesener, Wildfire Operations Supervisor, 218-322-2709, [william.glesener@state.mn.us](mailto:william.glesener@state.mn.us)

# Minnesota Statewide Drought Plan

This plan provides a framework for preparing for and responding to droughts to minimize conflicts and negative impacts on Minnesota's natural resources and economy.



## Statewide Drought Plan watersheds:

- Red 0902
- Rainy 0903
- Western Lake Superior 0401
- Mississippi Headwaters 0701
- St. Croix 0703
- Minnesota 0702
- Upper Mississippi-Black-Root 0704
- Upper Mississippi-Maquoketa-Plum 0706
- Upper Mississippi-Iowa-Skunk-Wapsipinicon 0708
- Des Moines 0710
- Missouri-Little Sioux 1023
- Missouri-Big Sioux 1017



## STATEWIDE DROUGHT PLAN MATRIX

Drought Phase/Triggers	State and Federal Actions	Water Users and Suppliers Actions
<p><b>NON-DROUGHT PHASE</b> A significant portion of the watershed (<a href="#">see map</a>) is not under drought conditions according to the U.S. Drought Monitor.</p> <p>The U.S. Drought Monitor is a weekly index depicting the location and intensity of drought conditions using a blend of quantitative and qualitative indicators. Drought conditions referenced in this plan are keyed to the U.S. Drought Monitor. <a href="http://drought.unl.edu/dm/monitor.html">http://drought.unl.edu/dm/monitor.html</a></p>	<ul style="list-style-type: none"> <li>➤ Develop/maintain precipitation, stream flow, ground water and water quality monitoring programs.</li> <li>➤ Conduct state and regional water studies and coordinate actions.</li> <li>➤ Assist water suppliers and other users in developing conservation measures.</li> <li>➤ Continue and improve water conservation education.</li> </ul>	<ul style="list-style-type: none"> <li>➤ Develop/update/implement water supply plans (including drought preparedness and response and water conservation programs).</li> <li>➤ Adopt conservation rate structures and ordinances.</li> <li>➤ Establish mutual aid agreements, interconnections, conservation education, redundant/alternative supplies, etc.</li> <li>➤ Minimize water supply system losses and improve water use efficiency.</li> </ul>
<p><b>DROUGHT WATCH PHASE</b> A significant portion of the watershed (<a href="#">see map</a>) is “Abnormally Dry” or in a “Moderate Drought”.</p>	<ul style="list-style-type: none"> <li>➤ Inform Drought Task Force of conditions.</li> <li>➤ Intensify selected monitoring activities.</li> <li>➤ Initiate public awareness.</li> <li>➤ Notify water suppliers of moderate drought conditions.</li> <li>➤ Monitor Mississippi River flows and coordinate with the U.S. Army Corps of Engineers (USACE) and hydropower facility owners.</li> </ul>	<ul style="list-style-type: none"> <li>➤ Monitor potential conflicts and problems and notify DNR of source conflicts.</li> <li>➤ Public water suppliers provide conservation information and request customers to implement voluntary measures to reduce water use.</li> </ul>
<p><b>DROUGHT WARNING PHASE</b> A significant portion of the watershed (<a href="#">see map</a>) is in a “Severe Drought”, or for public water suppliers using the Mississippi River, the average daily flow at the USGS gage near Anoka is at or below 2000 cfs for five consecutive days.</p>	<ul style="list-style-type: none"> <li>➤ Convene Drought Task Force.</li> <li>➤ Increase public drought awareness.</li> <li>➤ Notify water suppliers of severe drought conditions.</li> <li>➤ Monitor implementation of the Mississippi River System-Wide Low-Flow Management Plan.</li> </ul>	<ul style="list-style-type: none"> <li>➤ Public water suppliers implement appropriate water use restrictions contained in their water supply plans.</li> <li>➤ Other water users implement appropriate conservation measures.</li> <li>➤ Public water suppliers implement water use reduction actions with a goal of reducing water use to 50% above January levels.</li> <li>➤ Dam operators implement the Mississippi river System-Wide Low-Flow Management Plan.</li> </ul>
<p><b>RESTRICTIVE PHASE</b> A significant portion of the watershed (<a href="#">see map</a>) is in an “Extreme Drought”, or for public water suppliers using the Mississippi River, the average daily flow at the USGS gage near Anoka is at or below 1500 cfs for five consecutive days.</p>	<ul style="list-style-type: none"> <li>➤ Notify water suppliers of extreme drought conditions.</li> <li>➤ Closely monitor river flows.</li> <li>➤ Continue drought awareness efforts to encourage conservation.</li> </ul>	<ul style="list-style-type: none"> <li>➤ Follow MDNR allocation restrictions.</li> <li>➤ Public water suppliers implement water use reduction actions with a goal of reducing water use to 25% above January levels.</li> <li>➤ All appropriators conserve water and minimize non-essential water uses.</li> </ul>
<p><b>EMERGENCY PHASE</b> A significant portion of the watershed (<a href="#">see map</a>) is in an “Exceptional Drought”, or highest priority water supply needs are not being met, or there are threatened or actual electricity shortages due to cooling water supply shortages, or for public water suppliers in the Twin Cities, the average daily flow of the Mississippi River USGS gage near Anoka is at or below 1000 cfs for five consecutive days.</p>	<ul style="list-style-type: none"> <li>➤ Advise Governor on need for emergency declaration.</li> <li>➤ Minnesota Division of Homeland Security and Emergency Management implements MN Emergency Operations Plan (MEOP).</li> <li>➤ Consider request to the USACE for the release of water from the Mississippi River Headwaters Reservoirs.</li> </ul>	<ul style="list-style-type: none"> <li>➤ Public water suppliers implement mandatory water use reduction actions with a goal of reducing water use to January levels.</li> <li>➤ Limit water used based on highest priorities defined in <b>Minnesota Statutes 103G.261</b>.</li> <li>➤ Implement measures consistent with an emergency declaration.</li> <li>➤ Provide bottled water, hauled water, and sanitation supplies to users, as needed.</li> </ul>

## Responsibilities, Plans and Actions Related to Drought Planning

### Minnesota Statewide Drought Plan

Legislation enacted in 1990 mandated the Department of Natural Resources (DNR) to prepare a drought plan. Minnesota Statutes (MS), Section 103G.293 states:

"The commissioner shall establish a plan to respond to drought-related emergencies and to prepare a statewide framework for drought response. The plan must consider metropolitan water supply plans of the metropolitan council prepared under section 473.156. The plan must provide a framework for implementing drought response actions in a staged approach related to decreasing levels of flow. Permits issued under 103G.261 must provide conditions on water appropriation consistent with the drought response plan established by this section."

The attached Drought Plan table outlines the staged approach for implementing drought response actions.

### Major Participants

State, Federal and local agencies, along with water users and suppliers in Minnesota, all have responsibilities before and during times of drought. In addition to ongoing studies and coordination efforts, the primary responsibilities of the major participants are:

- MN DNR – [DNR Waters](#) is responsible for maintaining and updating the Statewide Drought Plan, monitoring and communicating drought conditions, as well as for convening the State Drought Task Force. DNR Waters [regulates water use by permit \(water appropriation\)](#) and by requiring [Water Supply Plans](#) for public water suppliers serving more than 1,000 people. Other DNR divisions monitor drought impacts on forestry, wildlife and fisheries.
- [Metropolitan Council](#) – the Metropolitan Council is responsible for development of a regional master water supply plan for the seven-county metropolitan area and reviews local water supplies as part of community comprehensive plans.
- [U.S. Army Corps of Engineers](#) – the USACE operates reservoirs in 3 river systems in Minnesota primarily for commercial navigation, flood control and/or navigation (Minnesota River, Red River of the North and the Mississippi River). The Mississippi River headwaters reservoirs have been studied for purposes of water releases during times of drought. Under the USACE operations plans, emergency releases may be done only under certain conditions to meet health and safety needs and in consultation with the [federal Bureau of Indian Affairs](#), the [Minnesota Chippewa Tribal government](#), and the MN DNR. The USACE also helps with preparedness and equipment.
- Water Users and Suppliers – local communities and water users must implement conservation measures as required by DNR Waters and Met Council.
- [Governor of Minnesota](#) – the Governor is empowered to declare a critical water deficiency by executive order. (103G.291 Subd.1)

### Other Participants and their capabilities

[Department of Public Safety, Homeland Security and Emergency Management \(HSEM\)](#) – Public information and response coordination

[Pollution Control Agency](#) – Public information, response procedures, exercise capabilities, data collection

[National Weather Service](#) – Weather and hydrologic forecasts and warnings

[Department of Agriculture](#) – Assistance with crop and other farming-related drought issues

[Department of Health](#) – Public Water Supply

[Board of Water and Soil Resources \(BWSR\)](#) – technical and financial assistance to agricultural producers

### Related Plans

- [Local Water Supply Plans](#) – address projected demands, adequacy of the water supply system and planned improvements, existing and future water sources, natural resource impacts or limitations, emergency preparedness, water conservation, supply and demand reduction measures, and allocation priorities. [Met Council oversees those in the 7-county metro area.](#)
- [Mississippi River System-Wide Low-Flow Management Plan](#) – A plan conceived by the DNR, the USACE and the hydropower facilities along the Mississippi River upstream of St. Paul, the primary purpose of which is to help ensure run-of-river operations during low flow periods and coordination among the hydropower facility operators.
- [MN Emergency Operations Plan \(MEOP\)](#) – The MEOP addresses drought as well as other natural hazards. The plan responds to potential emergencies (nuclear power plants, etc.) as they relate to extreme drought conditions.



**Request for City Council Action**

Date: June 19, 2021

Requested Council Date: June 22, 2021

Originating Department: Fire Department

Council Action Requested: Approval of July 31, 2021 Training Burn

Background Information: In an effort to provide the necessary training hours and continuing education for both St. Charles and area fire departments, the St. Charles Volunteer Fire Department is coordinating an area training burn in conjunction with Safety and Security Consultation Specialists (SASCS).

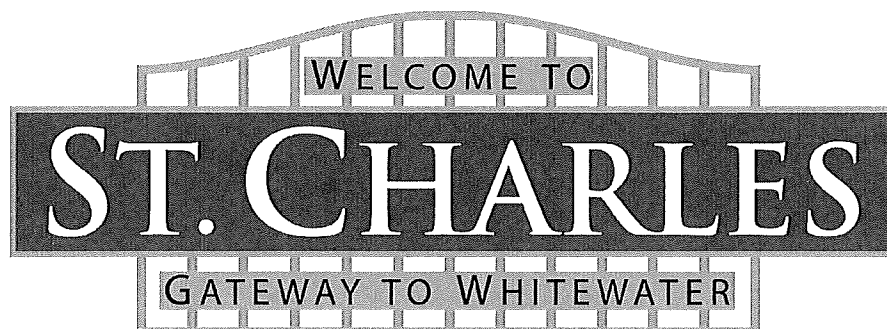
The exercise will be scheduled for Saturday, July 31<sup>st</sup> from 7:00 a.m. until completed at 248 West 12<sup>th</sup> Street (located to the west of J&S Automotive). Kenny Loftus, training officer, has been in contact with the necessary state and local agencies as well as the local electric utility helping to coordinate the event.

Attached is a public notice that will be provided to neighbors directly adjacent to the property as well as published in the St. Charles Press and posted at City Hall as required by SASCS. Kenny Loftus has visited with surrounding neighbors and received support in the form of signatures as documentation for SASCS.

All necessary precautions will be arranged including EMS personnel on site for standby support of fire personnel. Additional road closures at the corner of Wabasha Avenue and West 12<sup>th</sup> as well as St Charles Avenue will be instituted.

Approval of the request is being sought as a condition of the SASCS directives.

Any questions will be answered at the June 22<sup>nd</sup> Council meeting.





# St. Charles Volunteer Fire Department

## Public Notice Of Training Burn 7-31-2021

Posted on June 23, 2021--City Hall-830 Whitewater Avenue

In an effort to keep the community informed, the St. Charles Volunteer Fire Department is using flyers and online notification for the purpose of notifying the community of our upcoming training.

On Saturday, July 31, 2021 the St. Charles Volunteer Fire Department along with neighboring departments of Dover, Altura and Lewiston will be conducting a live fire training burn at the residential site located at 248 West 12<sup>th</sup> Street. The proposed burn structure is located in the alley adjacent to J&S Automotive. The training burn is being coordinated in partnership with Safety and Security Consultation Specialists LLC (SASCS) and all permits needed from the Department of Natural Resources and other state resources have been obtained along with meeting state and local guidelines for conducting such training event.

There will be fire equipment in the area during the training period starting around 7:00 a.m. This equipment will remain in the area through a majority of the day for the training event and then continue to be on the location until the area is deemed safe. Traffic impacts should be kept to a minimum, but motorists should be aware and vigilant in passing through the area. Road closures at the corner of Wabasha Avenue and West 12<sup>th</sup> as well as St. Charles Avenue will be in effect for the duration.

Along with fire department apparatus there will be smoke in the area, every effort to minimize smoke will be made. Residents should expect to smell and see smoke in different volumes throughout the day in and around the training location. If you have any concerns or questions please feel free to contact the fire training officer Kenny Loftus at 507-398-7595.

We appreciate your understanding as we gain knowledge and continue to improve our skills. Our goal as always is to provide the best possible service to St. Charles and our surrounding communities. Thank you again for your understanding!

