



City of Fergus Falls Committee of the Whole Agenda

September 13, 2023

7:00 am

City Council Chambers

A. Call to Order

B. Roll Call

C. Discussion Items

1. Airport Automated Weather Observation System (AWOS) Relocation and Replacement Improvement Project

Brian Yavarow

Requested Action: Recommendation to the council to accept SEH's construction administration amendment in the amount of \$28,000 and authorize the execution of the state grant agreement for PI 9350, the Airport AWOS project

2. City Project 5961, 2024 Street & Utility Improvement Project No. 1 (Junius Avenue)

Brian Yavarow

Requested Action: Recommendation to the council to initiate PI No's 5363, 7219 & 8235; to combine the PI's into CP 5961; Order the Preliminary Engineering Report for the project and accept Interstate Engineering's professional services proposal in the amount of \$20,0000

3. 2022 Minnesota State Active Transportation Infrastructure Program

Brian Yavarow

Requested Action: Recommendation to the council requesting MnDOT prepare the final Active Transportation Grant Agreement for Option No. 3

4. Conditional Use Permit for 1603 Pebble Lake Road

Klara Beck/Andrew Bremseth

Requested Action: Recommendation to the council to approve a Conditional Use Permit for hemp-derived THC sales in a B-2 zone

5. TIF Development Agreement for FM Bank

Klara Beck/Andrew Bremseth

Requested Action: Recommendation to the council to approve a TIF Development Agreement with FM Bank

6. 2024 Fee Schedule

Bill Sonmor

Requested Action: Recommendation to the council to approve the 2024 fee schedule

7. 2024 Budget and Levy

Bill Sonmor

Requested Action: Recommendation to the council to approve the 2024 budget and levy

D. Additional Agenda Items

E. Announcements

| | | |
|--------------|---------|--------------------------------------|
| September 18 | 5:30 pm | City Council meeting |
| September 27 | 7:00 am | Committee of the Whole meeting |
| October 2 | 4:30 pm | Council Work Session: Franchise Fees |
| | 5:30 pm | City Council meeting |

Adjourn



Council Action Recommendation

Page 1 of 2

Meeting Date:

September 13, 2023 – Committee of the Whole
September 18, 2023 – City Council

Subject:

PI No. 9350 – 2022 Airport Automated Weather Observation System (AWOS) Relocation & Replacement Improvement Project

Recommendation:

- Accept SEH's Construction Administration (CA) Amendment in the amount of \$28,000.00
- Authorization to execute the State Grant Amendment

Background/Key Points:

The Automated Weather Observation System (AWOS) equipment foundations at the Fergus Falls Municipal Airport are substantially completed. MnDOT is currently coordinating the equipment installation(s).

Coordination between MnDOT and the FAA has been enduring thus far such that SEH's budget has been substantially exceeded. Because of this, SEH has been in contact with the State for approval to amend/increase their Construction Administration (CA) professional services agreement with the City. The State has approved SEH's request in the amount of \$28,000.00.

Budgetary Impact:

Originally, this project was a 70% MnDOT, 30% Local cost share split. With recent State funding allocations, MnDOT is proposing to fund this project 100% with no Local match. Including SEH's CA amendment, the total estimated project cost is \$195,794.10 which is now funded 100% by MnDOT. The State is preparing the Grant Amendment to the original grant therefore, I am requesting authorization to execute the amendment once available.

Originating Department:

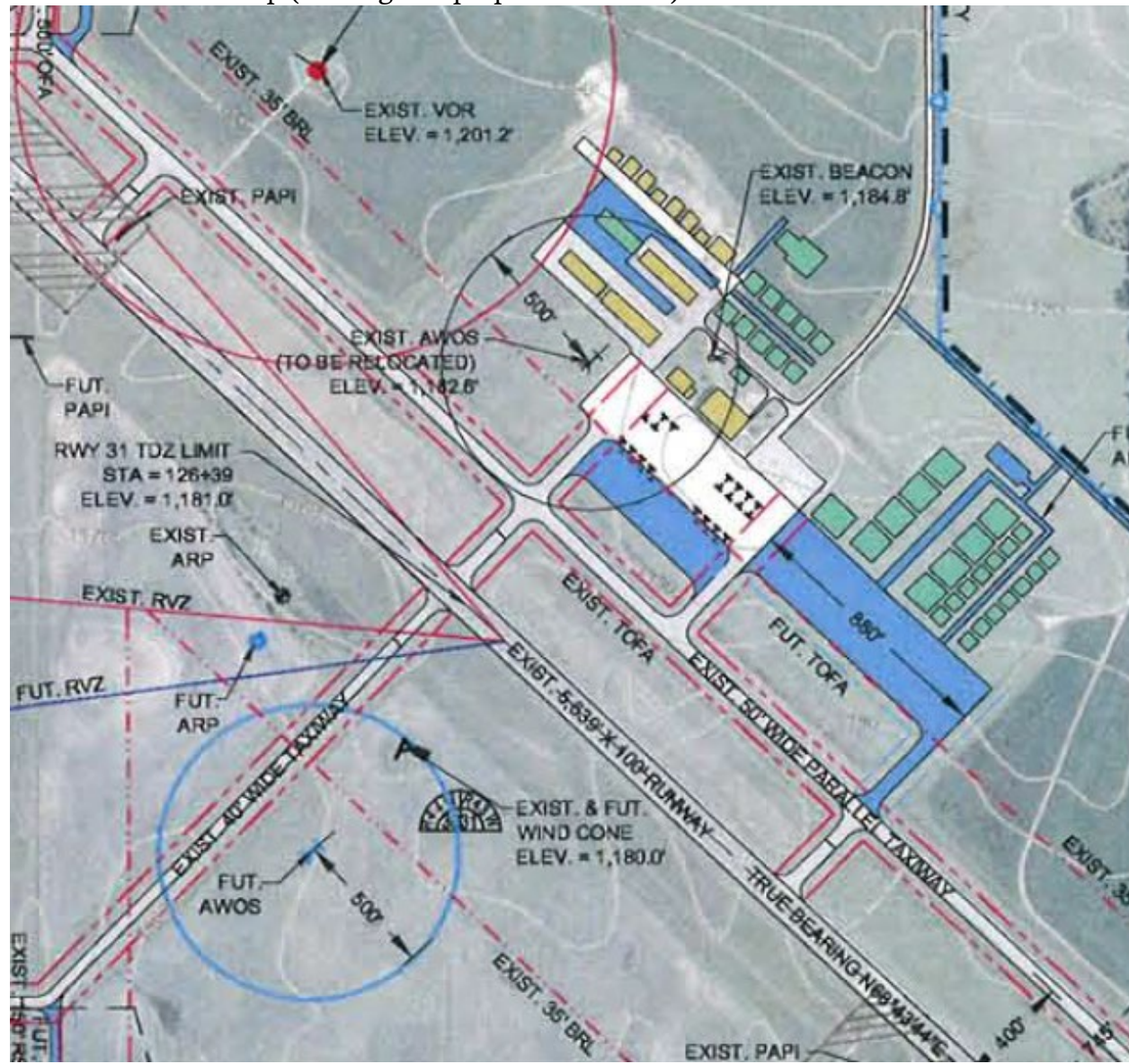
Engineering Department

Respectfully Submitted:

Brian Yavarow, P.E. - City Engineer

Attachments:

AWOS Location Map (existing and proposed location)





Council Action Recommendation

Page 1 of 1

Meeting Date:

September 13, 2023 – Committee of the Whole
September 18, 2023 – City Council

Subject:

City Project CP No. 5961 – 2024 Street and Utility Improvement Project No. 1

Recommendation:

- Initiate PI No.'s 5363, 7219, & 8235
- Combine PI No.'s 5363, 7219, & 8235 into CP 5961
- Order the Preliminary Engineering Report (PER) for CP 5961
- Accept Interstate Engineering's professional services proposal in the amount of \$20,000.00

Background/Key Points:

Staff is evaluating future improvement projects for next year's construction season. I am proposing reconstructing the pavement and utilities located along Junius Avenue from Cascade Street to Union Avenue. Please refer to the project location map for reference.

Similar to the past reconstruction projects (CP 5954, 5956, & 5955), a portion of street reconstruction is proposed to be funded thru 429 special assessments. The City utility replacements will be funded through the appropriate utility enterprise fund. I am also requesting the Council order the Preliminary Engineering Report (PER).

If acceptable, Interstate Engineering will begin drafting the Preliminary Engineering Report for presentation to this Council at a later date.

Budgetary Impact:

The preliminary total construction cost is to be determined.

Originating Department:

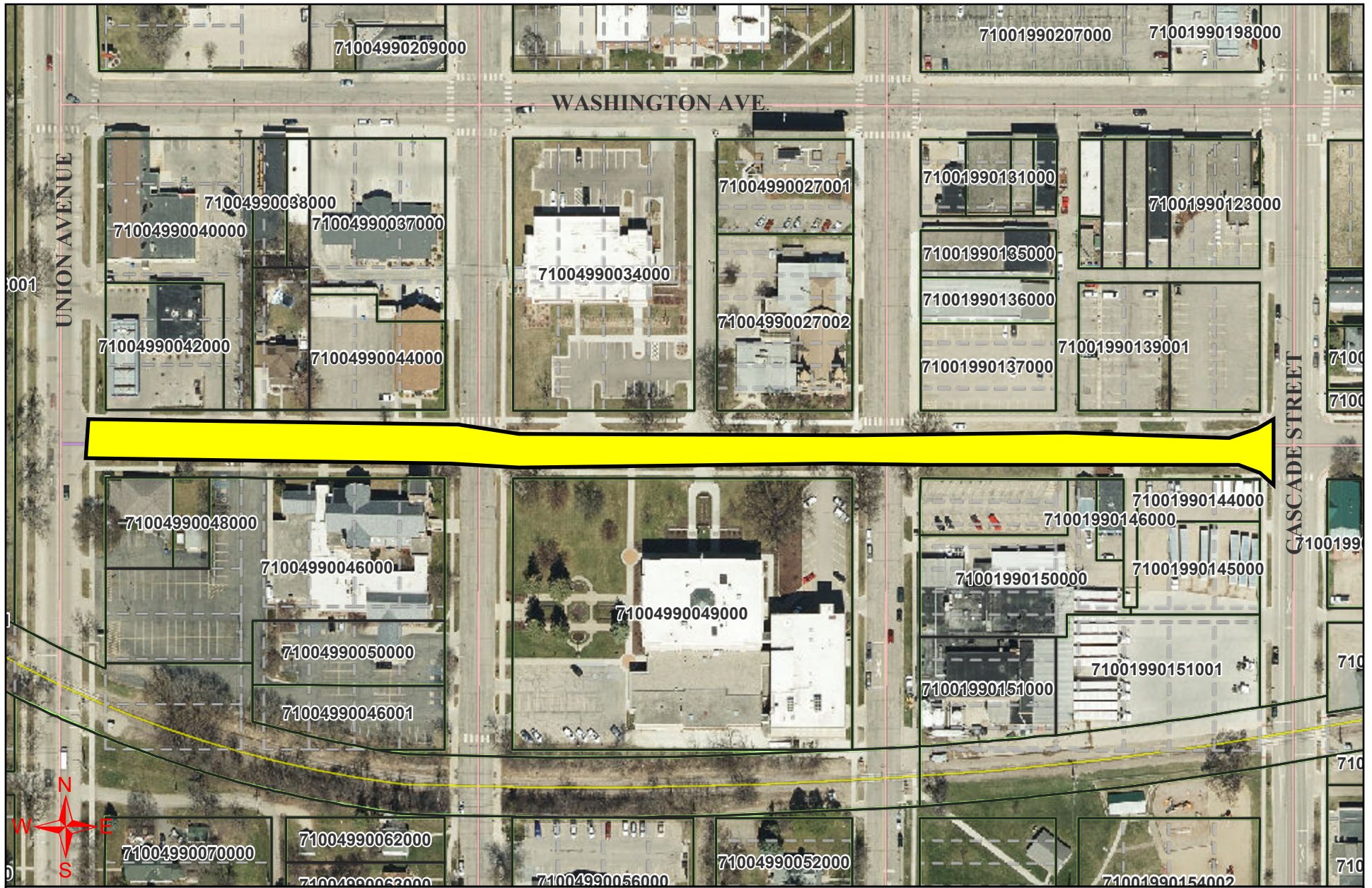
Engineering Department

Respectfully Submitted:

Brian Yavarow - City Engineer

Attachments:

Project Location Map



**JUNIUS AVENUE STREET & UTILITY
RECONSTRUCTION PROJECT LIMITS
P. I. No. 5961**

This map has been compiled from information on file at the City of Fergus Falls Engineering Department. The City of Fergus Falls makes no representation and assumes no liability for errors, omissions, or inaccuracies contained on this map. This map should not be used for boundary survey information.