Sincerely,

St. Charles Volunteer Fire Department

## St. Charles Housing TIF District No. 1-9

### BULLET POINTS FOR TIF CONTRACT

#### Developer:

Whitewater Properties, LLC  
c/o Mitchell Walch  
20687 County Road 33  
Altura, MN 55910

#### Development Site:

Legal Description Pending  
Lots 1 – 6, Block 1  
Lots 1 – 6, Block 2  
South Fork Additions Third (Full Legal at bottom)

#### Developer Agrees To:

1. Extend Brownell Street in a manner approved by the City Engineer to serve 12 single family residential lots.
2. Development of the subdivision is to be substantially completed by Dec. 31, 2022.
3. Once work is complete, submit copies of paid invoices to the City for eligible expenses as support for future TIF reimbursement payments.
4. Submit an income verification form (and supplemental documentation) for the initial occupying family at the time of sale.
5. If land is sold to a non-qualified family, report said sale to the City immediately who will kick said parcel out of the TIF District. Developer, though not required, should plan to charge more for such lots due to lost tax increment revenue.
6. Sign a petition and waiver for special assessments if all development fees are not paid by the deadline (see City points below).
7. Submit to the City 4,500 plus 10% of estimated road construction costs up front to cover City engineering expenses associated with the project (total estimated \$25,000 to \$35,000).
8. Indemnify the City for the project.

#### City Agrees To:

1. Establish Housing Tax Increment Financing District No. 1-9 to encompass all 12 lots and adjacent public infrastructure.
2. City will front TIF setup costs (est. \$8K).
3. Agree to pay the Developer up to \$310,000 plus 4% interest (simple) to reimburse Developer for eligible expenses over a 15-year period. Payments will be based on 90% of tax increments collected the prior six months. First payment is August 1, 2023 and will continue each Feb 1 and Aug 1 thereafter until all costs have been reimbursed or February 1, 2038....whichever comes first. This is a special and limited obligation of the City.
4. Defer development fees equal to \$3,666 per lot (SAC / WAC / Parks Dedication) until the sale of each lot, or four years, whatever comes sooner. At the time of sale of each lot, Developer shall pay the City \$3,666. However, if lots remain unsold as of 11/1/2025 the unpaid amount shall be specially assessed against the unsold lots (equally distributed) for collection over a 10-year time frame at 4% interest **(per lawyer advice) repaid to the City over 10 years at 4%. Failure to stay current with payments will result in reduction and/or elimination of TIF benefit.**

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DEVELOPMENT AGREEMENT

BY AND BETWEEN

THE CITY OF ST. CHARLES

AND

WHITEWATER PROPERTIES, LLC

---

This document was drafted by:

TAFT STETTINIUS & HOLLISTER  
2200 IDS Center  
80 South 8<sup>th</sup> Street  
Minneapolis, Minnesota 55402

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## DEVELOPMENT AGREEMENT

THIS AGREEMENT, made as of the 1<sup>st</sup> day of June, 2021, by and between the City of St. Charles, Minnesota (the "City"), a home rule charter city and a political subdivision organized and existing under the laws of the State of Minnesota and Whitewater Properties, LLC (the "Developer"), a Minnesota limited liability company.

WITNESSETH:

WHEREAS, pursuant to Minnesota Statutes, Sections 469.124 through 469.134, the City has formed Municipal Development District No. 1 (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 created, within the Development District, Tax Increment Financing District No. 1-9 (the "Tax Increment District"), and has adopted a tax increment financing plan therefor (the "Tax Increment Financing Plan") which provides for the use of tax increment financing in connection with certain development within 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 Development District as more particularly set forth in this Agreement; and

WHEREAS, the City believes that the development and installation 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 Agreement, 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 St. Charles, Minnesota;

County means Winona County, Minnesota;

Developer means Whitewater Properties, LLC, a Minnesota limited liability company, its successors and assigns;

Development District means the real property described in the Development Program;

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

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 establishment of the TIF District and the preparation of this Agreement;

Note means the Tax Increment Revenue Note (Whitewater Properties, LLC Housing 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;

Note Payment Date means August 1, 2023, and each February 1 and August 1 of each year thereafter to and including February 1, 2038; 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 St. Paul, Minnesota, as its "prime rate" or "reference rate" or any successor rate, which rate shall change as and when that rate or successor rate changes;

Project means the 12 unit owner-occupied houses to be constructed on the Development Property;

Public Improvements means the extension of Brownell Street to serve the Project;



Purchaser's Application means the Purchaser's Application in substantially the form attached hereto as Exhibit C;

State means the State of Minnesota;

Tax Increments means 90% 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, as determined by the City in its sole discretion;

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

Tax Increment District means Tax Increment Financing District No. 1-9 located within the Project Area, the legal description of which is set forth in the Tax Increment Financing Plan, which was qualified as a housing 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 June 22, 2021;

Termination Date means the date of expiration of this Agreement on the earlier of (i) February 1, 2038, (ii) the date on which the Tax Increment District expires or is otherwise terminated, (iii) the date the TIF Note is paid in full or (iv) the date on which this Agreement is terminated in accordance with its terms;

TIF Note means the Tax Increment Revenue Note (Whitewater Properties 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;

Unavoidable Delays means delays, outside the control of the party claiming its occurrence, which are the direct result of strikes, other labor troubles, 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.

## 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 home rule charter city and a political subdivision of the State and has the power to enter into this Agreement and carry out its obligations hereunder.

(2) The Tax Increment District is a "housing district" within the meaning of Minnesota Statutes, Section 469.174, Subdivision 11, and was created, adopted and approved in accordance with the terms of the Tax Increment Act. The City shall request certification of the Tax Increment District from Winona County prior to July 1, 2022.

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

(4) To finance certain costs within the Tax Increment District, the City proposes, subject to the further provisions of this Agreement, to apply Tax Increments to reimburse the Developer for certain costs of the Public Improvements paid by the Developer in connection with the Project as further provided in this Agreement.

(5) The City makes no representation or warranty, either express 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 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 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 installed in accordance with the terms of this Agreement, the Redevelopment Plan, and all 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 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 use its best efforts to obtain, or cause to be obtained in a timely manner, all required permits, licenses and approvals, and has met or will meet, in a

timely manner, all requirements of all applicable local, state, and federal laws and regulations which must have been 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 he 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 of the Project.

(8) 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 Public Improvements as provided in Article III.

## ARTICLE III

### UNDERTAKINGS BY DEVELOPER AND CITY

Section 3.1. Installation of Public Improvements; Reimbursement of Project Costs. The Developer shall cause the Development Property to be subdivided for 12 owner occupied homes and proposes to build 12 homes in the Tax Increment District in accordance with all local, state and federal rules and regulations. The parties agree that the installation of the Public Improvements is essential to the successful completion of the Project. The Developer shall substantially complete the construction of the Public Improvements in accordance with the City's subdivision ordinance and any related development agreement, the plans and specifications approved by the City and the construction shall be subject to inspection by the City. The Developer shall pay for the costs of the Public Improvements. Upon execution of this Agreement the Developer shall pay to the City \$4,500 plus a good faith estimate of \$\_\_\_\_\_ of the estimated cost of the costs of the Public Improvements to cover the City's engineering expenses in connection with the Public Improvements. The City shall reimburse the Developer for the lesser of \$310,000 or the costs of the Public Improvements (the "Reimbursement Amount") as further provided in Section 3.2 hereof.

Section 3.2. Reimbursement: Note. The City shall reimburse for the costs identified in Section 3.1 through the issuance of the City's 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 construction or installation of the Public Improvement have been completed and that the Developer has incurred and paid all of the Public Improvement costs described in and limited by Section 3.1 and shall have submitted to the City paid invoices or statements for all of those costs on the same date prior to December 31, 2022.

(2) The principal amount of the TIF Note shall bear simple non-compounding interest from the date of issuance of the TIF Note, at 4.0% 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) The payment dates of the TIF Note shall be the Note Payment Dates. 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 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 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 Note on any Note Payment Date or any date thereafter shall be conditioned upon the requirement that (A) there shall not at that time be an Event of Default that has occurred and is continuing under this Agreement and (B) this Agreement shall not have been rescinded pursuant to Section 4.2(b).

(7) The 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 Note and the terms of this Section 3.2, the terms of the Note shall govern. The issuance of the 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 Note may require in connection therewith, are hereby authorized and approved by the City.

Section 3.3. Compliance with Low and Moderate Income Requirements. The City and the Developer understand and agree that the Tax Increment District will constitute a "housing district" under Section 469.174, Subd. 11 of the Tax Increment Act. Accordingly, in compliance with Section 469.1761, Subd. 2 of the Tax Increment Act, the Developer agrees that at least 100% of the owner-occupied units constituting the Project must be initially purchased and occupied by individuals and families whose family income does not exceed the income requirements for qualified mortgage bond projects under Section 143(f) of the Internal Revenue Code, being generally equal to or less than 115% of the applicable median family income for households of 3 or more persons and 100% of that median income for 1 and 2 person households (a "Qualifying Purchaser"). For these purposes, the applicable median family income is the higher of (1) the area median gross income for the area in which the housing is located (being, in 2021, \$78,200 for Winona County) and (2) the statewide median gross income (being, in 2021, \$93,100 for Minnesota). Therefore, the applicable income limits for 2021 would be \$93,100 for a 1 or 2 person household and \$107,065 for a household of 3 or more persons. These limits will change accordingly with the annual revisions of the underlying applicable median gross income figures. The Developer covenants to abide by the aforesaid restrictions and agrees not to take or suffer to be taken any actions with respect to the Project which individually or in the aggregate would cause the Tax Increment District not to qualify as a "housing" district under the Tax Increment Act. Prior to the sale of any house, the Developer shall cause the potential purchaser to submit to the City the Purchaser's Application, in substantially the form attached as Exhibit C, prepared by the potential purchaser and the City will determine whether such potential purchaser will be a Qualifying Purchaser. The Developer shall immediately notify the City when any house is proposed to be sold by the Developer to a non-Qualifying Purchaser and the City shall remove any such parcel from the Tax Increment District.

Section 3.4. Legal and Administrative Expenses. Upon the request of the City, the Developer shall reimburse the City for its actual out of pocket Legal and Administrative Expenses.

Section 3.5. Real Property Taxes. 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 and any statutory or contractual duty that shall accrue subsequent to the date of its acquisition of

title to the Development Property (or part thereof) and until the Developer's obligations have been assumed by any other person pursuant to the provisions of this Agreement or title to the property is vested in another person.

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

(a) It will not seek administrative review or judicial review of the applicability or 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 inapplicability or constitutionality of any such tax statute as a defense in any proceedings, including delinquent tax proceedings; provided, however, that "tax statute" does not include any local ordinance or resolution levying a tax; and

(b) It will not seek any tax exemption, tax deferral or abatement, either presently or prospectively authorized under Minnesota Statutes, Section 469.181, or any other State or federal law, of the taxation of real property contained in the Development Property between the date of execution of this Agreement and the Termination Date.

Section 3.6. Transfer of Project. Other than the sales of individual units to occupants, the Developer shall transfer the Project only with the prior written consent of the City or upon delivery to the City of a purchase agreement between the Developer and a contractor in which the contractor agrees to assist the Developer in complying with the requirements of Section 3.3 of this Agreement with respect to the portion of the Development Property to be purchased and a certificate of the Developer acknowledging that it shall remain liable to perform its obligations under this agreement. If the consent of the City is not obtained and the Developer transfers all or a portion of the Development Property, this Agreement shall terminate and the Note shall be cancelled.

Section 3.7. No Business Subsidy. This Agreement does not constitute a business subsidy within the meaning of Minnesota Statutes, Sections 116J.993 to 116J.995 by reason of the exception for assistance for housing.

Section 3.8. Deferred Development Fees. At the time of the closing of a sale of a house to a purchaser the Developer shall pay the City the sum of \$3,666. If lots remain unsold as of November 1 2025, the unpaid amount of \$3,666 per unsold lot shall be paid by the Developer amortized over a 10 year period at simple non-compounded interest at 4%; payable annually on November 1 of each year, commencing November 1, 2026.



## 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:

(a) Failure by the Developer to timely pay any ad valorem real property taxes assessed, special assessments or other City charges with respect to the Development Property.

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

(c) 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.

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

(e) If the Developer shall

(A) file any petition in bankruptcy or for any 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 a bankrupt or insolvent; or if a petition or answer proposing the adjudication of the Developer, as a bankrupt 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 citing with specificity the item or items of default and notifying the Developer that he has thirty (30) days

within which to cure said Event of Default. If the Event of Default has not been cured within said thirty (30) days:

(a) The City may suspend its performance under this Agreement 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.

(b) The City may cancel and rescind the Agreement.

(c) 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 he shall, on demand therefor, pay to the City the reasonable 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 if 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 Project causing the Tax Increment District to not qualify or cease to qualify as a "housing district" under Section 469.174, Subdivision 11, of the Act or to violate limitations as to the use of Tax Increments as set forth in Section 469.176, Subdivision 4d.

(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

### ADDITIONAL PROVISIONS

Section 5.1. Restrictions on Use. Until termination of this Agreement, the Developer agrees that the Developer construct the Project as an owner-occupied housing development that complies with the provisions of Section 3.3 and shall devote the Development Property to, and in accordance with, the uses specified in this Agreement.

Section 5.2. 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 successors or on any obligations under the terms of this Agreement.

Section 5.3. 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 5.4. 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

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

Whitewater Properties, LLC  
20687 County Road 33  
Altura, MN 55910  
ATTN: Mitchell Walch

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

City of St. Charles  
830 Whitewater Avenue  
St. Charles, MN 55972-1129

With a copy to:

Taft Stettinius & Hollister  
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 5.5. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall constitute one and the same instrument.

Section 5.6. Law Governing. This Agreement will be governed and construed in accordance with the laws of the State.

Section 5.7. Expiration. This Agreement shall expire on February 1, 2038, unless earlier terminated or rescinded in accordance with its terms.

Section 5.8. 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.

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, and the Developer has caused this Agreement to be duly executed in his name and on his behalf, on or as of the date first above written.

CITY OF ST. CHARLES, MINNESOTA

By \_\_\_\_\_  
Its Mayor

By \_\_\_\_\_  
Its City Administrator

This is a signature page to the Development Agreement by and between the City of St. Charles and Whitewater Properties, LLC

WHITEWATER PROPERTIES, LLC

By \_\_\_\_\_  
Its \_\_\_\_\_

This is a signature page to the Development Agreement by and between the City of St. Charles and Whitewater Properties, LLC

EXHIBIT A

DESCRIPTION OF DEVELOPMENT PROPERTY



EXHIBIT B  
FORM OF NOTE

No. R-1

\$ \_\_\_\_\_

UNITED STATES OF AMERICA  
STATE OF MINNESOTA  
COUNTY OF WINONA  
CITY OF ST. CHARLES

TAX INCREMENT REVENUE NOTE  
(WHITEWATER PROPERTIES, LLC HOUSING PROJECT)

The City of St. Charles, 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 Whitewater Properties, LLC (the "Developer") or his registered assigns (the "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 \$310,000 as provided in that certain Development Agreement, dated as of \_\_\_\_\_, 2021, as the same may be amended from time to time (the "Development Agreement"), by and between the City and the Developer. The unpaid principal amount hereof shall bear simple, non-compounding interest from the dates on the amounts indicated on the Principal Ledger attached to this Note at the rate of four and no hundredths percent (4.00%) 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, 2023, and on each February 1 and August 1 thereafter to and including February 1, 2038, or if such day should not be a Business Day (as defined in the Development 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 90% of the Tax Increments (hereinafter defined) received by the City during the 6 month period preceding such Payment Date. All such payments shall be applied first to accrued interest and then to reduce the principal of the Note.

The Payment Amounts due hereon shall be payable solely from 90% of the tax increments derived from the Development Property (the "Tax Increments") in the City's Tax Increment Financing District No. 1-9 (the "Tax Increment District") within its Development District No. 1 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"). The Tax Increments shall be applied first to reduce the principal balance of the Note. This Note shall terminate and be of no further

force and effect following the last Payment Date defined above, on any date upon which the City shall have terminated the Development Agreement under Section 4.2(b) thereof, or on the date that all principal hereunder shall have been paid in full, whichever occurs earliest.

The Tax Increment District includes properties other than the Development Property and Winona County remits Tax Increments to the City on the basis of the captured tax capacity of the entire Tax Increment District. For purposes of this Note, the City will determine Tax Increments generated from the Development Property and improvements thereon in its sole discretion.

The City makes no representation or covenant, express 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 3.2 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 St. Charles, 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 may be assigned only with the consent of the City. 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 City Charter, 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 charter, constitutional or statutory or charter limitation thereon.

IN WITNESS WHEREOF, City of St. Charles, 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 dated as of and issued on \_\_\_\_\_, 20\_\_.

\_\_\_\_\_  
City Administrator

\_\_\_\_\_  
Mayor

**DO NOT EXECUTE UNTIL PAID INVOICES FOR PUBLIC IMPROVEMENTS ARE GIVEN TO THE CITY - REFER TO SECTION 3.3(1).**

## CERTIFICATION OF REGISTRATION

It is hereby certified that the foregoing Note was registered in the name of \_\_\_\_\_ 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

Whitewater Properties, LLC  
20687 County Road 33  
Altura, MN 55910

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

EXHIBIT C

FORM OF PURCHASER'S APPLICATION

CITY OF ST. CHARLES, MINNESOTA

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PROPERTY INFORMATION

Legal description of property to be sold:      Lot \_\_\_\_\_      Block \_\_\_\_\_  
Subdivision \_\_\_\_\_

Parcel Identification No. \_\_\_\_\_ - \_\_\_\_\_

Postal Address of Parcel \_\_\_\_\_

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PURCHASER INFORMATION

Name of Purchaser \_\_\_\_\_

Current Address \_\_\_\_\_

Current Phone # \_\_\_\_\_

Number of family members (circle one):      2 or less      3 or more

Annual Household Income\* \$ \_\_\_\_\_

*\*Annual Household Income must be supported by documentation (i.e. copy of most current 1040's, etc.). Failure to provide verification will constitute a "non-qualifying family".*

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INCOME LIMIT INFORMATION

2021 Income Limitation on families of 2 or less is \$93,100.

2021 Income Limitation on families of 3 or more is \$107,065.

**[Revise for the year a parcel is sold]**

Does the Purchaser meet these limits and has appropriate documentation been submitted?

\_\_\_\_\_ YES      \_\_\_\_\_ NO

Signature of Purchaser (s) \_\_\_\_\_

Date \_\_\_\_\_

\_\_\_\_\_

Date \_\_\_\_\_

**EXTRACT OF MINUTES OF A MEETING OF THE  
CITY COUNCIL OF THE CITY  
OF ST. CHARLES, MINNESOTA**

HELD: June 22, 2021

Pursuant to due call and notice thereof, a regular meeting of the City Council of the City of St. Charles, Winona County, Minnesota, was duly called and held on the 22nd day of June 2021, 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 #29-2021  
APPROVING THE MODIFICATION OF MUNICIPAL DEVELOPMENT DISTRICT NO. 1,  
MODIFICATION OF THE DEVELOPMENT PROGRAM RELATING THERETO,  
ESTABLISHMENT OF TAX INCREMENT FINANCING DISTRICT NO. 1-9 WITHIN MUNICIPAL  
DEVELOPMENT DISTRICT NO. 1,  
AND ADOPTION OF THE TAX INCREMENT FINANCING PLAN RELATING THERETO**

WHEREAS:

- A. It has been proposed that the City of St. Charles, Minnesota (the "City"), modify Municipal Development district No. 1 and the development program relating thereto and establish Tax Increment Financing District No. 1-9 within Municipal Development District No. 1 and adopt a tax increment financing plan relating thereto, under the provisions of Minnesota Statutes, Sections 469.124 to 469.134 and 469.174 to 469.1794 (collectively, the "Act"); and
- B. The City of St. Charles has investigated the facts and has caused to be prepared a modification of the development program for Municipal Development District No. 1 and creation of a tax increment financing plan for Tax Increment Financing District No. 1-9; and
- C. The City has performed all actions required by law to be performed prior to the modification of Municipal Development District No. 1, modification of the Development Program relating thereto, establishment of Tax Increment Financing District No. 1-9 within Municipal Development District No. 1 and the adoption of the tax increment financing plan relating thereto, including, but not limited to, notification of Winona County and St. Charles Public Schools (ISD #858), having taxing jurisdiction over the property to be included in Tax Increment Financing District No. 1-9, and the holding of a public hearing upon published notice as required by law.

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of St. Charles as follows:

1. Municipal Development District No. 1 and Tax Increment Financing District No. 1-9 within Municipal Development District No. 1. The City hereby approves the modification of Municipal Development District No. 1 and of the development Plan relating thereto, and the establishment of Tax Increment



Financing District No. 1-9 within Municipal Development District No. 1, the boundaries of which are fixed and determined as described in the Tax Increment Financing Plan.

2. Tax Increment Financing Plan. The Tax Increment Financing Plan is adopted as the tax increment financing plan for Tax Increment Financing District No. 1-9, and the City Council makes the following findings;

- (a) Tax Increment Financing District No. 1-9 is a housing district as defined in Minnesota Statutes, Section 469.174, Subd. 11;

Criteria for this type of district is described in Section 12 of the Tax Increment Financing Plan. The City will assure all development is in compliance with income limits.

- (b) The proposed development, in the opinion of the City Council, would not occur solely through private investment within the reasonably foreseeable future and that 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 Tax Increment Financing District No. 1-9 permitted by the Tax Increment Financing Plan.

The Developer has indicated that TIF assistance is necessary to control certain development costs such that the resulting sales prices can be maintained at affordable levels. Without assistance, the Developer believes that the acquisition and construction cost of the homes will exceed affordable levels and the project will not be feasible.

A comparative analysis of estimated market values both with and without establishment of the TIF District and the use of tax increments has been performed as described above. Such analysis indicates that:

1. The increase in estimated market value of the proposed developments is \$3,271,784; and
      2. The present value of expected tax increments collected over the maximum duration of the TIF District is \$485,334; and
      3. The expected increased estimated market value of the site without the use of tax increment is \$7,336, assuming the land remains mostly vacant; and
      4. No development is expected to occur that would create a market value increase of at least \$2,786,450 without TIF assistance (the amount in line 1 less the amount in line 2).
- (c) The Tax Increment Financing Plan for Tax Increment Financing District No. 1-9 conforms to the general plan for development or redevelopment of the City of St. Charles as a whole.

The reasons and facts supporting this finding are that the housing development proposed for the TIF District are generally consistent with the City's development plan and zoning ordinances and serves to promote the City's development objectives. These findings are supported by a Resolution adopted by the City's Planning Commission.

- (d) The Tax Increment Financing Plan will afford maximum opportunity, consistent with the sound needs of the City of St. Charles as a whole, for the development of the Project Area by private enterprise.

The reasons and facts supporting this finding are that the activities contemplated in this TIF Plan are necessary so that development and redevelopment by private enterprise can occur within the Development District.

3. Public Purpose. The adoption of the Tax Increment Financing Plan conforms in all respects to the requirements of the Act and will help fulfill a need to develop an area of the City which is already built

up to provide employment opportunities to improve the tax base, and to improve the general economy of the State and thereby serves a public purpose.

4. Authorization of Interfund Loan. The City has determined that it may pay for certain costs (the "Qualified Costs") identified in the Tax Increment Financing 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 the 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 Qualified Costs are initially paid, the principal amount of \$520,755 (or, if less, the amount actually paid from such fund) together with interest at 4.00% 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 semi-annually on each February 1 and August 1 commencing with the first February 1 or August 1 occurring after 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 the 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 six (6) months with respect to the TIF District and remitted to the City by Winona County, all in accordance with Minnesota Statutes, Sections 469.174 to 469.179, 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.

5. Certification. The Auditor of Winona County is requested to certify the original net tax capacity of Tax Increment Financing District No. 1-9 as described in the Tax Increment Financing 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 City Administrator 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 Tax Increment District No. 1-9 for which building permits have been issued during the 18 months immediately preceding the adoption of this Resolution.
6. Filing. The City Administrator is further authorized and directed to file a copy of the Tax Increment Financing Plan with the Commissioner of Revenue and the Office of the State Auditor.

The motion for the adoption of the foregoing resolution was duly seconded by member \_\_\_\_\_ and upon vote being taken thereon, the following voted in favor thereof:

and the following voted against the same:

Adopted this 22nd day of June, 2021 by the City Council of the City of St. Charles.

CITY OF ST. CHARLES

\_\_\_\_\_  
**John Schaber, Mayor**

ATTEST:

\_\_\_\_\_  
**Nick Koverman, City Administrator**

STATE OF MINNESOTA            )  
COUNTY OF WINONA            ) SS  
CITY OF ST CHARLES            )

I, the undersigned, being the duly qualified and acting City Administrator of the City of St. Charles, 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 modification of Municipal Development District No. 1 and the establishment of Tax Increment Financing District No. 1-9 within Municipal Development District No. 1 in the City.

WITNESS my hand this 22nd day of June 2021.

---

Nick Koverman, City Administrator

**DRAFT**

# **City of St. Charles, Minnesota**

Modification of Development Program for  
**Municipal Development District No. 1**

&

Tax Increment Financing Plan for  
**Tax Increment Financing District No. 1-9**  
(South Fork Additions Third Housing Project)

Public Hearing: June 22, 2021  
To be Adopted: June 22, 2021



**DDA**

David Drown Associates, Inc.  
Public Finance Advisors

Minneapolis Office:  
5029 Upton Avenue South  
Minneapolis, MN 55410  
612-920-3320 (phone); 612-605-2375 (fax)  
[www.daviddrown.com](http://www.daviddrown.com)



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# **Modified Development Program for Municipal Development District No. 1**

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## **Amended Sections Only**

### **Introduction**

The City of St. Charles has been approached by Whitewater Properties LLC for TIF assistance in conjunction with the development of 12 single-family residential lots that will be made available to low and moderate-income families as required by the TIF Act. Since the approval of the last TIF District, various annexations have occurred, and the City wishes to incorporate those areas of land into Municipal Development District No. 1.

This amendment is prepared in conjunction with the proposed creation of Tax Increment Financing District No. 1-9. Sections of the Development Program are amended as follows:

### **Section C      Property Description**

The boundaries of Municipal Development District No. 1 are hereby modified to be coterminous with the current corporate limits of the City of St. Charles. The City reserves the right to adjust the boundaries of the Development District in the future.