Council Action Recommendation

Page 1 of 1

Meeting Date:

September 13, 2023 – Committee of the Whole
September 18, 2023 – City Council

Subject:

2022 Minnesota State Active Transportation (AT) Infrastructure Program

Recommendation:

- Authorization requesting MnDOT prepare the final AT Grant Agreement for Option No.3

Background/Key Points:

This past month, MnDOT notified me indicating additional funds were allocated to this program and the City was awarded the total amount requested of \$391,960.00. Pursuant to Council request, I contacted MnDOT requesting information if the City could accept a portion of the funds for Option No. 3 (stairway) only. MnDOT has responded by indicating the City could accept funding for Option No. 3 only upon our request. If acceptable, I will respond to the program administrator requesting the AT Grant Agreement be drafted.

Budgetary Impact:

Only specific construction costs are eligible expenses reimbursed thru this program. Landscaping planters, benches, bike racks, decorative fences, ornamental lighting, and other aesthetic treatments above the standard are generally not eligible. Other items that are not eligible include engineering, construction administration and inspection, right-of-way acquisition, water main, sanitary sewer, and private utility work.

The local share is estimated at \$71,250.00 for the entire grant. If only Option No. 3 is chosen the local match is estimated at \$26,466.00. Staff is evaluating potential local funding sources. In the interim staff will work on identifying potential funding sources and present option it to this Council along with the AT Grant Agreement, once available.

Originating Department:

Engineering Department

Respectfully Submitted:

Brian Yavarow, P.E. – City Engineer

Attachments:

Letter - 2022 Minnesota State Active Transportation Infrastructure Program

July 27, 2023

Brian Yavarow
City of Fergus Falls
112 W. Washington Avenue
Fergus Falls, MN 56537

Re: 2022 Active Transportation (AT) Infrastructure Program Project Selection

Dear Brian Yavarow,

Thank you for applying for the Active Transportation (AT) Infrastructure Program. The concrete sidewalk, stairs, PED ramps, signs, etc. at four intersections project in the City of Fergus Falls was selected for Active Transportation (AT) Program funds appropriated by the legislature in 2023. We have identified up to \$391,960.00 in AT infrastructure funds for this project.

Enclosed is a State Fund Grantee User Guide that provides a summary of the process for developing and delivering a state general funded project. Your first step will be to request a State Aid Project (SAP) number for this project if you don't already have one (or SP number if you also have federal funding). Please work with your district state aid engineer (DSAE) throughout project development. Please send the SAP number to me immediately after it is issued.

The following are important notes to keep in mind:

- Items that are eligible for AT funds include reasonable elements associated with crossing improvements, off-street facilities, on-street facilities, permanent traffic control devices (not mobile), and in-kind replacements, including basic turf establishment.
- Landscaping planters, benches, bike racks, decorative fences, ornamental lighting, and other aesthetic treatments above the standard are generally not eligible. Other items that are not eligible include engineering, construction administration and inspection, right of way acquisition, and water main, sanitary sewer, or private utility work. Additionally, work on trunk highways or on trunk highway right of way, or on private right-of-way is not eligible. Projects that serve only a recreational or leisure purpose are also not eligible for the AT program is not eligible. Any items that are not eligible for AT funds will be the responsibility of the grantee (see [Program guide \(PDF\)](#)).
- Your agency will be required to execute an AT grant agreement prior to construction, which includes certification of right of way ownership by the agency and a resolution agreeing to finance any cost in excess of the grant amount before the grant can be authorized for reimbursement.
- The plan and engineer's estimate need to be developed with a column that identifies AT participating items. If more than one agency will ultimately own general funded improvements, the engineer's estimate will need separate columns for AT participating costs of each agency. Additionally, if this is the case, separate AT grant agreements will be required with each agency that will ultimately own general funded improvements.
- Regardless of the project location, the design will need to adhere to State Aid standards (which may differ from guidance provided in the MnDOT Bicycle Facility Design Manual), and the DSAE will need to review, approve, and sign plans.

- After DSAE plan approval, you will need a funding letter from the State Aid Programs office before advertising the construction contract. The AT amount in the funding letter will be based on a review of eligible items in the engineer's estimate.
- The State Aid Programs office will provide additional instructions for assembling and executing the AT grant agreement as part of the delivery of the funding letter.
- The final AT amount as included in one or more AT grant agreements will be based on the low bid documents. The AT grant amount is typically capped.
- The AT grant agreement should be fully executed before construction begins.

If you have questions, please contact Steven Prusak at steven.prusak@state.mn.us. I will be your main point of contact for this AT award.

Sincerely,

Steven B. Prusak, P.E.
State Aid Active Transportation Engineer

copy: Nathan Gannon, District 4 State Aid Engineer
Jeff Buschette, District 4 State Aid Assistant Engineer
Rashmi Brewer, State Aid State Programs Engineer
enclosure: State Fund Grantee User Guide

2022 Active Transportation (AT) Infrastructure Solicitation Program and Project Summary (UPDATED)

This document summarizes funding to the Active Transportation (AT) infrastructure program from the June 2021 omnibus transportation finance and policy bill² and the May 2023 omnibus transportation finance and policy bill⁵.

In June 2021, the total \$5 million in AT funding from the 2021 bill was split between infrastructure (\$3.5 million) and non-infrastructure (\$1.5 million) activities. A solicitation was released for the competitive AT infrastructure program on September 12, 2022. Applications were due on the submittal deadline of December 30, 2022. A total of 81 applications were submitted with requests of \$29.5 million in AT infrastructure funding.

On March 6, 2023, the AT Infrastructure Advisory Committee, representing local public organizations and tribal lands statewide, convened, and approved 9 projects for funding through the competitive AT infrastructure solicitation.

In May 2023, \$20.7 million in AT funding from the 2023 bill was split between infrastructure (\$17.7 million) and non-infrastructure (\$3 million) activities. On July 17, 2023, the AT Infrastructure Advisory Committee approved \$4.5 million in awards to additional 11 high-scoring projects from the 2022 AT infrastructure solicitation and reserved the remaining \$13.2 million for the upcoming 2023 AT infrastructure solicitation.

The following is a summary of 20 projects that were selected for funding through the competitive process. Those projects shaded below were selected in July 2023.

(1) Indicates first application out of two different submittals from same agency

² Minnesota 2021 Laws, 1st Special Session, Chapter 5, Article 1, Section 2, Subd. 2(b)

³ Note that no applications were received from federally recognized Indian tribes

(4) Additional \$95,300 awarded in July 2023 to complete full AT project fund request

⁵ Minnesota 2023 Laws, Regular Session, Chapter 68, Article 1, Section 20(b)

Table 1 Major MN Cities

| Applicant Agency | District | Project Description | AT Award |
|-----------------------------|----------|---|------------|
| Saint Paul Public Works (1) | M | Off-street multi-use trail and improvements along E Lafayette Frontage Road (MSAS 296) | \$ 385,000 |
| City of Rochester (4) | 6 | Reconstruct three signalized intersections with ADA compliance improvements (Center Street E and Civic Center Drive, 3rd Ave SE and 4th Street SE, and 15th Ave SE and 8 ½ Street SE) | \$ 345,300 |
| City of Duluth | 1 | Sidewalk and ADA improvements to the Duluth Aerial Lift Bridge | \$ 500,000 |

Table 2 Metro District Communities

| Applicant Agency | District | Project Description | AT Award |
|----------------------------------|----------|---|-----------|
| City of Richfield (1) | M | New RRFBs and ADA improvements for RAB at 66th St (CSAH 53) and Richfield Pkwy | \$235,950 |
| City of Fridley | M | Multi-use trail along west side of TH 47 between 61st Avenue and 69th Avenue | \$500,000 |
| Dakota County Transportation (1) | M | Ped and bicycle crossing enhancements at multi-locations along Concord Blvd (CSAH 56) between TH-55 and I-494 | \$500,000 |
| City of North Saint Paul | M | Sidewalk on the north side of 11th Ave between McKnight Rd and Ariel St | \$456,047 |

Table 3 Greater MN State Aid Cities

| Applicant Agency | District | Project Description | AT Award |
|----------------------|----------|---|-----------|
| City of Willmar | 8 | 1.25 miles of 10-foot multiuse trail along 19th Avenue SW | \$500,000 |
| City of St. Cloud | 3 | Sidewalks on 4th Street SE and trail west of TH 10 East Frontage Road | \$500,000 |
| City of Fergus Falls | 4 | Concrete sidewalk, stairs, PED ramps, signs, etc. at four intersections | \$391,960 |
| City of Red Wing | 6 | New sidewalks along north side of North Service Dr from existing sidewalk connections | \$500,000 |
| City of New Ulm | 7 | RRFB installation at multiple intersections | \$180,000 |
| City of Marshall | 8 | Construction of several city-wide pedestrian improvements | \$360,381 |

(1) Indicates first application out of two different submittals from same agency

² Minnesota 2021 Laws, 1st Special Session, Chapter 5, Article 1, Section 2, Subd. 2(b)

³ Note that no applications were received from federally recognized Indian tribes

(4) Additional \$95,300 awarded in July 2023 to complete full AT project fund request

⁵ Minnesota 2023 Laws, Regular Session, Chapter 68, Article 1, Section 20(b)

For more information visit: <http://www.dot.state.mn.us/active-transportation-program/infrastructure-grants.html>

Or contact: Steven Prusak, State Aid Active Transportation Engineer, 651-366-3827

steven.prusak@state.mn.us

Table 4 Small Cities and Townships

| Applicant Agency | District | Project Description | AT Award |
|------------------------|----------|--|-----------|
| City of Pelican Rapids | 4 | Sidewalks, shared use paths, widened shoulders, and RRFBs along TH 59, TH 108 and CSAH 9 | \$370,900 |
| City of Melrose | 3 | Sidewalk and ADA access on 5th St NE/County Road 168 | \$351,725 |
| City of Plainview | 6 | Sidewalk and ADA improvements along 2nd Avenue NW from TH 42 to CSAH 8 | \$383,542 |
| Roseau County | 2 | Shared use path and ADA establishment along CSAH 74 and CSAH 75 | \$500,000 |
| City of Roseau | 2 | Pedestrian bridge over the Roseau River | \$275,000 |
| City of Paynesville | 3 | Bituminous trail along the northern side of TH 55 from Burr St. to CR 130 | \$500,000 |
| City of St. James | 7 | Sidewalk on 9th St N, 11th Ave N, and 10th St N | \$216,115 |

Note: Only 2 township applications received

Table 5 Federally Recognized Tribes³

| Applicant Agency | District | Project Description | AT Award |
|---|----------|---------------------|----------|
| No applications received from federally recognized tribes | | | |