# Tax Increment Financing Plan for Tax Increment Financing District No. 1-9

## Section 1 Definitions

The terms defined in this section have the meanings given herein, unless the context in which they are used indicates a different meaning:

"City" means the City of St. Charles, Minnesota.

"County" means Winona County, Minnesota.

"County Board" means the County Board of Commissioners.

"Developer" means any person undertaking construction or renovation of taxable property within the Project Area, including Whitewater Properties LLC, their successors and assigns.

"Development Program" means the Development Program for Municipal Development District No. 1.

"Project" means the development of South Fork Additions Third subdivision, 12 single-family residential lots, and associated site and public improvements.

"Project Area" means the geographic area of the Development District.

"Public Costs" means the costs of public improvements and other eligible costs as set forth in the Development Program and Tax Increment Financing Plan(s).

"School District" means the Independent School District No. 858.

"State" means the State of Minnesota.

"TIF Act" means Minnesota Statutes, Sections 469.174 through 469.1794, both inclusive.

"TIF District" means Tax Increment Financing District No. 1-9.

"TIF Plan" means the tax increment financing plan for the TIF District (this document).

## Section 2 Statement of Need and Public Purpose

See the Development Program for Development District No. 1 which is on file at the City Administrator's office at City Hall in St. Charles.

## Section 3 Statutory Authorization

The City is empowered under the provisions of the TIF Act to establish a tax increment financing district.

## Section 4 Statement of Objectives

The objectives of this tax increment financing plan are consistent with the objectives outlined in the Development Program.

## Section 5 Specific Development Expected to Occur in the TIF District

Whitewater Properties LLC (the "Developer") intends to subdivide an approximately 9.4-acre parcel into a single-family residential subdivision in the City with a total of 12 lots. The Developer has indicated to the City that due to the escalating costs of home construction and the increasing costs of public infrastructure, building affordable, marketable lots would not be possible but for tax increment financing assistance. The City intends to provide the Developer tax increment assistance on a pay-as-you-go basis to reimburse the Developer for site improvement and public infrastructure costs.



## Section 6 Property to be Included in the TIF District

The TIF District is approximately 9.4 acres in size and is being split off of a larger parcel. It will then be subdivided into 12 single-family residential lots. The original parcel number from which the TIF District is being extracted is 290780290.

A map showing the location of the TIF District is shown in Exhibit 1, and the estimated original value is summarized in Exhibit 2.

The area encompassed by the TIF District shall also include all street rights-of-way and utility or drainage easements located upon or adjacent to the property described in Exhibits 1 and 2.

## Section 7 Estimated Sources and Uses of Funds (Public Costs)

The estimated costs of the proposed development in the TIF District which are eligible for reimbursement with tax increments and the projected sources of revenue available to fund these costs are summarized below.

### Uses of Funds (Public Costs)

<u>Capital Costs:</u>	
Public Improvements	218,401
Site Improvements	<u>218,400</u>
Subtotal Capital Costs	436,801
<u>Finance Costs:</u>	
Bond & Note Interest Payments	318,781
<u>Administrative Costs:</u>	
Administrative Costs	<u>83,954</u>
<b>TOTAL USES OF FUNDS</b>	<b>839,536</b>

### Sources of Funds

Tax Increment	<u>839,536</u>
<b>TOTAL SOURCES OF FUNDS</b>	<b>839,536</b>

The City reserves the right to adjust the amount of Capital and Administrative line items listed above or to incorporate additional eligible items, so long as the total Capital and Administrative costs are not increased (\$520,755). Adjusting financing costs, principal or interest, will require a public hearing and formal TIF Plan modification process pursuant to Minnesota Statutes Section 469.175 Subd. 4. The City also reserves the right to fund any of the identified costs with any other legally available revenues but anticipates that such costs will be primarily financed with tax increments. Therefore, the total estimated costs to be financed with tax increments, including capital costs, administrative costs and financing costs (interest) is \$839,536.

## Section 8 Estimated Impact on Other Taxing Jurisdictions

Exhibit 4 shows the estimated impact on other taxing jurisdictions if the projected Retained Captured Net Tax Capacity of the TIF District were hypothetically available to the other jurisdictions. The City believes that there will be no adverse impact on other taxing jurisdictions during the life of the TIF District, since only limited development would have occurred without the establishment of the TIF District and the provision of public assistance. A positive impact on other taxing jurisdictions will occur when the TIF District is decertified and the development therein becomes part of the general taxbase.

## Section 9 Fiscal and Economic Implications

M.S. Section 469.175 Subdivision (2b) requires a specific description of the fiscal and economic implications of the proposed TIF District on City-provided services, plus an estimate of the total TIF that will be generated over the life of the TIF District attributable to each taxing jurisdiction.

City Service Costs. The proposed project will result in at least 12 new units of affordable single-family homes. New street and utility improvements within the subdivision are expected to be paid by the Developer. The expected impact on general government and administration expenses will be minor as the project essentially provides for infill development within the City.

The City proposes to assist the Developer by financing the public street and site improvement costs via the issuance of a pay-as-you-go contract. As such, the tax impact on existing taxpayers is expected to be minimal.

This type of assistance does not impede the City's ability to issue General Obligation bonds in the future.

TIF Attribution. The City projects TIF collections will total \$839,536 over the life of the TIF District. Assuming current tax rates remain unchanged, \$352,525 will come from the City share of taxes; \$312,200 from the County share, and \$172,185 from the School share.

### **Section 10 Property to be acquired in the TIF District**

The Developer currently owns all property in the TIF District. See Exhibit 2 for a listing of parcel numbers.

### **Section 11 Estimated Amount of Bonded Indebtedness**

The City reserves the right to issue G.O. TIF bonds, or any other type of allowable bonds (including interfund loans) in an amount not to exceed \$520,755.

### **Section 12 Designation of TIF District as a Housing District**

The Tax Increment District qualifies as a housing district. A housing district is a type of tax increment financing district which consists of a project intended for occupancy, in part, by persons or families of low and moderate income. Low and moderate income is defined by federal, state, and sometimes local legislation. A housing district may contain and provide assistance to commercial, retail, or other nonresidential uses, as long as the square footage of these uses does not exceed 20% of the total square footage of buildings in the TIF District. No assistance may be provided to these uses, however.

Housing districts are subject to various income limitations. For owner occupied residential property, 95% of the housing units must be initially purchased and occupied by individuals whose family income is less than or equal to the income requirements for qualified mortgage bond projects under Section 143(f) of the Internal Revenue Code. Generally, the initial occupants must have incomes of 100% or less of statewide median income for families of two or less, and 115% of statewide median income for families of three or more. For residential rental property, the property must satisfy the income requirements for a qualified residential rental project as defined in Section 142(d) of the Internal Revenue Code. This requires that at least 40% of the units are rented to families with incomes at or below 60% of county median income, or 20% of the units rented to families with incomes at or below 50% of county median income, adjusted for family size. These requirements apply for the life of the District.

The City will assure housing development within the District meets the above criteria. The City reserves the right, however, to remove property from the TIF District to accommodate proposed housing development(s) that do not meet these criteria.

### **Section 13 Original Net Tax Capacity**

The County Auditor shall certify the Original Net Tax Capacity of the TIF District, which will be the total Net Tax Capacity of all property in the TIF District as certified by the State Commissioner of Revenue. For districts certified between January 1 and June 30, inclusive, this value is based on the previous assessment year. For districts certified between July 1 and December 31, inclusive, this value is based on the current assessment year.

The Estimated Market Value of all property within the TIF District as of January 1, 2021 for taxes payable in 2022 is estimated at \$28,216. Based on this amount, the Original Net Tax Capacity of the TIF District is estimated at \$282.

Each year the County Auditor will certify the amount that the Original Net Tax Capacity has increased or decreased as a result of:



1. changes in the tax-exempt status of property;
2. reductions or enlargements of the geographic area of the TIF District;
3. changes due to stipulation agreements or abatements; or
4. changes in classification rates.

#### **Section 14 Original Local Tax Rate**

The County Auditor will also certify the Original Tax Capacity Rate of the TIF District. This rate is the sum of all local tax rates that apply to property in the TIF District. This rate must match the same taxes payable year as the Original Net Tax Capacity.

In future years, the amount of tax increment generated by the TIF District will be calculated using the lesser of (a) the sum of the current local tax rates at that time or (b) the Original Tax Capacity Rate of the TIF District.

The sum of all local tax rates that apply to property in the TIF District for taxes levied in 2020 and payable in 2021 is **102.307%**. The final Original Local Tax Rate may be higher or lower than this value due to the fact that the request for certification will take place on or after July 1, 2021. This means the Original Local Tax Rate will be based upon taxes payable 2022, which is unknown at this time. The Pay 2021 rates are used for estimation purposes only.

<u>Taxing Jurisdiction</u>	<u>Payable 2021 Tax Rate</u>
City of St. Charles	42.959%
Winona County	38.045%
ISD # 858*	20.983%
Other	<u>0.320%</u>
<b>Total</b>	<b>102.307%</b>

*\* The operating referendum market value tax rate for the School District is not captured by the TIF District. Also, Minnesota Statutes Section 469.177 Subd. 1a was amended in 2013 redefining what portion of the local school district tax capacity rate will be used in calculating tax increments. Specifically, this amendment now excludes that portion of the school rate attributable to the general education levy under Section 126C.13. The rate shown is an estimate of the applicable rate.*

#### **Section 15 Projected Retained Captured Net Tax Capacity and Tax Increment**

Each year the County Auditor will determine the current Net Tax Capacity of all property in the TIF District. To the extent that this total exceeds the Original Net Tax Capacity, the difference is known as the Captured Net Tax Capacity of the TIF District. It is the City's intention to retain 100% of the Captured Net Tax Capacity of the TIF District. Such amount shall be known as the Retained Captured Net Tax Capacity of the TIF District.

Exhibit 3 estimates the total amount of retained net captured tax capacity, gross tax increments, adjustments, and the net tax increment revenues which will be available annually and cumulatively over the life of the TIF District.

#### **Section 16 Statutory Duration of the TIF District**

Housing districts may remain in existence through the end of the 25th year following receipt of the first tax increment, resulting in 26 TIF collections. The City anticipates that the TIF District will receive the first increment payment in 2023 and elects to have the first collection year be 2023. The District is expected to remain in existence the maximum duration allowed by law (projected to be through 2048). Modifications of this plan (see Section 28) shall not extend these duration limits.

#### **Section 17 Use of Tax Increments – Housing Districts**

Tax increments derived from a housing district must be used solely to finance the costs of housing projects defined in Section 12. The cost of public improvements directly related to the housing projects and the allocated administrative expenses of the City may be included in the cost of a housing project.

### **Section 18 Use of Tax Increments – General**

Each year the county treasurer will deduct an estimated 0.36% of the annual tax increment generated by the TIF District and pay such amount to the state general fund. Such amounts will be appropriated to the state auditor for the cost of financial reporting and auditing of tax increment financing information throughout the state. Exhibit 3 shows the projected deduction for this purpose over the anticipated life of the TIF District.

The City has determined that it will use 100% of the remaining tax increment generated by the TIF District for any of the following purposes:

1. pay for the estimated public costs of the TIF District (including administrative expenses, see Section 7) and City administrative costs associated with the TIF District (see Section 22);
2. pay principal and interest on tax increment bonds, notes or other financial obligations issued to finance the public costs of the TIF District;
3. accumulate a reserve securing the payment of tax increment bonds or other bonds issued to finance the public costs of the TIF District;
4. pay all or a portion of the county road costs as may be required by the County Board under M.S. Section 469.175, Subdivision 1a; or
5. return excess tax increments to the County Auditor for redistribution to the City, County and School District in proportion to their local tax capacity rates.

Tax increments from property located in one county must be expended for the direct and primary benefit of a project located within that county, unless both County Boards involved waive this requirement. Tax increments shall not be used to circumvent levy limitations.

Tax increment cannot be used to finance the acquisition, construction, renovation, operation, or maintenance of a building to be used primarily and regularly for conducting the business of a municipality, county, school district, or any other local unit of government or the State or Federal government. This prohibition does not apply to the construction or renovation of a parking structure, a common area used as a public park, or a facility used for social, recreational, or conference purposes and not primarily for conducting the business of the community.

If any type of agreement or arrangement exists providing for the developer, or other beneficiary of assistance, to repay all or a portion of the assistance that was paid or financed with tax increments, such payments shall be subject to all of the restrictions imposed on the use of tax increments. Assistance includes sales of property at less than the cost of acquisition or fair market value, grants, ground or other leases at less than fair market rent, interest rate subsidies, utility service connections, roads, or other similar assistance that would otherwise be paid for by the developer or beneficiary.

### **Section 19 “Green Acres”**

A TIF District may NOT include parcels that qualified as “green acres” in any of the five (5) years preceding the request for certification, unless 85% of development in the district is restricted to qualified manufacturing or distribution facilities directly related to production of tangible personal property and paying at least 90% of its employee’s wages equal to or greater than 160% of the federal minimum wage, or the development in the district is a qualified housing project.

None of the property to be included in this TIF District has been enrolled in the Green Acres Program in the past five years.

### **Section 20 4-Year Knock-Down Rule**

If after four years from certification of the TIF District no demolition, rehabilitation, renovation, or qualified improvement of an adjacent street has commenced on a parcel located within the TIF District, then that parcel shall be excluded from the TIF District and the Original Net Tax Capacity shall be adjusted accordingly. Qualified improvements of a street are limited to construction or opening of a new street, relocation of a street, or substantial reconstruction or rebuilding of an existing street. The City must submit to the County Auditor, by February 1 of the fifth year, evidence that the required activity has taken place for each parcel in the TIF District.



If a parcel is excluded from the TIF District and the City or owner of the parcel subsequently commences any of the above activities, the City shall certify to the County Auditor that such activity has commenced and the parcel shall once again be included in the TIF District. The County Auditor shall certify the Net Tax Capacity of the parcel, as most recently certified by the Commissioner of Revenue, and add such amount to the Original Net Tax Capacity of the TIF District.

### **Section 21 Tax Increment Pooling – 5-year Rule**

At least 80 percent of tax increments from the Tax Increment Financing District No. 1-9 must be expended on activities in Tax Increment Financing District No. 1-9 or to pay bonds, to the extent that the proceeds of the bonds were used to finance activities within said district or to pay, or secure payment of, debt service on credit enhanced bonds, provided that in the case of a housing district, a housing project as defined in Minnesota Statutes, Section 469.174, Sub. 11, is deemed to be an activity in the District, even if the expenditure occurred after five years. Not more than 20 percent of said tax increments may be expended, through a development fund or otherwise, on activities outside of Tax Increment Financing District No. 1-9 except to pay, or secure payment of, debt service on credit enhanced bonds, provided that in the case of a housing district, a housing project as defined in Minnesota Statutes, Section 469.174, Sub. 11, is deemed to be an activity in the District, even if the expenditure occurred after five years. For purpose of applying this restriction, all administrative expenses must be treated as if they were solely for activities outside of Tax Increment Financing District No. 1-9.

Tax increments derived from Tax Increment Financing District No. 1-9 shall be deemed to have satisfied the 80 percent test set forth in the paragraph above only if the five year rule set forth in Minnesota Statutes, Section 469.1763, Sub. 3, has been satisfied; and beginning with the sixth year following certification of Tax Increment Financing District No. 1-9, 80 percent of said tax increments that remain after expenditures permitted under said five year rule must be used only to pay previously committed expenditures or credit enhanced bonds as more fully set forth in Minnesota Statutes, Section 469.1763, Sub. 5, provided that in the case of a housing district, a housing project as defined in Minnesota Statutes, Section 469.174, Subd. 11, is deemed to be an activity in the District, even if the expenditure occurred after five years.

The City elects the option provided by M.S. 469.1763 to increase the amount of expenditures permitted outside the District by up to an additional 10%. However, these expenditures are limited to assisting housing which meets the requirements of a low-income housing building defined under section 42(c) of the Internal Revenue Code.

### **Section 22 Excess Tax Increment**

On December 31st of each year, the City must determine the amount of excess increments for the TIF District. See M.S. Section 469.176 subdivision 2 for a complete definition. Excess increments may only be used to:

1. prepay any outstanding tax increment bonds, notes or other obligations;
2. discharge the pledge of tax increments thereon.
3. pay amounts into an escrow account dedicated to the payment of the tax increment bonds, notes or other obligations; or
4. return excess tax increments to the County Auditor for redistribution to the City, County and School District in proportion to their local tax capacity rates. The County Auditor must report to the Commissioner of Education the amount of any excess tax increment redistributed to the School District within 30 days of such redistribution.

Allocation of excess increments must be completed by September 30<sup>th</sup> in the year following the year in which the excess increments were generated.

### **Section 23 Limitation on Administrative Expenses**

Administrative expenses are defined as all costs of the City other than:

1. amounts paid for the purchase of land;
2. amounts paid for materials and services, including architectural and engineering services directly connected with the proposed development within the TIF District;
3. relocation benefits paid to, or services provided for, persons or businesses located

within the TIF District; or

4. amounts used to pay principal or interest on, fund a reserve for, or sell at a discount, tax increment bonds.
5. amounts used to make payments on other financial obligations used to finance costs outlined above.

Administrative expenses include amounts paid for services provided by bond counsel, fiscal consultants, planning or economic development consultants, and actual costs incurred by the City in administering the TIF District. Tax increments may be used to pay administrative expenses of the TIF District up to the lesser of (a) 10% of the total estimated public costs authorized by the TIF Plan or (b) 10% of the total tax increment expenditures of the project.

#### **Section 24 Prior Planned Improvements**

The City shall accompany its request for certification to the County Auditor with a listing of all properties within the TIF District for which building permits have been issued during the 18 months immediately preceding approval of the TIF Plan. The County Auditor shall increase the Original Net Tax Capacity of the TIF District by the Net Tax Capacity of each improvement for which a building permit was issued.

No permits were issued in the prior 18 months.

#### **Section 25 Development Agreements**

If more than 10% of the acreage of a project (which contains a housing district) is to be acquired by the City with proceeds from tax increment bonds then, prior to such acquisition, the City must enter into an agreement for the development of the property. Such agreement must provide recourse for the City should the development not be completed.

#### **Section 26 Exempt from Business Subsidy Laws**

Minnesota Statutes 116J.991 requires a City providing a business with a subsidy worth \$150,000 to complete a subsidy approval process. Housing assistance, however, is exempt from the requirements.

#### **Section 27 Assessment Agreements**

The City may, upon entering into a development agreement, also enter into an assessment agreement with the developer, which establishes a minimum market value of the land and improvements for each year during the life of the TIF District.

The assessment agreement shall be presented to the County or City Assessor who shall review the plans and specifications for the improvements to be constructed, review the market value previously assigned to the land, and so long as the minimum market value contained in the assessment agreement appears to be a reasonable estimate, shall certify the assessment agreement as reasonable. The assessment agreement shall be filed for record in the office of the County Recorder of each county where the property is located. Any modification or premature termination of this agreement must first be approved by the City, and if the project is valued below the minimum market value, also approved by the County and School District.

#### **Section 28 Modifications of the Tax Increment Financing Plan**

Any reduction or enlargement in the geographic area of the Project Area or the TIF District; increase in the amount of bonded indebtedness to be incurred; increase in the amount of capitalized interest; increase in that portion of the Captured Net Tax Capacity to be retained by the City; increase in the total estimated public costs; or designation of additional property to be acquired by the City shall be approved only after satisfying all the necessary requirements for approval of the original TIF Plan. These restrictions do not apply if:

1. the only modification is elimination of parcels from the Project Area or the TIF District; and
2. the current Net Tax Capacity of the parcels eliminated equals or exceeds the Net Tax Capacity of those parcels in the TIF District's Original Net Tax Capacity, or the City agrees that the TIF District's Original Net Tax Capacity will be reduced by no more than the current Net Tax Capacity of the parcels eliminated.

The City must notify the County Auditor of any modification that reduces or enlarges the geographic area of the Project Area or the TIF District. The geographic area of the TIF District may be reduced but not enlarged after five



years following the date of certification.

## **Section 29 Administration of the Tax Increment Financing Plan**

Upon adoption of the TIF Plan, the City shall submit a copy of such plan to the State Auditor's Office. The City shall also request that the County Auditor certify the Original Net Tax Capacity and Net Tax Capacity Rate of the TIF District. To assist the County Auditor in this process, the City shall submit copies of the TIF Plan, the resolution establishing the TIF District and adopting the TIF Plan, and a listing of any prior planned improvements. The City shall also send the County Assessor any assessment agreements establishing the minimum market value of land and improvements in the TIF District and shall request that the County Assessor review and certify any assessment agreements as reasonable.

The County shall distribute to the City the amount of tax increment as it becomes available. The amount of tax increment in any year represents the applicable property taxes generated by the Retained Captured Net Tax Capacity of the TIF District. The amount of tax increment may change due to development anticipated by the TIF Plan, other development, inflation of property values, or changes in property classification rates or formulas.

In administering and implementing the TIF Plan, the following actions should occur on an annual basis:

1. Prior to July 1, the City shall notify the County Assessor of any new development that has occurred in the TIF District during the past year to ensure that the new value will be recorded in a timely manner.
2. If the County Auditor receives the request for certification of a new TIF District, or for modification of an existing TIF District, before July 1, the request shall be recognized in determining local tax rates for the current and subsequent levy years. Requests received on or after July 1 shall be used to determine local tax rates in subsequent years.

Each year the County Auditor shall certify the amount of the Original Net Tax Capacity of the TIF District. The amount certified shall reflect any changes that occur as a result of the following:

- a) the value of property that changes from tax-exempt to taxable shall be added to the Original Net Tax Capacity of the TIF District. The reverse shall also apply;
- b) the Original Net Tax Capacity may be modified by any approved enlargement or reduction of the TIF District;
- c) if the TIF District is classified as an economic development district, then the Original Net Tax Capacity shall be increased by the amount of the annual adjustment factor; and
- d) if laws governing the classification of real property cause changes to the percentage of Estimated Market Value to be applied for property tax purposes, then the resulting increase or decrease in Net Tax Capacity shall be applied proportionately to the Original Net Tax Capacity and the Retained Captured Net Tax Capacity of the TIF District.

The County Auditor shall notify the City of all changes made to the Original Net Tax Capacity of the TIF District.

## **Section 30 Financial Reporting and Disclosure Requirements**

The City is responsible for information and financial reporting on the activities of the TIF District. These responsibilities include:

1. Prepare and Publish an Annual Statement. No later than August 1 of each year, the City must prepare and publish an annual statement which includes at least the following information:
  - (a) tax increment received and expended in that year
  - (b) Original Net Tax Capacity
  - (c) captured Net Tax Capacity
  - (d) amount of outstanding bonded indebtedness

- (e) increments paid to other government bodies
- (f) administrative costs
- (g) increments paid directly or indirectly outside of the district
- (h) if a fiscal disparities contribution is computed under section 469.177, Subd. 3(a), the increase in property tax imposed on other properties in the municipality as a result of the fiscal disparities contribution in the manner prescribed by the commissioner of revenue.

A copy of the annual statement must also be provided to the State Auditor, county board and county auditor, and the municipality.

2. Prepare an Annual Report. (469.175 Subds. 5 and 6) The State Auditor enforces the provisions of the TIF Act and has full responsibility for financial and compliance auditing of the City's use of tax increment financing. The State Auditor's office provides detailed tax increment reporting forms for use in complying with annual reporting requirements. On or before August 1 of each year, the City and/or the County must prepare a status and financial report for the TIF District and submit it to the state auditor, the county board, the county auditor, and the governing body of the municipality, if the municipality is not also the authority.

### **Section 31 Findings and Need for Tax Increment Financing**

In establishing the TIF District, the City makes the following findings:

1. The TIF District qualifies as a housing district;  
*See Section 12 of this document for the reasons and facts supporting this finding.*
2. The proposed development, in the opinion of the City, would not reasonably be expected to occur solely through private investment within the reasonably foreseeable future, and the increased market value of the site that could reasonably be expected to occur without the use of tax increment would be less than the increase in 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 Developer has indicated that TIF assistance is necessary to control certain development costs such that the resulting sales prices can be maintained at affordable levels. Without assistance, the Developer believes that the acquisition and construction cost of the homes will exceed affordable levels and the project will not be feasible.*

A comparative analysis of estimated market values both with and without establishment of the TIF District and the use of tax increments has been performed as described above. Such analysis is included as Exhibit 5, and indicates that:

1. *The increase in estimated market value of the proposed developments is \$3,271,784; and*
2. *The present value of expected tax increments collected over the maximum duration of the TIF District is \$485,334; and*
3. *The expected increased estimated market value of the site without the use of tax increment is \$7,336, assuming the land remains mostly vacant; and*
4. *No development is expected to occur that would create a market value increase of at least \$2,786,450 without TIF assistance (the amount in line 1 less the amount in line 2).*

3. The TIF Plan conforms to the general plan for development or redevelopment of the City as a whole.

*The reasons and facts supporting this finding are that the housing development proposed for the TIF District are generally consistent with the City's development plan and zoning ordinances and serves to promote the City's development objectives. These findings are supported by a Resolution adopted by the City's Planning Commission.*

4. The TIF Plan will afford maximum opportunity, consistent with the sound needs of the City as a whole, for the development of the Project Area by private enterprise.