(1) Indicates first application out of two different submittals from same agency

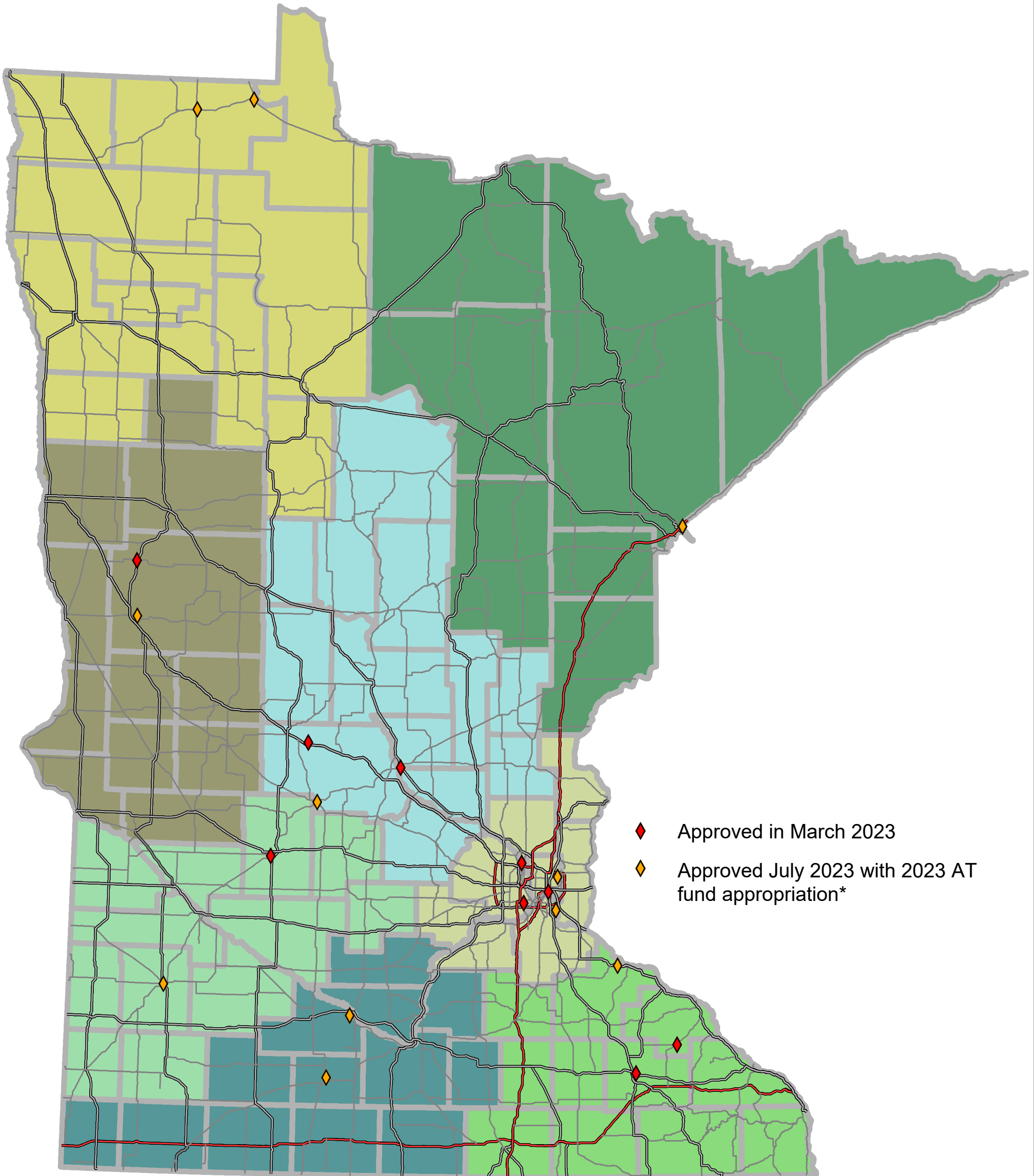
² Minnesota 2021 Laws, 1st Special Session, Chapter 5, Article 1, Section 2, Subd. 2(b)

³ Note that no applications were received from federally recognized Indian tribes

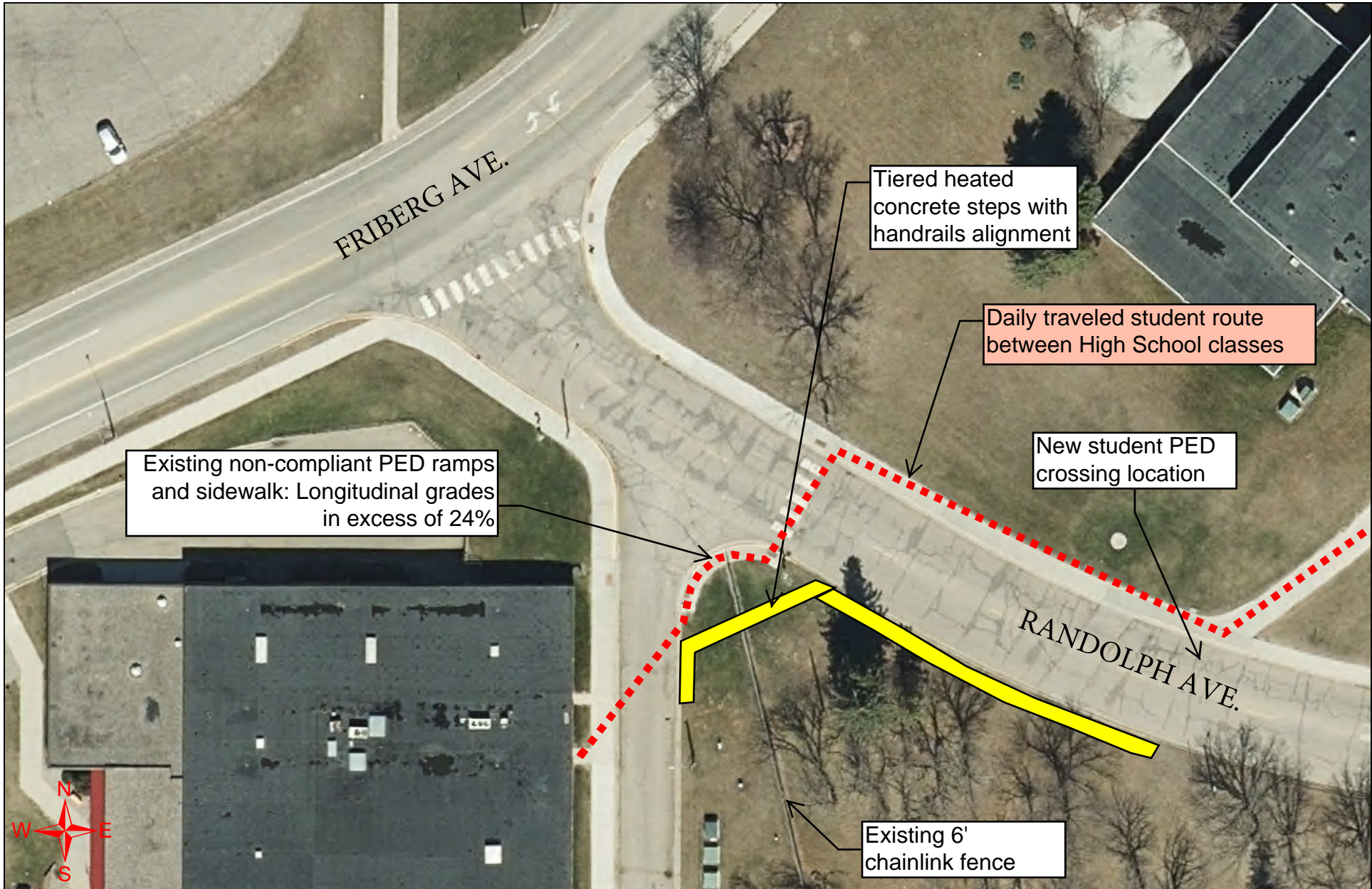
(4) Additional \$95,300 awarded in July 2023 to complete full AT project fund request

⁵ Minnesota 2023 Laws, Regular Session, Chapter 68, Article 1, Section 20(b)

2022 Active Transportation (AT) Infrastructure Project Selections Updates*



July 2023



Existing non-compliant PED ramps and sidewalk: Longitudinal grades in excess of 24%

Tiered heated concrete steps with handrails alignment

Daily traveled student route between High School classes

New student PED crossing location

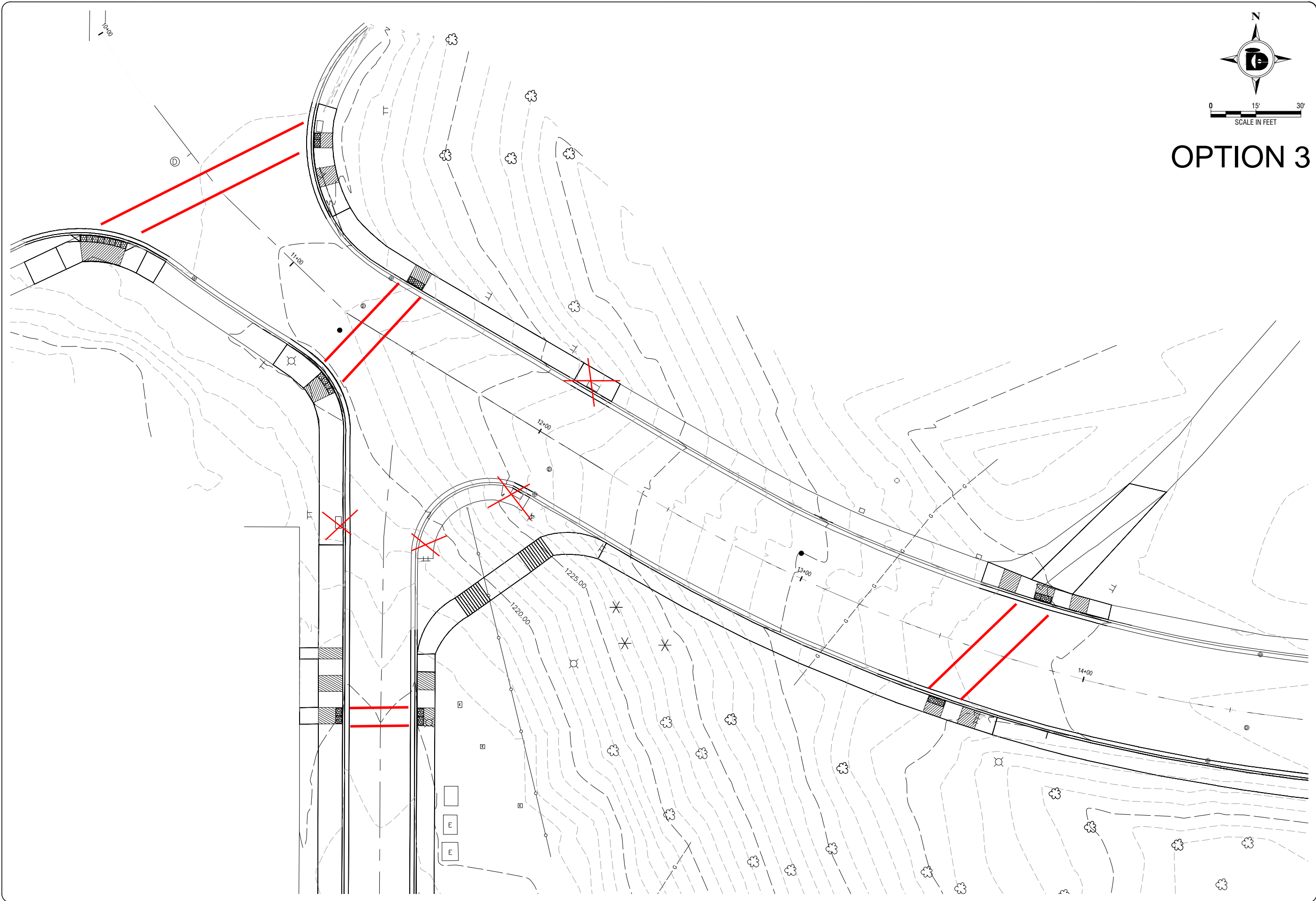
Existing 6' chainlink fence

1 inch = 50 feet



State Active Transportation Infrastructure Program
 Fergus Falls, MN - Option No. 3

This map has been compiled from information on file at the City of Fergus Falls Engineering Department. The City of Fergus Falls makes no representation and assumes no liability for errors, omissions, or inaccuracies contained on this map. This map should not be used for boundary survey information.