*The reasons and facts supporting this finding are that the activities contemplated in this TIF Plan are necessary so that development and redevelopment by private enterprise can occur within the Development District.*



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## Exhibits

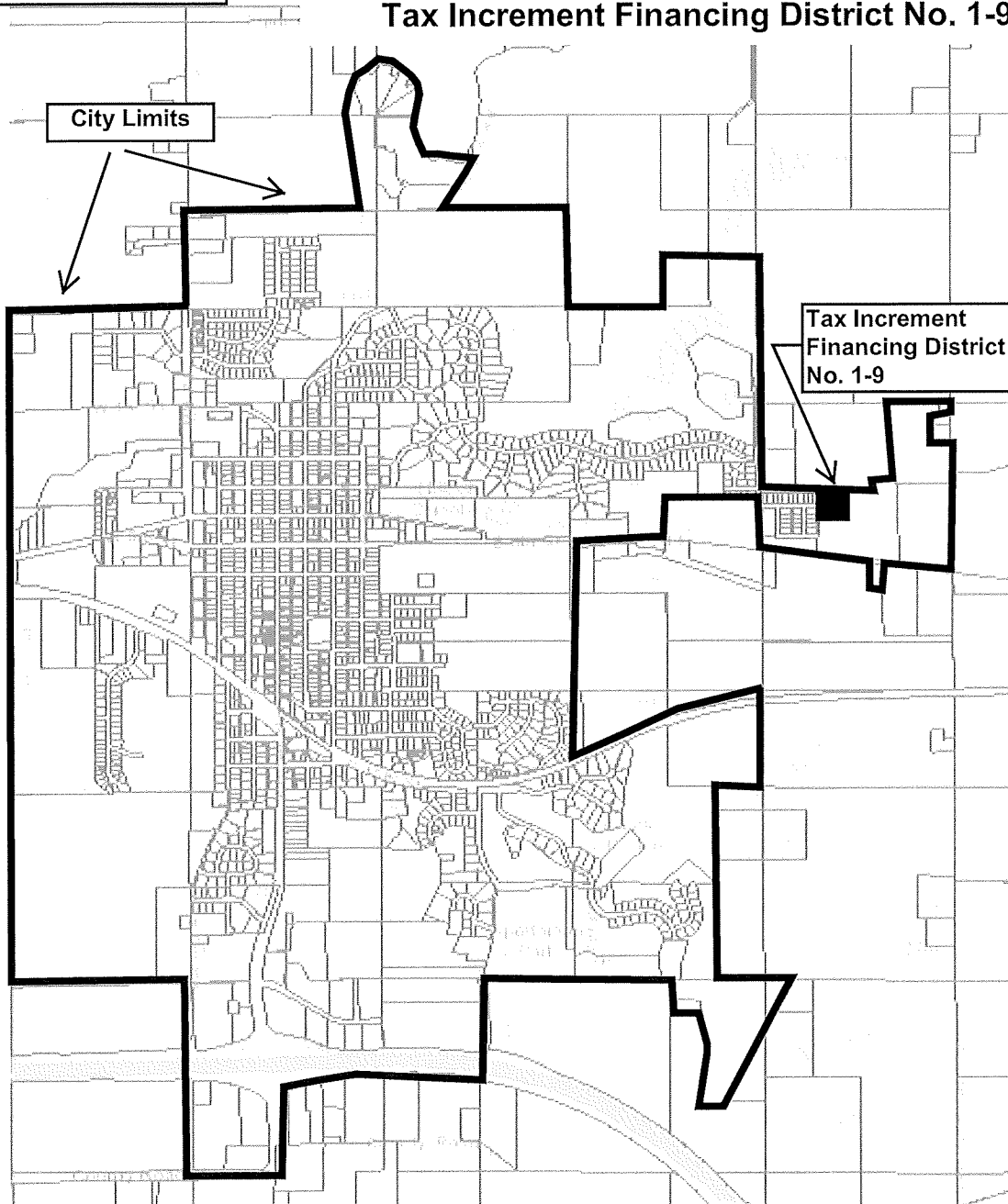
Map of Financing District and Project Area.....	Exhibit 1
Parcels and Valuations.....	Exhibit 2
Tax Increment Projections.....	Exhibit 3
Statement of Fiscal and Economic Impacts.....	Exhibit 4
Market Value Analysis.....	Exhibit 5

**Legend**

■ Tax Increment Financing  
District No. 1-9

— City Limits

**City of St. Charles, Minnesota**  
**Tax Increment Financing District No. 1-9**



The boundaries of Municipal Development District No. 1 are coterminous with City Limits.

**City of St. Charles, Minnesota**  
**Housing Tax Increment Financing TIF District No. 1-9**  
**South Fork Additions Third**

**PARCELS AND VALUATIONS**

PIN #	<i>Valuations</i>			
	Land	Building	Total M.V.	Est. T.C.
1      290780290	28,216	-	<b>28,216</b>	<b>282</b>
	28,216	-	28,216	282

NOTE: The land in the TIF District is currently part of a larger parcel which is being split off and subdivided into 12 single family residential lots. New parcel numbers will be assigned by the County once complete.

NOTE: The land in the TIF District is approximately 9.4 acres being split from the parcel number noted above. Original valuations are a prorated estimate.

**Land Description:**

That part of Outlot A, SOUTH FORK ADDITION, according to the recorded plat thereof on file and of record at the office of the Winona County Recorder, described as follows:  
Beginning at the northwest corner of said Outlot A; thence South 01°05'01" East, assumed bearing, along the west line of said Outlot A, a distance of 150.00 feet (the next two calls are along said west line of Outlot A); thence North 88°54'59" East 13.00 feet; thence South 01°05'01" East 246 feet; thence North 88°54'59" East 450.00 feet; thence North 01°05'01" West 246.00 feet; thence South 88°54'59" West 13.00 feet; thence North 01°05'01" West 150.00 feet to the north line of said Outlot A; thence South 88°54'59" East, along said north line, 450.00 feet to the point of beginning.

Final values will be based on taxes payable 2022, as request for certification will occur after July 1, 2021 and before June 30, 2022.

**City of St. Charles, Minnesota**  
**Housing Tax Increment Financing TIF District No. 1-9**

South Fork Additions Third

**TIF PROJECTIONS**

**Valuations & Projected Increases**

	Taxable Market		
	Value	Tax Capacity	
Original Values	28,216	282	Original Tax Capacity
Completed Taxable Value (1 unit)	275,000	2,750	
Completed Project Value (9 units total)	3,300,000	33,000	Completed Tax Capacity
<b>Increase Upon Full Development</b>	<b>3,271,784</b>	<b>32,718</b>	<b>Captured Tax Capacity</b>

4 # of Units per Year (12 Total Units)

**Tax Rate Assumptions:**

	Pay 2021 Tax Rate**	Est. Applicable Tax Rate*
City	42.959%	42.959%
County	38.045%	38.045%
School	23.551%	20.983%
Other	0.320%	0.320%
State	0.000%	0.000%
	<b>104.875%</b>	<b>102.307%</b>

**Projected Tax Increment**

Payable Year	Original Tax Capacity	Projected Tax Capacity	Net Captured Tax Capacity	Less Fiscal Disparities	Retained Net Captured Tax Capacity	Projected Tax Rate	Less State Auditor's Deduction	Gross Tax Increment	10.00% Admin. Retainage	Other additions & (subtractions)	TOTAL NET REVENUES
2021	282	282	-	-	-			-	-	-	-
2022	282	282	-	-	-			-	-	-	-
2023	282	11,000	10,718	-	10,718	102.307%	(39)	11,005	1,100	-	9,904
2024	282	22,000	21,718	-	21,718	102.307%	(80)	22,299	2,230	-	20,069
2025	282	33,000	32,718	-	32,718	102.307%	(121)	33,593	3,359	-	30,234
2026	282	33,000	32,718	-	32,718	102.307%	(121)	33,593	3,359	-	30,234
2027	282	33,000	32,718	-	32,718	102.307%	(121)	33,593	3,359	-	30,234
2028	282	33,000	32,718	-	32,718	102.307%	(121)	33,593	3,359	-	30,234
2029	282	33,000	32,718	-	32,718	102.307%	(121)	33,593	3,359	-	30,234
2030	282	33,000	32,718	-	32,718	102.307%	(121)	33,593	3,359	-	30,234
2031	282	33,000	32,718	-	32,718	102.307%	(121)	33,593	3,359	-	30,234
2032	282	33,000	32,718	-	32,718	102.307%	(121)	33,593	3,359	-	30,234
2033	282	33,000	32,718	-	32,718	102.307%	(121)	33,593	3,359	-	30,234
2034	282	33,000	32,718	-	32,718	102.307%	(121)	33,593	3,359	-	30,234
2035	282	33,000	32,718	-	32,718	102.307%	(121)	33,593	3,359	-	30,234
2036	282	33,000	32,718	-	32,718	102.307%	(121)	33,593	3,359	-	30,234
2037	282	33,000	32,718	-	32,718	102.307%	(121)	33,593	3,359	-	30,234
2038	282	33,000	32,718	-	32,718	102.307%	(121)	33,593	3,359	-	30,234
2039	282	33,000	32,718	-	32,718	102.307%	(121)	33,593	3,359	-	30,234
2040	282	33,000	32,718	-	32,718	102.307%	(121)	33,593	3,359	-	30,234
2041	282	33,000	32,718	-	32,718	102.307%	(121)	33,593	3,359	-	30,234
2042	282	33,000	32,718	-	32,718	102.307%	(121)	33,593	3,359	-	30,234
2043	282	33,000	32,718	-	32,718	102.307%	(121)	33,593	3,359	-	30,234
2044	282	33,000	32,718	-	32,718	102.307%	(121)	33,593	3,359	-	30,234
2045	282	33,000	32,718	-	32,718	102.307%	(121)	33,593	3,359	-	30,234
2046	282	33,000	32,718	-	32,718	102.307%	(121)	33,593	3,359	-	30,234
2047	282	33,000	32,718	-	32,718	102.307%	(121)	33,593	3,359	-	30,234
2048	282	33,000	32,718	-	32,718	102.307%	(121)	33,593	3,359	-	30,234
<b>839,536</b>									<b>83,954</b>	<b>-</b>	<b>755,582</b>

Present Value of Net Revenues @ 4% >> 436,801

\* Applicable School tax rate is an estimate of the rate with general revenue items removed from the levy.

\*\* Actual Original Tax Rate will be based on taxes payable 2022 which is unknown at this time. Pay 2021 data used for estimation purposes only.

**City of St. Charles, Minnesota**  
**Housing Tax Increment Financing TIF District No. 1-9**

**South Fork Additions Third**

**STATEMENT OF FISCAL AND ECONOMIC IMPACTS**

**PHASE ONE DEVELOPMENT ONLY**

Taxing Jurisdiction	Without TIF District		With TIF District					
	2021 Taxable Net Tax Capacity <sup>(1)</sup>	2020/2021 Local Tax Rate	2021 Taxable Net Tax Capacity <sup>(1)</sup>	Projected Captured Net Tax Capacity	Hypothetical Tax Generated By TIF	New Taxable Net Tax Capacity	Hypothetical Adjusted Local Tax Rate	Hypothetical Decrease in Tax Rate
City of St. Charles, Minnesota	3,169,177	42.959%	3,169,177	32,718	14,055	3,201,895	42.516%	0.443%
Winona County	52,842,256	38.045%	52,842,256	32,718	12,448	52,874,974	38.021%	0.024%
School District #858	7,689,162	23.551%	7,689,162	32,718	7,705	7,721,880	23.451%	0.100%
Other <sup>(2)</sup>	—	—	—	32,718	—	—	—	—
Totals		104.555%			34,208		103.988%	0.567%

**Statement #1:** If all of the projected captured net tax capacity of the project were hypothetically immediately available to each taxing jurisdiction if TIF were not used, the tax capacities of each jurisdiction would be increased by the amounts shown above, and the local tax rates of each jurisdiction would be decreased by the amounts shown.

**Statement #2:** As the projected captured tax capacity of the project would not be available without the use of TIF, the tax capacities and tax rates of each jurisdiction will not be affected.

**Statement #3:** The estimated amount of tax increment (gross increment less State Auditor's deduction) generated over the life of the TIF District is estimated to be \$839,536.

**Statement #4:** A description of the probable impact of the TIF District on City services as a result of the creation of this TIF District would include the following: The City will be collecting an estimated \$352,525 in city property tax revenue from the proposed project area and applying it to project related expenses rather than general services such as police, fire, and other services not paid by user fees.

**Statement #5:** The estimated amount of increment attributed to the school districts' tax levies and captured as a result of the creation of this TIF District is \$172,185 for Independent School District 858.

**Statement #6:** The estimated amount of increment attributed to the county tax levy and captured as a result of the creation of this TIF district is \$312,200.

**Statement #7:** The final Original Net Tax Capacity and Local Tax Rate of the TIF District will be based upon data for taxes payable 2022 as the Authority intends to request certification of the TIF District after July 1, 2021 and before June 30, 2022.

<sup>(1)</sup> Taxable net tax capacity = total net tax capacity less value captured in TIF Districts and powerline value.

<sup>(2)</sup> The impacts upon other taxing jurisdictions not included since they represent a small percentage of the total tax rate.

## City of St. Charles, Minnesota

### Housing Tax Increment Financing TIF District No. 1-9 South Fork Additions Third

## MARKET VALUE ANALYSIS

Increased Market Value of Site	3,271,784
Less Present Value of TIF Revenues	<u>485,334</u>
	2,786,450
Reasonably expected increase w/out TIF*	<u>7,336</u>
<b>Net Value Increase</b>	<b>2,779,114</b>

#### Present Value Calculation

Calculation Date	12/31/2021
Present Value Factor	4.00%

#	Year	Gross Tax Increment	Present Value
0	2021	-	-
1	2022	-	-
2	2023	11,005	10,174
3	2024	22,299	19,824
4	2025	33,593	28,715
5	2026	33,593	27,611
6	2027	33,593	26,549
7	2028	33,593	25,528
8	2029	33,593	24,546
9	2030	33,593	23,602
10	2031	33,593	22,694
11	2032	33,593	21,821
12	2033	33,593	20,982
13	2034	33,593	20,175
14	2035	33,593	19,399
15	2036	33,593	18,653
16	2037	33,593	17,936
17	2038	33,593	17,246
18	2039	33,593	16,582
19	2040	33,593	15,945
20	2041	33,593	15,331
21	2042	33,593	14,742
22	2043	33,593	14,175
23	2044	33,593	13,630
24	2045	33,593	13,105
25	2046	33,593	12,601
26	2047	33,593	12,117
27	2048	33,593	11,651
		<u>839,536</u>	<u>485,334</u>

\* Without the use of TIF, increase in market value is assumed to be inflationary only on existing parcels, calculated at 1% per year.

Land Description:

That part of Outlot A, SOUTH FORK ADDITION, according to the recorded plat thereof on file and of record at the office of the Winona County Recorder, described as follows:

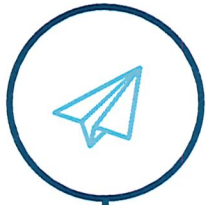
Beginning at the northwest corner of said Outlot A; thence South  $01^{\circ}05'01''$  East, assumed bearing, along the west line of said Outlot A, a distance of 150.00 feet (the next two calls are along said west line of Outlot A); thence North  $88^{\circ}54'59''$  East 13.00 feet; thence South  $01^{\circ}05'01''$  East 246 feet; thence North  $88^{\circ}54'59''$  East 450.00 feet; thence North  $01^{\circ}05'01''$  West 246.00 feet; thence South  $88^{\circ}54'59''$  West 13.00 feet; thence North  $01^{\circ}05'01''$  West 150.00 feet to the north line of said Outlot A; thence South  $88^{\circ}54'59''$  East, along said north line, 450.00 feet to the point of beginning.



# 2020 CIP REPORT

St. Charles Conservation Improvement Program (CIP)  
2020 Program Delivery Summary





# **TOPICS**

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**1**

**OUR TEAM**

**2**

**CIP OVERVIEW**

**3**

**PROGRAMS  
AND  
SERVICES**

**4**

**2020 RESULTS**

**5**

**COMMENTARY**



# OUR TEAM



Dean Laube  
Regional VP



Jeff Becker  
Energy Engineer



Bruce Stahlberg  
Energy Advisor



Joe Plummer  
Program Manager



Kyle Shannon  
Energy Advisor



Chris Droske  
Energy Advisor

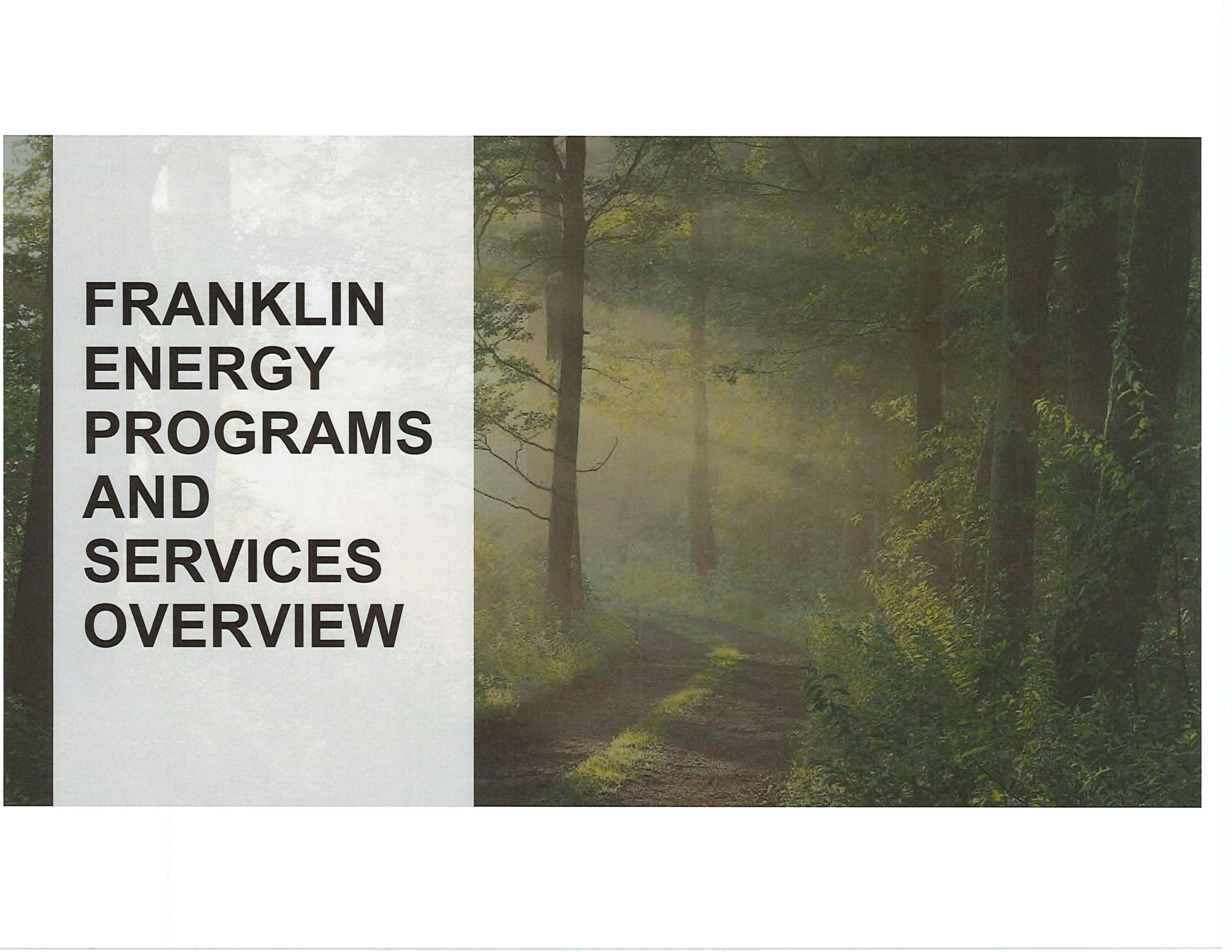


Rose Shannon  
Program Manager,  
MN Energy Resources

# CIP OVERVIEW

- State law mandates that electric and natural gas utilities operate programs to help their customers save energy
- This is typically done through:
  - Rebates (offset the higher upfront cost of energy efficient equipment)
  - Energy audits (help customers identify opportunities to save energy in their homes and businesses)
  - Direct install programs (often done as part of an energy audit – provider direct installs free equipment such as LED bulbs.)
  - Working with trade allies to promote the programs
- Each electric utility has an annual energy savings goal of 1.5% of average sales
  - For 2020, the City of St. Charles' savings goal was 326,106 kWh
  - Utilities are allowed to “bank” excess savings for use in future years. Savings expire after 3 years.
- Other requirements include a minimum spending amount (1.5% of total GOR) and minimum spending on income-qualified programs (0.2% of residential GOR)





# **FRANKLIN ENERGY PROGRAMS AND SERVICES OVERVIEW**



# COMMERCIAL SERVICES



Commercial Energy Audits



Compressed Air Leak Surveys



Customer/Trade Ally Consultation



New Construction Reviews



Prescriptive Rebate Application Reviews



Custom Rebate Calculations



# RESIDENTIAL SERVICES

- Residential Energy Audits + Direct Install

ST. CHARLES GARDENS/ST. CHARLES		Residential Energy Assessment	
ADDRESS		CITY/ZIP: St. Charles	
ACCOUNT		Ema	
ENERGY ASSESSMENT Basic \$35		Exempted Co-pay (no charge)	
		Infrared \$100	
<b>RECOMMENDATIONS:</b> <b>Health and Safety:</b> A condition has been found that requires your attention prior to performing any air tightening measures on your home. **Maintenance on the air-to-air exchanger, clean intake, clean filters, clean core and operate as per need**			
1. Use ENERGY STAR rated LED light bulbs ALL LED LIGHTING EXISTING			
2. Get bids for air conditioner replacement, sizing determined according to home's orientation, insulation, tightness			
3. Seal gap at existing filter on furnace. Consider adding 4" filter slot when AC is replaced for higher quality filter			
4. Use electrical sub-meter to measure individual appliances and compare with monthly bill (dehumidifier, space heaters, etc)			
5. Determine where the dryer vent exits and consider shortening the run for easier flow and future maintenance			
6. Use high efficiency natural gas fired furnace as main heat source versus electric fireplace or electric space heaters			
7. Consider changing to natural gas driver			
I understand that the energy advisor is not a licensed heating contractor and that the advisor does not ensure my heating system is safe now or at any time in the future. I also understand that if the advisor does not recommend having a license heating contractor inspect my heating systems, that does NOT mean my heating systems are safe or that they do not need an inspection, today or in the future. I acknowledge that the above information was explained to me and that I may have a co-pay expense of \$35 or \$100 as indicated above.			
Customer Signature _____			
Advisor Name/Company: Bruce Stahlberg / Franklin Energy			
Contact: 612-284-3663 <a href="http://www.franklinenergy.com">www.franklinenergy.com</a> 612-558-5959			





# ELEMENTARY ENERGY EDUCATION

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- Goals
  - Educate students about how energy is produced and delivered
  - Create awareness of the importance of conservation
- Program
  - Annual classroom presentation (via Zoom in 2020)
  - Each student gets a free kit of LED light bulbs, etc. to install with their family
  - Students return worksheets indicating what was installed so program can claim energy savings
  - Students are rewarded with pizza party for their participation





# OTHER SERVICES



Annual Rebate Review



Annual Deemed Savings Updates

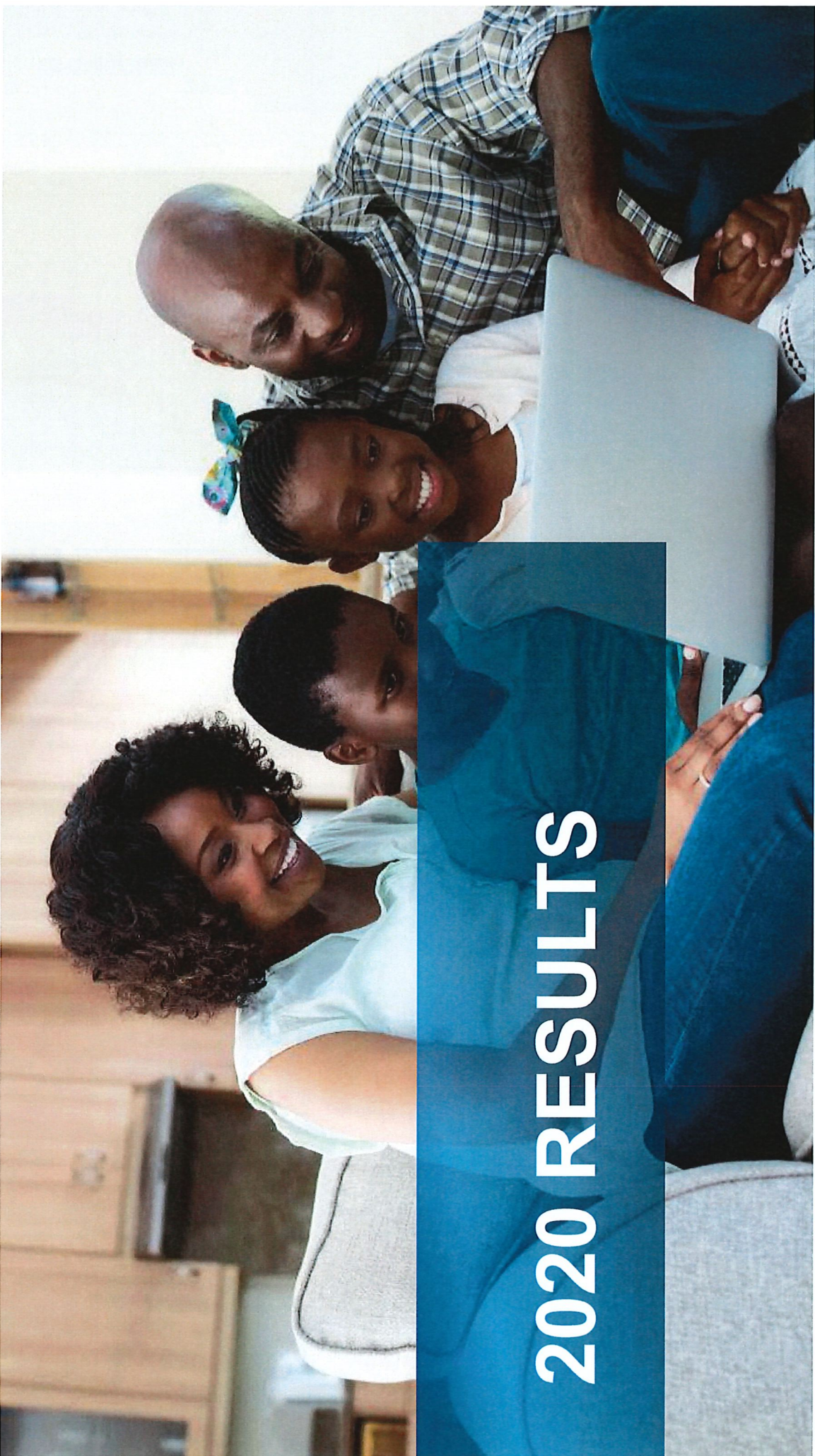


Program Materials



Minnesota Department of Commerce  
Annual Reporting





# 2020 RESULTS



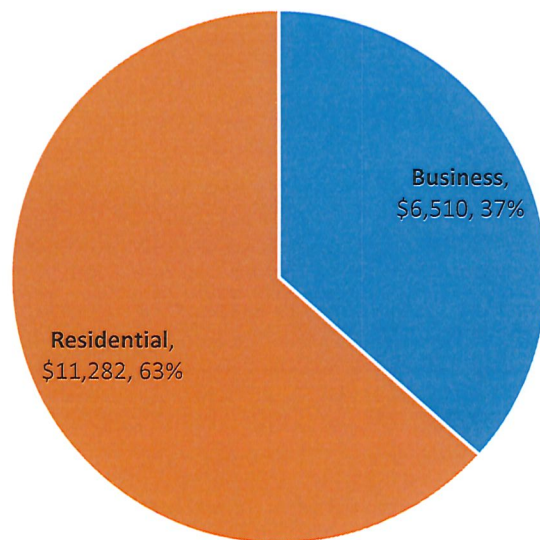
# 2020 SAVINGS BY PROGRAM

Program	Energy Savings (kWh/yr)	Demand Savings (kW)
Commercial/Industrial	37,241	4.5
Elementary Energy Efficiency	13,300	1.2
Low Income Wx (SEMCAC)	276	0.0
Residential Audits+Direct Install	0	0.0
Residential Rebates	44,333	4.5
"Banked" Savings	230,955	0.0
<b>TOTAL</b>	<b>326,106</b>	<b>10.3</b>