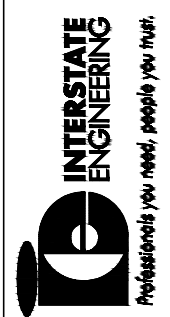


OPTION 3

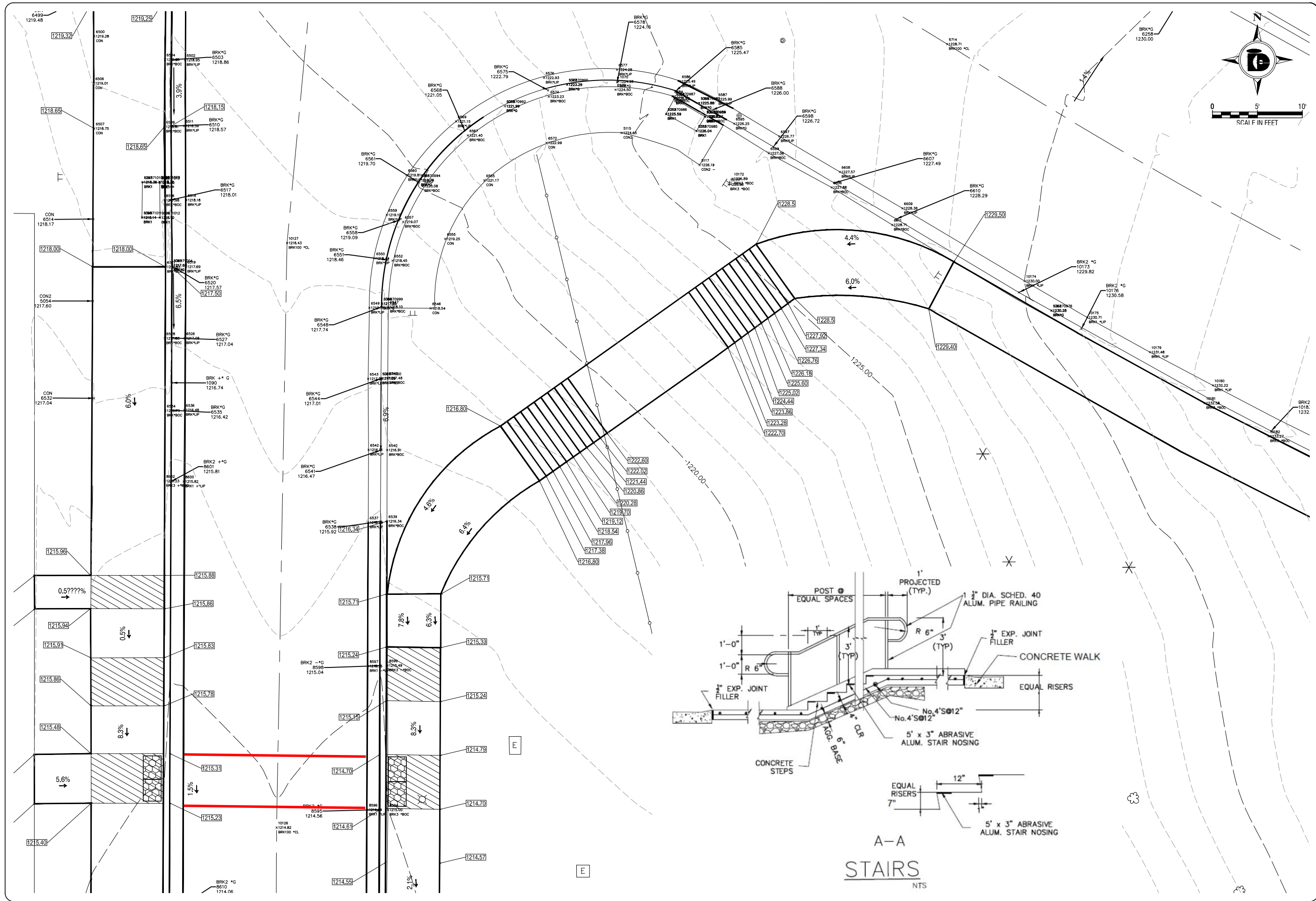
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| PROJECT NAME | | DEVELOPER/MUNICIPALITY NAME | |
| CITY/TOWN AND/OR COUNTY, STATE | | CITY/TOWN AND/OR COUNTY, STATE | |
| PLAN SHEET | | | |
| Drawn By: | XXX | Surveyed By: | XXX |
| Checked By: | XXX | Designed By: | XXX |
| | | Project No: | X0000-000 |
| | | Date: | XX/20XX |

Interstate Engineering, Inc.
P. O. Box 316
116 East Washington Avenue
Fergus Falls, MN 56538-0316
Ph (218) 739-5545
Fax (218) 739-4814
www.interstateeng.com
Other offices in Montana, North Dakota and South Dakota



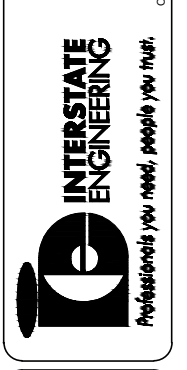
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| CITY/TOWN AND/OR COUNTY, STATE | | CITY/TOWN AND/OR COUNTY, STATE | X00-00-000 | |
| PLAN SHEET | | Drawn By: | Surveyed By: | Checked By: |
| | | XXX | XXX | XXX |
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Interstate Engineering, Inc.
P. O. Box 316
116 East Washington Avenue
Fergus Falls, MN 56538-0316
Ph (218) 739-5545
Fax (218) 739-4814
www.interstateeng.com
Other offices in Montana, North Dakota and South Dakota



C-1D

Meeting Date:

September 13, 2023- Committee of the Whole

Subject:

CUP for hemp-derived THC sales in a B-2, Service Business District from applicant Little Chief Outpost.

Request:

Perform further action on CUP-2023-2 and either approve, approve with conditions, deny with stated reasons for denial, or extend the 60 day time period for review.

Background/Key Points:

A conditional use is a land use the city permits in a zoning district when an applicant meets certain standards. The standards and criteria shall include both general requirements for all conditional uses (§ 154.019 (D)). Council may also attach reasonable conditions they deem necessary to mitigate anticipated adverse impacts associated with the conditional use. A written request for a CUP is subject to Minnesota's 60-day rule.

When considering a conditional use, Council must do one of the following:

- Approve CUP
- Approve CUP with conditions
 - "A city may attach reasonable conditions relating to the ordinance standards to a CUP based upon factual evidence contained in public record."
- Deny CUP
 - "The city's role is limited to applying the standards in the ordinance to the facts presented by the application... If a city denies a CUP application, the 60-day rule requires the reasons for the denial be put in writing... The written statement should address the general and specific ordinance standards and explain the relevant facts and conclusions."
- Negotiate additional extension(s) with the applicant.
 - A city can go beyond 120 days only if it gets the approval of the applicant. The city must initiate the request for additional time in writing and have the applicant agree to an extension in writing. The applicant also may ask for an additional extension by written request.

Empire2 Inc. dba Little Chief Outpost, a gas station and convenience store located in a B-2 zone at 1603 Pebble Lake Rd, received City Council approval for a license to sell THC on August 7, 2023. Current City of Fergus Falls zoning code allows the sale of hemp-derived THC products in zones B-3 and above. Within a B-2, Service District, a CUP may be acquired to allow "Other business activity of the same general character as listed in division (B)" of § 154.037 B-2, SERVICE BUSINESS DISTRICT. Division B of that section lists a gas filling/ convenience store as an allowable use in a B-2 zone. CUP-2023-2 is therefore a request by the gas station and convenience store to perform those sales of hemp-derived THC products in a B-2 zone. Sales of THC products

may be considered to be in the same general character as sales of tobacco and alcohol, for which Little Chief is currently licensed in its capacity as a convenience store.¹

In review of the case at its August 28, Planning Commission determined that sales of THC products at 1603 Pebble Lake Rd:

1. Will not be detrimental to or endanger the public health, safety, or general welfare of the neighborhood or the city,
2. Will be harmonious with the general and applicable specific objectives of code provisions,
3. Will be designed, constructed, operated and maintained so as to be compatible or similar in an architectural and landscape appearance with the existing or intended character of the general vicinity and will not change the essential character of that area nor substantially diminish or impair property values within the neighborhood,
4. Will be served adequately by existing essential public facilities and services, including streets, police and fire protection, drainage, structures, refuse disposal, water and sewer systems and schools,
5. Will not involve uses, activities, processes, materials, equipment and conditions of operation that will be hazardous or detrimental to any persons, property or the general welfare because of excessive production of traffic, noise, smoke, fumes, glare or odors,
6. Will have vehicular ingress and egress to the property which does not create traffic congestion or interfere with traffic on surrounding public streets, and
7. Will not result in the destruction, loss or damage of a natural, scenic or historic feature of major importance.

Because of these facts, Planning Commission’s recommendation to Council is for approval without conditions of CUP-2023-2.

Budget:

N/A

Originating Department:

Community Development

Respectfully Submitted:

Klara Beck
Community Development Manager

Attachments:

CUP-2023-2 Staff Report & Application Materials
ORDINANCE NO. 32, EIGHTH SERIES
§ 154.019 CONDITIONAL USE PERMITS
§ 154.037 B-2, SERVICE BUSINESS DISTRICT.

¹ Per Chapter 120, Tetrahydrocannabinol Product Sales, sect. §120.03. LICENSE, (O) On-Sale, Off-Sale Liquor Licensees, “No license shall be issued to the holder of an on-sale, off-sale, beer, wine, or liquor license issued by the City,” Little Chief Outpost will surrender their off-sale liquor license in favor of a license to sell THC products.



Planning Commission Staff Report

To: City of Fergus Falls Planning Commission
Respectfully Submitted: Klara Beck, Community Development Manager
Meeting Date: August 28, 2023
Subject: CUP-2023-2

REQUESTED ACTION

Approve without conditions a conditional use permit for sales of hemp-derived THC products in a B-2 zone at 1603 Pebble Lake Rd.

GENERAL INFORMATION

| | | | |
|-------------------------|--|------------------------------------|-------------------|
| Applicant | Empire2 Inc. dba Little Chief Outpost | Planning Commission Hearing | August 28, 2023 |
| Property Owner | EMPIRE2 INC | City Council Meeting | September 5, 2023 |
| Address | 1603 PEBBLE LAKE RD FERGUS FALLS MN 56537 | Application Date | August 14, 2023 |
| Parcel Number(s) | (PIDs 71- 001-50-0047-006 & 71-001-50-0079-003 | 60-Day Expiration Date | October 13, 2023 |
| Zoning | B-2 | | |

BACKGROUND

Site Information & Current Conditions

1603 Pebble Lake Rd is the home of Little Chief Outpost, a gas station and convenience store offering fuel, bait & tackle, and a BBQ restaurant. The building itself lays across two parcels, both zoned B-2.

Adjacent Zoning

Across Pebble Lake Rd is I-2 and B-2. The I-2 district continues to the north. The parcel directly east of the gas station is also zoned B-2. To the south is a swath of R-A zoning.

Adjacent Uses

Adjacent uses include a motel, industrial manufacturing, and service businesses.

Proposed Project

Applicant proposes obtaining a license from the City of Fergus Falls to sell products containing hemp-derived THC in the Little Chief Outpost store. Zoning code restricts the sale of hemp-derived THC products to zones B-3 or above. Within a B-2, Service District, a CUP may be acquired to allow "Other business activity of the same general character as listed in division (B)" of § 154.037 B-2, SERVICE BUSINESS DISTRICT. As the applicant notes, the business already sells tobacco and alcohol products in its convenience store. A gas filling/ convenience store and its related activities are allowable uses in a B-2 zone. The CUP will ensure that sales of hemp-derived THC products are properly accounted for per current zoning code.

Public Notification & Comments

A notice was released in the Daily Journal on August 19, 2023. The notice was also sent to 15 property owners within 350 ft of the Little Chief Outpost. As of Thursday, August 24, 2023, no comments had been received from the public.

PROPOSED FINDINGS

§154.019(D) of the City Code states the Planning Commission shall recommend a conditional use permit and the Council may issue conditional use permits if it finds that the use at the proposed location meets the following criteria:

1. Will not be detrimental to or endanger the public health, safety, or general welfare of the neighborhood or the city.
Applicant states that they will be selling products that are legally available elsewhere in town and the sales of which are in keeping with other age-restricted products that they currently carry (tobacco & alcohol). They will continue to comply with the regulations of local, state, and federal agencies as they do with current inventory. Criteria Met.
2. Will be harmonious with the general and applicable specific objectives of the comprehensive plan and code provisions.
The city does not have a comprehensive plan.
3. Will be designed, constructed, operated and maintained so as to be compatible or similar in an architectural and landscape appearance with the existing or intended character of the general vicinity and will not change the essential character of that area, nor substantially diminish or impair property values within the neighborhood.
No changes will be made to the property. Criteria Met.
4. Will be served adequately by existing (or those proposed in the project) essential public facilities and services, including streets, police and fire protection, drainage, structures, refuse disposal, water and sewer systems and schools.
Again, no changes are proposed to the property. Property is currently adequately served. Criteria Met.
5. Will not involve uses, activities, processes, materials, equipment and conditions of operation that will be hazardous or detrimental to any persons, property or the general welfare because of excessive production of traffic, noise, smoke, fumes, glare or odors.
No manufacturing will take place on site. Sales of premade products only.
Criteria Met.
6. Will have vehicular ingress and egress to the property which does not create traffic congestion or interfere with traffic on surrounding public streets.

The property is adequately accessible and there have been no traffic concerns registered by either the business owner or surrounding neighbors. Criteria Met.

7. Will not result in the destruction, loss or damage of a natural, scenic or historic feature of major importance.

There are no recognized natural, scenic, or historic features in the vicinity, and no changes to the building or grounds will be made that may influence the surroundings. Criteria Met.

RECOMMENDED ACTION

Based on the proposed findings, staff recommend **approval without conditions** of the conditional use permit for sales of hemp-derived THC products in a B-2 zone at 1603 Pebble Lake Rd.

ATTACHMENTS

1. Context Map
2. Zoning Map
3. Application & Supporting Materials



112 West Washington Avenue

Fergus Falls, MN 56537

Phone: 218-332-5434

e-mail: planning@ci.fergus-falls.mn.us

www.ci.fergus-falls.mn.us

Conditional Use Permit

Application fee should be made payable to The City of Fergus Falls upon submittal of completed application. Please complete the application by typing or printing in ink. Use additional paper if necessary.

1. Property Owner Information:

Company name: Empire2Inc. doing business as Little Chief Outpost

Last name: Hofer First name: Patrick

Address: 29567 202nd Ave City/State/Zip: Fergus Falls MN 56537

Phone number: 218-671-8976 Email address: Patrick@bigchiefinc.com

2. Applicant Information: (if different from above)

Company name: _____

Last name: _____ First name: _____

Address: _____ City/State/Zip: _____

Phone number: _____ Email address: _____

3. Address(es) of Property Involved: (if different from above)

1603 Pebble Lake Rd. Fergus Falls, MN 56537

4. Zoning Designation: B-2

5. Statement of Intent: Briefly describe what will be done on or with the property requiring the conditional use approval.

We are working on obtaining a THC license to sell hemp derived products that are allowed under current law.

7. Additional Required Information:

a. Legal Description and PIN: Provide the Parcel Identification Number(s)
R71001500047006

Complete legal description(s) of the property involved or put "see attached"
See attached

b. Proposed Plans: A site plan is required. A landscape plan, grading and drainage plan, and other items may be required by the city/planning commission.

c. Written Narrative: The written narrative should thoroughly address the following general items in addition to any specific requirements pertaining to the proposed use, which Section 154.019 (Conditional Use Permit) of the City Code directs the City Council to evaluate during consideration of conditional use applications:

(1) Will not be detrimental to or endanger the public health, safety, or general welfare of the neighborhood or the city?

We will be selling products that are legally available elsewhere with all the proper training provided to check identification and protect the youth of our community and within regulations set by the state and local authorities.

(2) Will be harmonious with the general and applicable specific objectives of the comprehensive plan and code provisions?

We plan to follow specific objectives and code provisions just as we currently comply with a number of state and federal agencies and regulations.

(3) Will be designed, constructed, operated and maintained so as to be compatible or similar in an architectural and landscape appearance with the existing or intended character of the general vicinity and will not change the essential character of that area, nor substantially diminish or impair property values within the neighborhood?

This should not change anything with our business or surrounding properties. We will simply be adding another product similar to tobacco or alcohol sale, which we are already familiar with.

(4) Will be served adequately by existing (or those proposed in the project) essential public facilities and services, including streets, police and fire protection, drainage, structures, refuse disposal, water and sewer systems and schools?

All current facilities and services mentioned above will be adequately served. We expect very little change within our daily operation due to this change.

(5) Will not involve uses, activities, processes, materials, equipment and conditions of operation that will be hazardous or detrimental to any persons, property or the general welfare because of excessive production of traffic, noise, smoke, fumes, glare or odors?

We don't expect any change in any of the issues stated above.

We are more than suited to handling traffic/parking, and the other problems mentioned above.

(6) Will have vehicular ingress and egress to the property which does not create traffic congestion or interfere with traffic on surrounding public streets?

Our business is more than suited to handling customer traffic and parking.

(7) Will not result in the destruction, loss or damage of a natural, scenic or historic feature of major importance?

There will be no further construction or changes needed at our business that would lead to any destruction, loss or damage of the above mentioned.

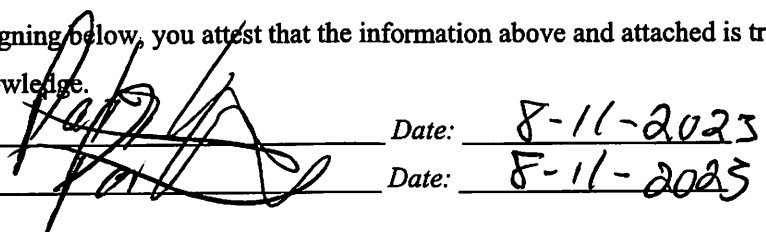
8. Signature(s): By signing below, you attest that the information above and attached is true and correct to the best of your knowledge.

Property Owner: _____

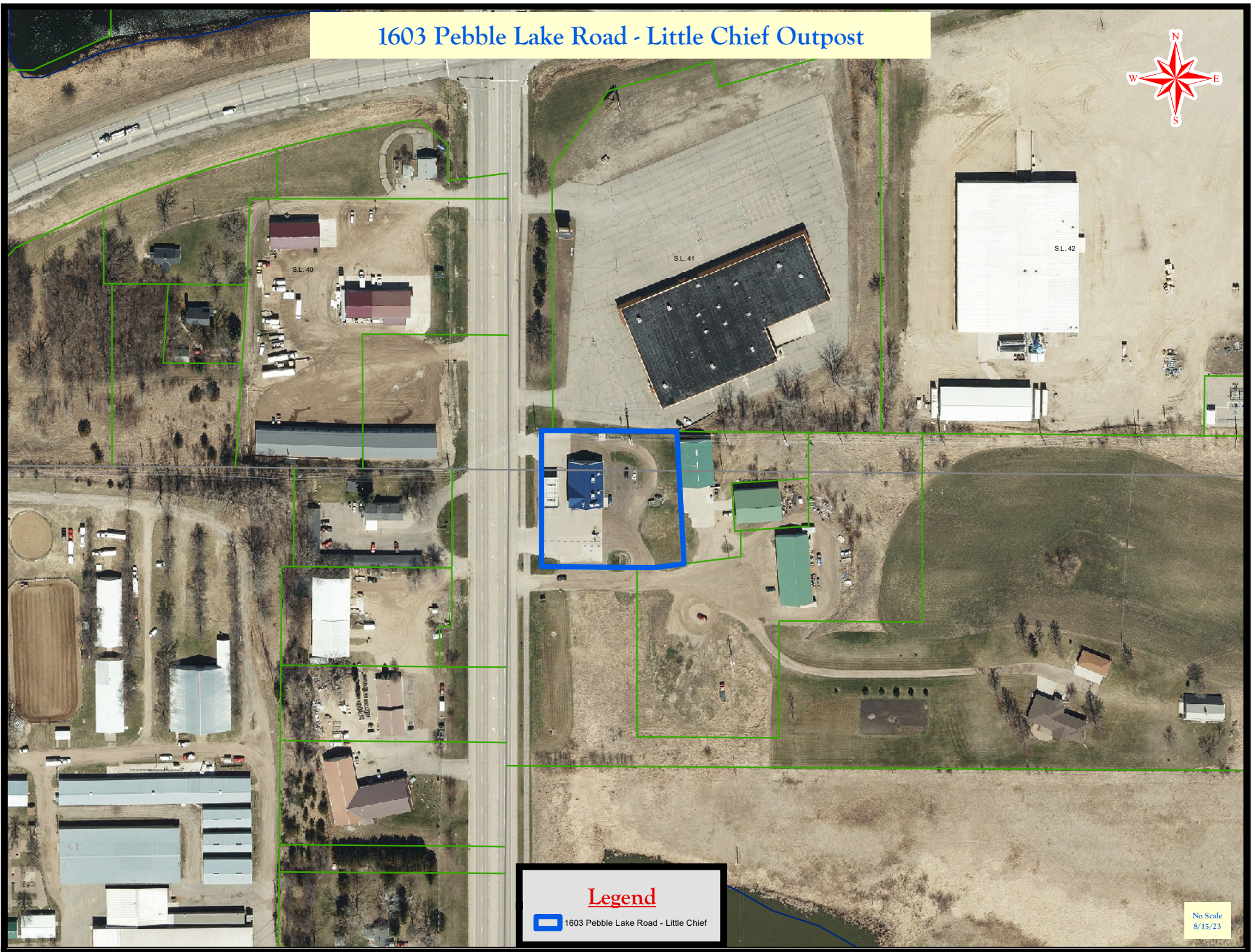
Date: _____

Applicant: _____


Date: _____

Handwritten signatures and dates for Property Owner and Applicant, both dated 8-11-2023.