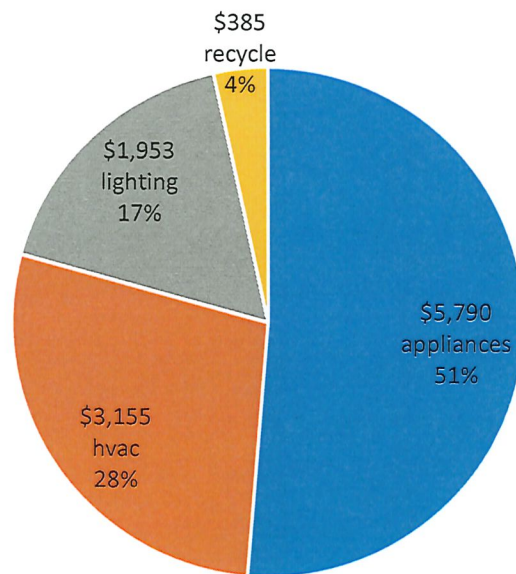
**State-Mandated Energy Savings Goal for 2020:**  
**1.5% of average sales = 326,106 kWh**

# REBATES PAID IN 2020

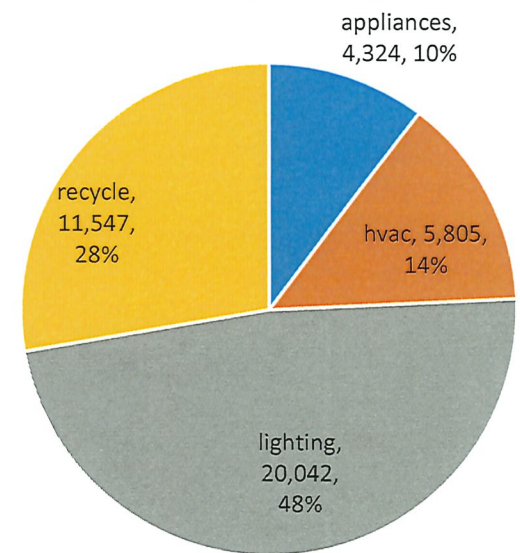
Rebates by Customer Type



Rebates by Category



kWh Savings by Category





## YEAR OVER YEAR CIP SAVINGS

Year	Energy Savings (kWh/yr)	% of Sales
2012	185,861	0.7%
2013	175,981	0.8%
2014	327,176	1.5%
2015	149,383	0.7%
2016	333,817	1.5%
2017	308,725	1.5%
2018	543,323	2.5%
2019	386,250	1.8%
2020	95,151*	0.4%

*\*Does not include excess savings applied from  
2018 & 2019*

Perspective: average home uses 10,521 kWh/yr<sup>1</sup>

<sup>1</sup>US Energy Information Administration, 2015 Residential Energy Consumption Survey,  
Midwest-West Central Region



# COMMENTARY

- COVID-19 impacted program participation and delivery
- Excess savings from past years (“banked savings”) helped meet the 1.5% goal
  - 54,022 kWh remaining, expire after 2023
- Savings goal becoming more difficult to achieve as many customers have already installed LED lighting
- Large projects can drive goal achievement
  - Example: school renovations, Love’s Travel Stop
- New legislation: Energy Conservation and Optimization (ECO) Act
  - Passed with bipartisan support, signed by Gov. Walz
  - Maintains 1.5% energy savings goal for municipal utilities and cooperatives while increasing the goal for investor-owned utilities to 1.75%
  - Opens the door to “beneficial electrification” measures that produce a net energy reduction, reduce greenhouse gases, and improve utility load factor. Example: cold-climate heat pumps displacing natural gas furnaces
  - These measures can offset declining sales while helping the environment
  - Legislation takes effect June 1, 2022 with the filing of CIP plans for 2023
  - We will keep the City apprised of ongoing developments around this legislation

June 15, 2021

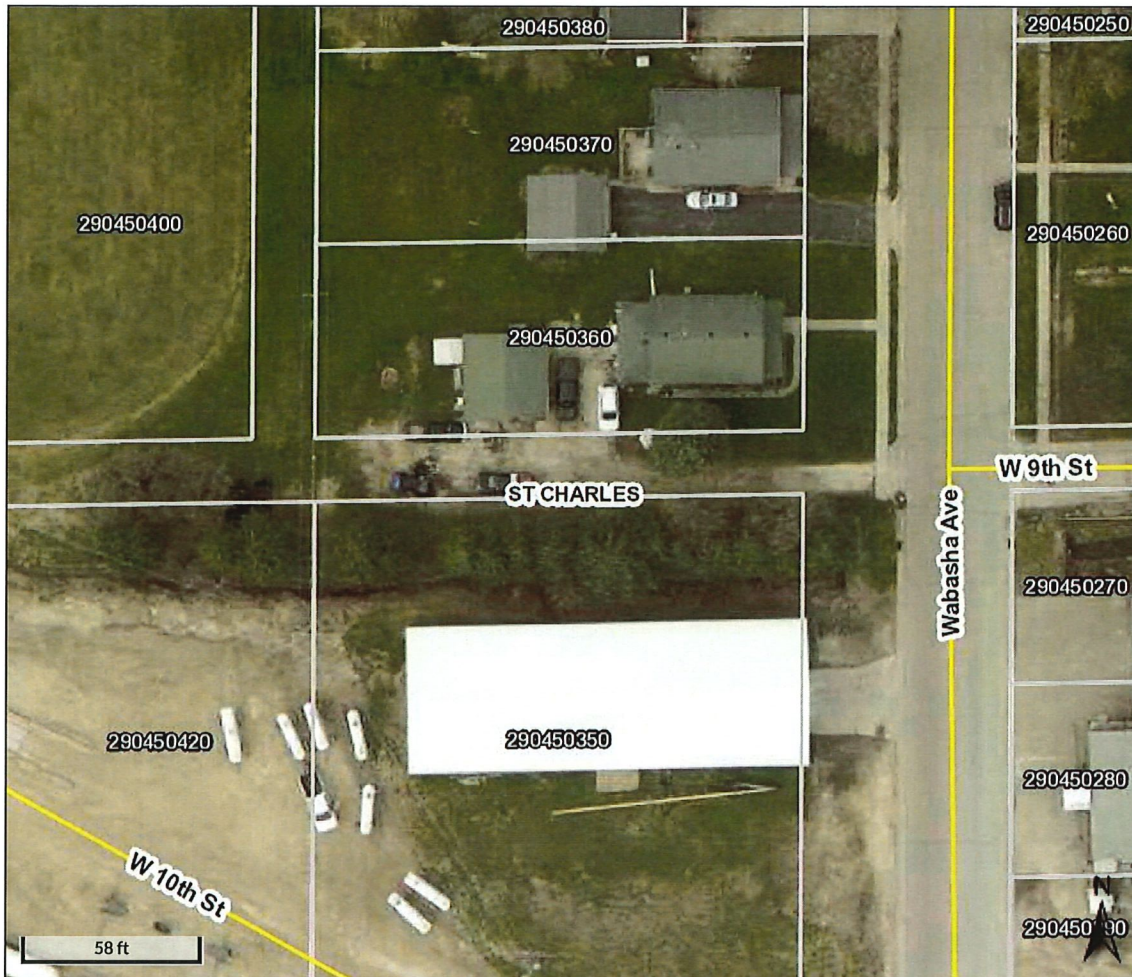
To Mayor and Council Members:

We are requesting for 100% ownership of the abandon alley, that is located on the south end of our physical address of 848 Wabasha Avenue. CHS has agreed to forgo their 50% ownership of the alley.

Please advise.

Thank you,

Aretha and Charles Weichelt  
848 Wabasha Ave  
Saint Charles, Mn 55972



Overview



### Legend

#### Roads

-  Other
-  Interstate
-  US/State Highway
-  City Streets
-  County Road
-  Township Road
-  Private Drive

 Municipalities

 Winona Boundary

 Parcel

Parcel ID	290710010	Alternate ID	n/a	Owner Address	PEARSON PROPERTIES INC
Sec/Twp/Rng	n/a	Class	n/a		137 15TH STE
Property Address	1541 RIMROCK RD	Acreage	n/a		ST CHARLES, MN 55972
	ST CHARLES				

District n/a

Brief Tax Description Sect-20 Twp-106 Range-010 PINE RIDGE Lot-001 Block-001  
(Note: Not to be used on legal documents)

**Note: 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.**

Date created: 6/17/2021

Last Data Uploaded: 6/17/2021 3:19:36 AM

Developed by  **Schneider**  
GEOSPATIAL



*To unify, support, and serve  
as a common voice for municipal utilities*

June 17, 2021

Dear Members,

I am writing today to let you know about a need we have. One of our Safety Coordinators is currently on an extended medical leave receiving treatment for cancer. We are hopeful that he will be able to return to work, however even in the best-case scenario it may not be until September.

While we understand one option would be to hire someone new, the Safety Coordinator position requires a unique skill set that is best developed over time – something that we don't have right now.

Instead, we would like to try something else. We would like to establish a program that would allow members to donate Safety Coordinator service time to other members. MMUA would activate this program in "emergency" situations such as an extended medical leave or other unexpected situation or tragedy.

**This program will be called Partners4Purpose.**

How this would work: Each member has contracted with MMUA for Safety Coordinator services. Your contracted time is scheduled as "day-blocks". You can donate any number of day-blocks from your contract to the Partners4Purpose Program. Donations will enable us to reallocate our staffing resources, so that members who are currently affected can continue to receive safety services.

***If every member would donate at least 1 day-block (8 hours) to the Partners4Purpose, we would be able to get through this challenging time.***

As a member-organization, partnering with and serving each of you is at the heart of our work. By working together and establishing this program, we help make situations like this easier on everyone and maintain service within the membership,

Thank you for your consideration. Please contact me directly if you have any questions or click this link to [pledge your donation to Partners4Purpose.](#)

Sincerely,

A handwritten signature in black ink, reading "Mike Willetts". The signature is fluid and cursive, with the first name "Mike" and last name "Willetts" clearly distinguishable.

Mike Willetts  
Director of Training & Safety  
612-802-8474 - cell  
[mwilletts@mmua.org](mailto:mwilletts@mmua.org)

**City of St. Charles**  
**Resolution #30-2021**

**RESOLUTION ACKNOWLEDGING THE DONATION TO THE ST. CHARLES PARK &  
RECREATION FROM AMERICAN LEGION AUXILIARY**

**WHEREAS**, the City of St. Charles is generally authorized to accept contributions of real and personal property pursuant to Minnesota Statute 465.03 for the benefit of its citizens; and

**WHEREAS**, the St. Charles Public Library has received a donation in the amount of \$976.21 from the American Legion Auxiliary to be used by the St. Charles Public Library for the purchase of items related to military history, equipment or civics.

**NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF ST. CHARLES, MINNESOTA THAT:** the City Council of the City of St. Charles acknowledges and accepts the \$976.21 donation from the American Legion Auxiliary.

**BE IT FURTHER RESOLVED THAT:** the City Council of the City of St. Charles expresses its thanks and appreciation for the donation.

Adopted this 22nd day of June, 2021 by the City Council of the City of St. Charles.

CITY OF ST. CHARLES

\_\_\_\_\_  
**John Schaber, Mayor**

ATTEST:

\_\_\_\_\_  
**Nick Koverman, City Administrator**

**City of St. Charles**

**RESOLUTION #31-2021**

**A RESOLUTION APPROVING A  
GAMBLING PERMIT APPLICATION**

**WHEREAS**, Bluffland Whitetails Association is submitting an application to the Minnesota Gambling Control Board in order to conduct lawful gambling within the City Limits of the City of St. Charles, Minnesota:

**NOW THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF ST. CHARLES, MINNESOTA:**

1. The Council of the City of St. Charles hereby approves the Gambling Permit Renewal Application submitted by the Bluffland Whitetails Association to the Minnesota Gambling Control Board.

Adopted by the Council of the City of St. Charles, Minnesota this 22nd day of June 2021.

\_\_\_\_\_  
**John Schaber, Mayor**

Attest: \_\_\_\_\_  
**Nick Koverman, City Administrator**