1603 Pebble Lake Road - Little Chief Outpost

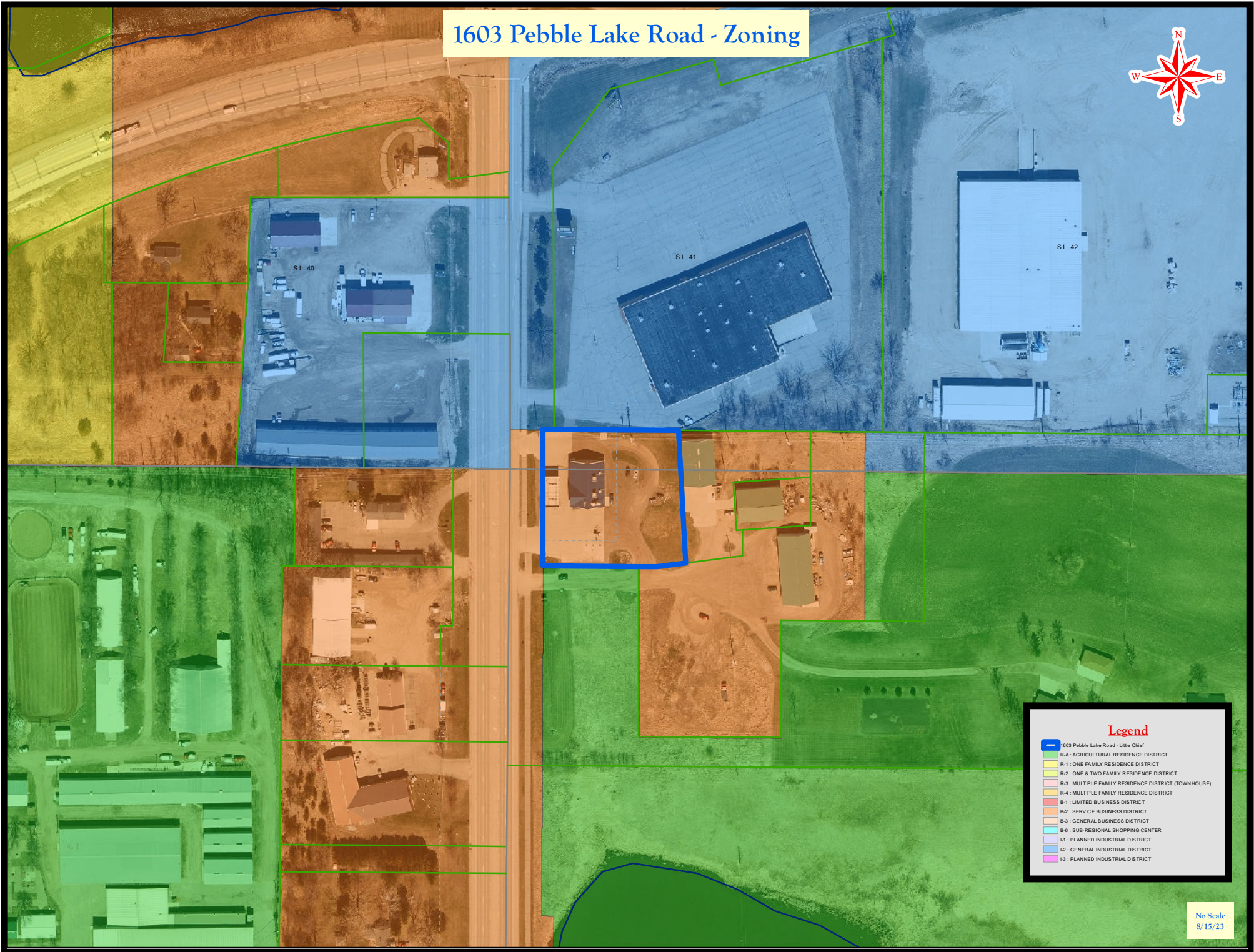


Legend

 1603 Pebble Lake Road - Little Chief

No Scale
8/15/23

1603 Pebble Lake Road - Zoning



Legend

- 1603 Pebble Lake Road - Little Chief
- RA - AGRICULTURAL RESIDENCE DISTRICT
- R1 - ONE FAMILY RESIDENCE DISTRICT
- R2 - ONE & TWO FAMILY RESIDENCE DISTRICT
- R3 - MULTIPLE FAMILY RESIDENCE DISTRICT (TOWNHOUSE)
- R4 - MULTIPLE FAMILY RESIDENCE DISTRICT
- B1 - LIMITED BUSINESS DISTRICT
- B2 - SERVICE BUSINESS DISTRICT
- B3 - GENERAL BUSINESS DISTRICT
- B6 - SUB-REGIONAL SHOPPING CENTER
- I1 - PLANNED INDUSTRIAL DISTRICT
- I2 - GENERAL INDUSTRIAL DISTRICT
- I3 - PLANNED INDUSTRIAL DISTRICT

ORDINANCE NO. 32, EIGHTH SERIES

**AN ORDINANCE OF THE CITY OF FERGUS
FALLS, MINNESOTA, AMENDING CHAPTER
154.002 DEFINITIONS, CHAPTER 154.038 B-3,
GENERAL BUSINESS DISTRICT AND CHAPTER
154.041, I-1, PLANNED INDUSTRIAL DISTRICT OF
THE CITY CODE.**

THE CITY OF FERGUS FALLS DOES ORDAIN:

Section 1. City Code Chapter 154.002, Definitions, Hemp-Derived Tetrahydrocannabinol (THC) Edibles and Beverages, is hereby added to read as follows:

HEMP-DERIVED TETRAHYDROCANNABINOL (THC) EDIBLES AND BEVERAGES. Any product that is intended to be eaten or consumed as a beverage by humans and contains THC in combination with food ingredients.

Section 2. City Code Chapter 154.002, Definitions, Hemp Processing or Manufacturing, is hereby added to read as follows:

HEMP PROCESSING OR MANUFACTURING. "Processing" means rendering by refinement hemp plants or hemp plant parts from their natural or original state after harvest. Processing includes but is not limited to decortication, devitalization, chopping, crushing, extraction, combining cannabinoid(s) with food ingredients, and packaging. Processing does not include typical farm operations such as sorting, grading, baling, and harvesting.

Section 3. City Code Chapter 154.002, Definitions, Hemp or Industrial Hemp, is hereby added to read as follows:

HEMP OR INDUSTRIAL HEMP. "Industrial hemp" means the plant Cannabis sativa L. and any part of the plant, whether growing or not, including the plant's seeds, and all the plant's derivatives, extracts, cannabinoids, isomers, acids, salts, and salts of isomers, whether growing or not, with a delta-9 tetrahydrocannabinol concentration of not more than 0.3 percent on a dry weight basis. Industrial hemp is not marijuana as defined in Minnesota Statutes section 152.01, subdivision 9.

Section 4. City Code Chapter 154.038 B-3, General Business District, (B), is amended by adding the following permitted use:

(76) Retail establishments selling THC edibles and beverages

Section 5. City Code Chapter 154.038 B-3, General Business District, (C), is amended by adding the following use by conditional use permit:

(7) Hemp processing or manufacturing.

Section 6. City Code Chapter 154.041 I-1, Planned Industrial District, (B), is amended by adding the following permitted use:

(21) Hemp processing or manufacturing;

(22) Uses permitted or conditionally permitted in the B-3 zone, unless regulated differently elsewhere in this chapter.

Section 7. Effective date. The effective date of this ordinance shall be the 11th day of November, 2022.

THIS ORDINANCE was introduced on the 7th day of November, 2022, and adopted by the City Council of the City of Fergus Falls, Minnesota, on the 21st day of November, 2022, by the following vote:

AYES: Hagberg, Kvamme, Arneson, Thompson, Gustafson, Hicks, Fish
NAYS: None
ABSENT: Rufer

ATTEST:

APPROVED:

Andrew Bremseth
City Administrator

Ben Schierer
Mayor

Published in the Fergus Falls Daily Journal on November 26, 2022

§ 154.019 CONDITIONAL USE PERMITS.

(A) *Purpose.*

(1) In order to give the district use regulations of this chapter the flexibility necessary to achieve the objectives of the comprehensive guide plan in certain districts, conditional uses are permitted subject to the granting of a use permit. Conditional uses include those uses generally not suitable in a particular zoning district, but which may, under some circumstances, be suitable. When the circumstances exist, a conditional use permit may be granted.

(2) Conditions may be applied to issuance of a permit and a periodic review of the permit may be required. The permit shall be issued for a particular use and not for a particular person or firm. The applicant shall have the burden of proof that the use is suitable and that the standards set forth in this section have been met.

(B) *Petition, public hearing, notice and procedure.* Except as otherwise noted and provided under this section, the petition, public hearing, public notice and procedural requirements for conditional use permits shall be the same as those for zoning amendments provided in § 154.020 of this subchapter.

(C) *Action by the City Council.* The City Council may grant a conditional use permit, as the use permit was applied for or in modified form, if it is determined that the proposed location of the conditional use is in accord with the objectives of the comprehensive guide plan and the purposes of the district in which the site is located and would not be materially injurious to properties or improvements in the vicinity. The City Council may grant a conditional use permit only by ordinance of the City Council. A certified copy of the conditional use permit shall be recorded with the County Recorder and shall include the legal description of the property included.

(D) *Standards.* The Planning Commission shall recommend a conditional use permit and the Council may issue conditional use permits if it finds that the use at the proposed location:

- (1) Will not be detrimental to or endanger the public health, safety, or general welfare of the neighborhood or the city;
- (2) Will be harmonious with the general and applicable specific objectives of the comprehensive plan and code provisions;
- (3) Will be designed, constructed, operated and maintained so as to be compatible or similar in an architectural and landscape appearance with the existing or intended character of the general vicinity and will not change the essential character of that area, nor substantially diminish or impair property values within the neighborhood;
- (4) Will be served adequately by existing (or those proposed in the project) essential public facilities and services, including streets, police and fire protection, drainage, structures, refuse disposal, water and sewer systems and schools;
- (5) Will not involve uses, activities, processes, materials, equipment and conditions of operation that will be hazardous or detrimental to any persons, property or the general welfare because of excessive production of traffic, noise, smoke, fumes, glare or odors;
- (6) Will have vehicular ingress and egress to the property which does not create traffic congestion or interfere with traffic on surrounding public streets;
- (7) Will not result in the destruction, loss or damage of a natural, scenic or historic feature of major importance; and
- (8) These standards apply in addition to specific conditions as may be applied throughout the code.

(E) *Conditions.* In reviewing applications of conditional use permits, the Planning Commission and the Council may attach whatever reasonable conditions they deem necessary to mitigate anticipated adverse impacts associated with these uses, to protect the value of other property within the district, and to achieve the goals and objectives of the comprehensive plan. In all cases in which conditional uses are granted, the Council shall require evidence and guarantees as it may deem necessary as proof that the conditions stipulated in connection therewith are being and will be complied with.

(F) *Denial for noncompliance.* If the Planning Commission recommends denial of a conditional use permit or the Council orders the denial, it shall include in its recommendation or determination findings as to the manner in which the proposed use does not comply with the standards required by this section.

(G) *Periodic review; term of permit.* A periodic review of the use may be attached as a condition of approval of a conditional use permit. Unless otherwise stipulated, the term shall be the life of the use.

(H) *Lapse of conditional use permit by non-use.* Whenever within one year after granting a conditional use permit, the use as allowed by the permit shall not have been completed or utilized, then the permit shall become null and void unless a petition for an extension of time in which to complete or utilize the use that has been granted by the City Council. The extension shall be requested in writing and filed with the Zoning Administrator at least 30 days before the expiration of the original conditional use permit. There shall be no charge for the filing of the petition. The request for extension shall state facts showing a good faith attempt to complete or utilize the use permitted in the conditional use permit. The petition shall be presented to the Planning Commission for a recommendation and to the City Council for decision.

(I) *Enforcement and revocation.* Failure to comply with any condition set forth in a conditional use permit, or any other violation of this section, shall constitute sufficient cause for termination of the conditional use permit by the City Council following a public hearing. Written notification of the public hearing shall be mailed at least ten days prior to the hearing to the current holder of the conditional use permit. The notice should outline the violation(s) considered by the city to be

grounds for revocation and inform the current holder of the conditional use permit of the opportunity to be heard at the public hearing. In addition to other remedies provided in this code or at law, failure to comply with any condition set forth in a conditional use permit, or any other violation of this section, shall be a misdemeanor.

(Ord. 87, Seventh Series, passed 10-21-2019) Penalty, see § 154.999

§ 154.037 B-2, SERVICE BUSINESS DISTRICT.

(A) *Purpose.* The B-2, Service Business District, is intended to provide a district for a wide range of services and goods which might be incompatible with the uses permitted in retail business district. It is intended the B-2, Service Business District, be located in separate areas which may be adjacent to other retail business districts or in close proximity to a major thoroughfare.

(B) *Permitted uses.* Within a B-2, Service Business District, no building or land shall be used, except for one or more of the following uses; and, provided further, in keeping with the city's goal of visual imageability and maintaining property values in areas adjacent to the approach to the city, no permitted use, conditional use or accessory use shall be allowed which in the opinion of the city's Planning Commission and Council will impair, affect or destroy the beauty of the area, and the traffic carrying capacity of related streets, thoroughfares and highways near or adjacent thereto:

- (1) Adult accessory use;
- (2) Armories, convention halls or exhibition halls;
- (3) Barber or beauty shops;
- (4) Billboards, as required by §§ 154.170 through 154.177 of this chapter;
- (5) Billiard or pool halls;
- (6) Bowling alleys;
- (7) Drive-in restaurants, drive-in theaters or uses that provide goods and services to patrons in automobiles subject to the following requirements.
 - (a) A solid screen fence of acceptable design at least five feet in height shall be constructed along the property line when the use is abutting any of the classes of residential districts.
 - (b) The parking area shall be surfaced with a dust-free material and the arrangement of entrances, exits and parking stalls shall be subject to the approval of the City Engineer.
 - (c) The lighting, whether direct or reflected such as from floodlights or spotlights, and as differentiated from general illumination, shall not be directed into an adjacent property.
- (8) Banks and savings institutions with drive-in facilities;
- (9) Home improvement center, retail sale of home furnishings, appliances, carpeting, tile and other home improvement items in an enclosed building;
- (10) Grocery, fruit, vegetable and meat stores;
- (11) New automobile dealerships, subject to the following.
 - (a) The outside display and storage area shall be surfaced with a dust-free material, and the arrangement of entrances, exits and parking stalls shall be subject to the approval of the City Engineer. off-street parking and loading areas shall be surfaced as required by §§ 154.170 through 154.177 of this chapter.
 - (b) The lighting, whether direct or reflected, such as from floodlights or spotlights, and as differentiated from general illumination, shall not be directed into any adjacent property.
 - (c) All automobiles not in saleable or running condition or automobile parts must be stored inside a building or within an area screened by an opaque fencing.
- (12) Greenhouses - retail;
- (13) Laboratories - medical and dental;
- (14) Marine and boat sales and servicing establishments;
- (15) Miniature golf course, par three golf courses, archery range, golf driving range, fenced individual ball challenge games, fenced ball pitching areas, one-on-one water fight games (such as water balloon, water cannon and the like), water slides, go-cart tracks limited to no more than 12 five-horsepower carts per track, miniature boat raceways or similar limited to no more than 12 three-horsepower boats per pool operated for commercial purposes;
- (16) Monument sales not including processing;
- (17) Mortuaries or funeral homes;
- (18) Hotels;
- (19) Newspaper distribution agencies;
- (20) Nurseries, garden stores and commercial greenhouses;
- (21) Orthopedic and medical appliance stores, but not including the assembly or manufacturing of the articles;

- (22) Offices;
- (23) Pet and animal hospitals;
- (24) Plumbing, heating or electrical showrooms and shops;
- (25) Printing shops;
- (26) Public utility structures, municipal and governmental buildings;
- (27) Publishing shops;
- (28) Radio and television service and repair shops;
- (29) Recording studios;
- (30) Restaurants;
- (31) Schools - music, dance and business;
- (32) Skating rinks;
- (33) Taverns;
- (34) Taxidermists;
- (35) Telephone booths (outside);
- (36) Theaters;
- (37) Vending machines for ice and milk sales;
- (38) Medical and dental clinics;
- (39) Auto-parts, retail and gas filling/convenience store;
- (40) Museums, community centers, art galleries and similar cultural facilities;
- (41) Pawn shops;
- (42) Retail bakeries;
- (43) Cabinet or carpenter shops;
- (44) Dry cleaning establishments;
- (45) Laundries and laundrettes; and
- (46) Upholstering, furniture repair shops.

(C) *Uses by conditional use permit.* Within a B-2, Service District, no building or land shall be used for one or more of the following uses, except by conditional use permit:

(1) Truck sales, used car and truck lots, car and truck washing establishments, service stations and repair shops, subject to the following.

(a) The outside display and storage area shall be surfaced with a dust-free material, and the arrangement of entrances, exits and parking stalls shall be subject to the approval of the City Engineer. Off-street parking and loading areas shall be surfaced as required by §§ 154.190 through 154.204 of this chapter.

(b) The lighting, whether direct or reflected, such as from floodlights or spotlights, and as differentiated from general illumination, shall not be directed into any adjacent property.

(c) All automobiles not in saleable or running condition or automobile parts must be stored inside a building or within an area screened by an opaque fencing.

- (2) Mobile camping equipment sales and rentals;
- (3) Mobile home sales lot;
- (4) Trailer rentals and truck rentals for private hauling;

(5) Business activity listed in divisions (B) and (C) above when operated in or on a temporary structure of any type including trailers or other vehicles. A temporary structure in this case is defined as being in place for less than six months, but more than three days;

- (6) Other business activity of the same general character as listed in division (B) above; and
- (7) Adult uses.

(D) *Permitted accessory uses.* Within a B-2, Service Business District, the following uses shall be permitted accessory uses:

- (1) Accessory uses customarily incident to the uses permitted in divisions (B) and (C) above;
- (2) Off-street parking and loading, as regulated by §§ 154.190 through 154.204 of this chapter; and
- (3) Signs, as regulated by §§ 154.170 through 154.177 of this chapter.

(E) *Height, yard and lot coverage regulations.*

(1) *Height regulations.*

(a) No building shall hereafter be erected or structurally altered to exceed four stories or 45 feet in height.

(b) Except that, any B-2, Service Business District, which is located adjacent to or adjoining any other district in which a height greater than four stories or 40 feet in height is allowed, the height regulations of that district may be used; provided further that, on every lot that is located adjacent to or across the street from any R-A, R-1 or R-2 classes of residential districts, no building shall hereafter be erected or structurally altered to exceed three stories or 30 feet in height.

(2) *Front yard regulations.*

(a) There shall be a front yard having a depth of not less than 20 feet.

(b) Where a lot is located at the intersection of two or more streets, there shall be a front yard on each street side of each corner lot. No accessory buildings shall project into the front yard bordering either street.

(c) Except that, in any B-2 Service District which is located adjacent to or adjoining any B-3 Business District in which a front yard of less than 20 feet is allowed, the front yard regulations of that district may be used; provided further that, on every lot that is located across the street from any of the classes of residential districts, there shall be a front yard of not less than 25 feet.

(3) *Side yard regulations.*

(a) There shall be a side yard, on each side of a building, having a width of not less than ten feet.

(b) Except that in any B-2 Service Business District which is located adjacent to or adjoining any B-3 General Business District, in which a side yard of less than ten feet is allowed, the side yard regulations of that district may be used; provided further that, on every lot that is located adjacent to any of the classes of residential districts, there shall be a side yard of not less than ten feet.

(4) *Rear yard regulations.*

(a) There shall be a rear yard having a depth of not less than 20 feet.

(b) Except that, any B-2 Service Business District which is located adjacent to or adjoining any B-3 Business District in which a rear yard of less than 20 feet is allowed, the rear yard regulations of that district may be used.

(5) *Lot coverage regulations.*

(a) Not more than 40% of the lot or plot shall be occupied by buildings.

(b) Except that in a B-2, Service Business District, located adjacent to any B-3, General Business District, the lot coverage may be 100%.

(F) *General regulations.* Additional regulations in the B-2, Service Business District, are set forth in §§154.060 through 154.074, 154.085 through 154.101, 154.170 through 154.177 and 154.190 through 154.204 of this chapter.

(2002 Code, § 7.21) (Ord. 324, effective 11-20-1965; Ord. 20, Third Series, effective 10-15-1979; Ord. 30, Fourth Series, effective 5-15-1991; Ord. 1, Fifth Series, passed 3-18-1996; Ord. 60, Seventh Series, effective 7-25-2017; Ord. 15, Eighth Series, effective 11-21-2021; Ord. 24, Eighth Series, effective 4-10-2022)



City Council Action Recommendation

Page 1 of 1

Meeting Date:

August 30, 2023- COW

Subject:

FM Bank TIF development agreement

Recommendation:

Approve a TIF development agreement with FM Bank for demolition of the former Shopko building.

Background/Key Points:

On April 17, 2023, City Council approved the creation of a redevelopment TIF district to encompass the redevelopment of the former Shopko site. Redevelopment districts are eligible to be created to remove barriers to investment associated with the redevelopment of blighted sites. At least 90 percent of the tax increment from a redevelopment district must be used to finance the cost of correcting conditions that allow the designation of redevelopment districts. In this case, the increment is to be used to demolish the existing blighted building on site.

The TIF plan indicated a pay-as-you-go financing structure. Pay-as-you-go financing relies on the developer to initially finance the costs of the TIF improvements. A development agreement between the authority and the developer provides the developer will be repaid as tax increments are collected.

Budgetary Impact:

The principal amount to be paid by the City shall not exceed \$286,000. No interest shall accrue on the unpaid balance of the TIF note. The amounts due to the developer shall be payable on August 1, 2026, and on each February 1 and August 1 to February 1, 2033, unless the principal payments are paid in full and the note terminates earlier.

Originating Department:

Community Development

Respectfully Submitted:

Klara Beck

Attachments:

TIF 4-16 Development Agreement

Exhibit 1: Map of TIF District No. 4-16 within Development District No. 4

Resolution of Approval

DEVELOPMENT AGREEMENT

BY AND BETWEEN

THE CITY OF FERGUS FALLS, MINNESOTA

AND

FM BANK

This document drafted by:

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

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DEVELOPMENT AGREEMENT

THIS AGREEMENT, made as of the 5th day of September, 2023, by and between the City of Fergus Falls, Minnesota (the "City"), a municipal corporation existing under the laws of the State of Minnesota and FM BANK, a Minnesota banking corporation (the "Developer").

WITNESSETH:

WHEREAS, pursuant to Minnesota Statutes, Section 469.124 through 469.133, as amended, the City has heretofore established Municipal Development District No. 4 (the "Development District") and has adopted a development program therefor (the "Development Program"); and

WHEREAS, pursuant to the provisions of Minnesota Statutes, Section 469.174 through 469.1794, as amended (hereinafter, the "Tax Increment Act"), the City has heretofore established, within the Development District, Tax Increment Financing (Redevelopment) District No. 4-16 (the "Tax Increment District") and has adopted a tax increment financing plan therefor (the "Tax Increment Plan") which provides for the use of tax increment financing in connection with certain development within the Tax Increment District and the Development District; and

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

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

WHEREAS, the requirements of the Business Subsidy Law, Minnesota Statutes, Section 116J.993 through 116J.995, do not apply to this Agreement because the Developer's investment in the purchase of the site and in site preparation is at least 70 percent of the assessor's current year's estimated market value.

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 Fergus Falls, Minnesota;

County means Otter Tail County, Minnesota;

Developer means FM BANK, a Minnesota banking corporation, its successors, and assigns;

Development District means Municipal Development District No. 4, including the real property described in the Development Program;

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

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

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

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

Note Payment Date means August 1, 2026, and each February 1 and August 1 thereafter to and including February 1, 2033; provided, that if any such Note Payment Date should not be a Business Day, the Note Payment Date shall be the next succeeding Business Day;

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

Project means the demolition of an existing substandard building located on the Development Property and the construction of a new approximately 17,700 square-foot building by the Developer to be used primarily for commercial purposes;

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

State means the State of Minnesota;

Tax Increments means 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;

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

Tax Increment District means Tax Increment Financing (Redevelopment) District No. 4-16 located within the Development District, a description of which is set forth in the Tax Increment Financing Plan, and qualified as a redevelopment district under the Tax Increment Act;

Tax Increment Financing Plan means the tax increment financing plan approved for the Tax Increment District by the City Council on April 17, 2023, and any future amendments thereto;

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

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

ARTICLE II

REPRESENTATIONS AND WARRANTIES

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

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

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

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

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

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

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

(1) The Developer is a Minnesota corporation 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, bylaws, or the laws of the State and by proper action has authorized the execution and delivery of this Agreement.

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

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

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

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

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

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

(8) The construction of the Project will commence on or before April 15, 2024, and barring Unavoidable Delays, the Project will be substantially completed by May 1, 2025.

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

ARTICLE III

UNDERTAKINGS BY DEVELOPER AND CITY

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

(1) The parties agree that the Site Improvements to be constructed by the Developer are essential to the successful completion of the Project. The costs of the Site Improvements and the construction of the Project shall be paid by the Developer. The City shall reimburse the Developer for the lesser of (a) \$286,000, or (b) the cost of making the Site Improvements actually incurred and paid by the Developer (the "Reimbursement Amount") as further provided in Section 3.3.

(2) The Developer has deposited \$15,000 with the City to pay actual out of pocket Legal and Administrative Expenses and any excess will be returned to the Developer after payment of all Legal and Administrative Expenses. If the City determines the deposit to be inadequate, the Developer shall provide additional funds in the amount determined by the City to be escrowed.

Section 3.2 Limitations on Undertaking of the City. Notwithstanding the provisions of Section 3.1, the City shall have no obligation to the Developer under this Agreement to reimburse the Developer for the Reimbursement Amount, if the City, at the time or times such payment is to be made is entitled under Section 4.2 to exercise any of the remedies set forth therein as a result of an Event of Default which has not been cured.

Section 3.3 Reimbursement: TIF Note. The City shall reimburse for the costs identified in Section 3.1 through the issuance of the City's TIF Note in substantially the form attached to this Agreement as Exhibit B, subject to the following conditions:

(1) The TIF Note shall be dated, issued and delivered when the Developer shall have (a) demonstrated in writing to the reasonable satisfaction of the City that the construction of the Project has been completed and paid the costs of the Site Improvements, as described in and limited by Section 3.1; and (b) shall have submitted paid invoices for the costs of the Site Improvements in an amount not less than the Reimbursement Amount.

(2) The TIF Note shall not bear interest.

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

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

(5) The TIF Note shall be a special and limited obligation of the City and not a general obligation of the City, and only Tax Increments shall be used to pay the principal of the TIF Note.

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

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

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

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

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

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

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

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

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

(2) It will not seek administrative review or judicial review of the constitutionality of any tax statute relating to the taxation of real property contained on the Development Property determined by any tax official to be applicable to the Project or the Developer or raise the unconstitutionality of any such tax statute as a defense in any proceedings, including delinquent

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

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

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

ARTICLE IV

EVENTS OF DEFAULT

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

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

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

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

(4) The holder of any mortgage on the Project commences foreclosure proceedings as a result of any default under the applicable mortgage documents.

(5) If the Developer shall:

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

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

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

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

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

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

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

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

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

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

Section 4.5 Agreement to Pay Attorney's Fees and Expenses. Whenever any Event of Default occurs and the City shall employ attorneys or incur other expenses for the collection of payments due or to become due or for the enforcement or performance or observance of any obligation or agreement on the part of the Developer herein contained, the Developer agrees that it shall, on demand therefor, pay to the City the 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 other persons acting on its behalf or under its direction or control) under this Agreement, or the transactions contemplated hereby or the acquisition, construction, installation, ownership, and operation of the Project; provided, that this indemnification shall not apply to the warranties made or obligations undertaken by the City in this Agreement or to any actions undertaken by the City which are not contemplated by this Agreement but shall, in any event and without regard to any fault on the part of the City, apply to any pecuniary loss or penalty (including interest thereon from the date the loss is incurred or penalty is paid by the City at a rate equal to the Prime Rate) as a result of the Developer operating the Project so that the Tax Increment District does not qualify or cease to qualify as a

"redevelopment district" under Section 469.174, Subdivision 10, of the Act, or (ii) to violate limitations as to the use of Tax Increments as set forth in Section 469.176, Subdivision 4j.

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

ARTICLE V

DEVELOPER'S OPTION TO TERMINATE AGREEMENT

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

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

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

ARTICLE VI

ADDITIONAL PROVISIONS

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

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

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

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

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

FM BANK
128 E. Washington Ave.
Fergus Falls, MN 56537

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

City of Fergus Falls, Minnesota
112 West Washington Ave.
Fergus Falls, MN 56537

with a copy to:

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

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

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

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

Section 6.7 Expiration. This Agreement shall expire on the earlier of (i) February 1, 2033, (ii) the date the TIF Note is paid in full or (iii) the date this Agreement is terminated or rescinded in accordance with its terms.

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

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

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

CITY OF FERGUS FALLS, MINNESOTA

By _____
Its Mayor

By _____
Its City Administrator

This is a signature page to the Development Agreement by and between the City of Fergus Falls, and FM BANK.

FM BANK

Its

Its

This is a signature page to the Development Agreement by and between the City of Fergus Falls, and FM BANK.

EXHIBIT A

DESCRIPTION OF DEVELOPMENT PROPERTY

Property located in the City of Fergus Falls, Otter Tail County, Minnesota with the following
Parcel Identification Numbers:

71-002-99-0210-900
71-002-99-0225-000
71-002-99-0225-001
71-002-99-0227-001
71-002-99-0227-900

EXHIBIT B

FORM OF TIF NOTE

No. R-1

\$ _____

UNITED STATES OF AMERICA
STATE OF MINNESOTA
COUNTY OF OTTER TAIL
CITY OF FERGUS FALLS

TAX INCREMENT REVENUE NOTE
(SHOPKO REDEVELOPMENT PROJECT)

The City of Fergus Falls, 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 FM BANK, a Minnesota banking corporation, or its registered assigns (the "Developer" or "Registered Owner"), but only in the manner, at the times, from the sources of revenue, and to the extent hereinafter provided.

The principal amount of this Note shall equal from time to time the principal amount stated above, as reduced to the extent that such principal installments shall have been paid in whole or in part pursuant to the terms hereof; provided that the sum of the principal amount listed above shall in no event exceed \$286,000 as provided in that certain Development Agreement, dated as of September 5, 2023, as the same may be amended from time to time (the "TIF Agreement"), by and between the City and the Developer. No interest shall accrue on the unpaid balance of this Note.

The amounts due under this Note shall be payable on August 1, 2026, and on each February 1 and August 1 thereafter to and including February 1, 2033, or, if the first should not be a Business Day (as defined in the TIF Agreement), the next succeeding Business Day (the "Payment Dates"). On each Payment Date the City shall pay by check or draft mailed to the person that was the Registered Owner of this Note at the close of the last business day of the City preceding such Payment Date an amount equal to the sum of the Tax Increments (hereinafter defined) received by the City during the six (6) month period preceding such Payment Date. This Note is prepayable by the City, in whole or in part, on any date.

The Payment Amounts due hereon shall be payable solely from 90% of the tax increments (the "Tax Increments") from the Development Property (as defined in the Development Agreement) within the City's Tax Increment Financing (Redevelopment) District No. 4-16 (the "Tax Increment District") within its Municipal Development District No. 4 which are paid to the City and which the City is entitled to retain pursuant to the provisions of Minnesota Statutes, Sections 469.174 through 469.1794, as the same may be amended or supplemented from time to time (the "Tax Increment Act"). This Note shall terminate and be of no further force and effect following the termination of the Tax Increment District, on any date upon which the City shall have terminated the Development Agreement under Section 4.2(2) thereof or the Developer shall have terminated the Development Agreement under Article V

thereof, or on the date that all principal payable hereunder shall have been paid in full, whichever occurs earliest.

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

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

This Note is a special, limited revenue obligation and not a general obligation of the City and is payable by the City only from the sources and subject to the qualifications stated or referenced herein. This Note is not a general obligation of the City of Fergus Falls, 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, which consent shall not be unreasonably withheld, conditioned or delayed. In order to assign the Note, the assignee shall surrender the same to the City either in exchange for a new fully registered note or for transfer of this Note on the registration records for the Note maintained by the City. Each permitted assignee shall take this Note subject to the foregoing conditions and subject to all provisions stated or referenced herein.

IT IS HEREBY CERTIFIED AND RECITED that all acts, conditions, and things required by the Constitution and laws of the State of Minnesota to be done, to have happened, and to be performed precedent to and in the issuance of this Note have been done, have happened, and have been performed in regular and due form, time, and manner as required by law; and that this Note, together with all other indebtedness of the City outstanding on the date hereof and on the date of its actual issuance and delivery, does not cause the indebtedness of the City to exceed any constitutional, statutory or charter limitation thereon.

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

City Administrator

Mayor

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

CERTIFICATION OF REGISTRATION

It is hereby certified that the foregoing Note, as originally issued on _____, 20__, was on said date registered in the name of FM BANK, 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

FM BANK
128 E. Washington Ave.
Fergus Falls, MN 56537

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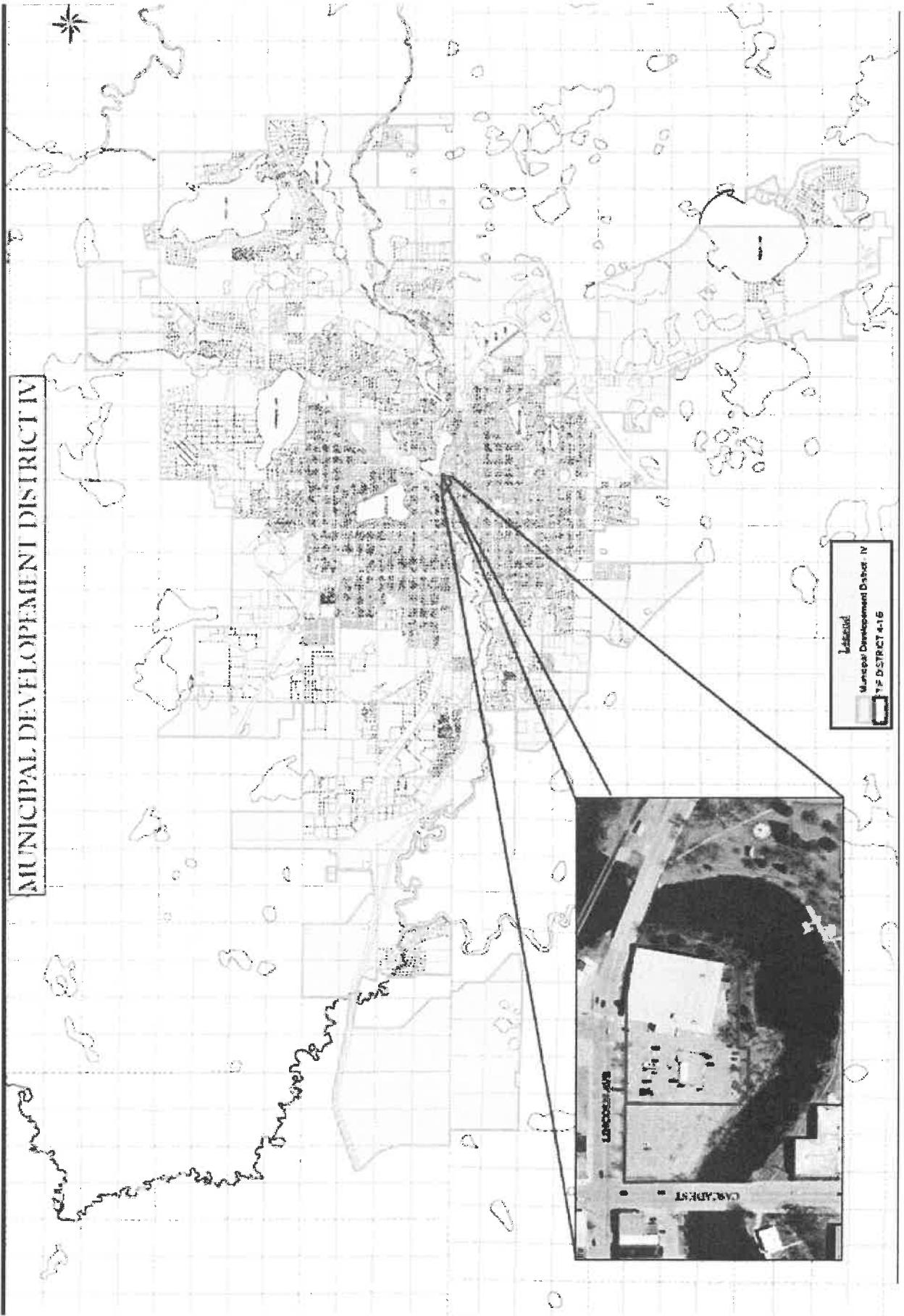
EXHIBIT C

SITE IMPROVEMENTS

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

Map of TIF District No. 4-16 Within Development District No. 4

Exhibit I



BAKERTILLY

EXTRACT OF MINUTES OF MEETING
OF THE CITY COUNCIL OF THE
CITY OF FERGUS FALLS, MINNESOTA

HELD: September 5, 2023

Pursuant to due call and notice thereof, a regular meeting of the City Council of the City of Fergus Falls, Otter Tail County, Minnesota, was duly called and held in the City Hall in said City on September 5, 2023, at 5:30 P.M.

The following members of the Council were present:

and the following were absent:

Member _____ introduced the following resolution and moved its adoption:

RESOLUTION NO. _____

RESOLUTION AUTHORIZING EXECUTION
OF A DEVELOPMENT AGREEMENT

A. WHEREAS, FM BANK, a Minnesota banking corporation (the "Developer") has requested the City of Fergus Falls, Minnesota (the "City") to assist with the financing of certain costs incurred in connection with the demolition of an existing substandard building located in the City and the construction of a new approximately 17,700 square-foot building by the Developer to be used primarily for commercial purposes (the "Project"); and

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

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Fergus Falls, Minnesota, as follows:

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

2. The approval hereby given to the Development Agreement includes approval of such additional details therein as may be necessary and appropriate and such modifications thereof, deletions therefrom and additions thereto as may be necessary and appropriate and approved by the City officials authorized by this resolution to execute the Development Agreement. The execution of the Development Agreement by the appropriate officer or officers of the City shall be conclusive evidence of the approval of the Development Agreement in accordance with the terms hereof.

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

and the following voted against same:

Adopted this ___ day of _____, 2023.

Mayor

Attest: _____
City Administrator

STATE OF MINNESOTA
COUNTY OF OTTER TAIL
CITY OF FERGUS FALLS

I, the undersigned, being the duly qualified and acting City Administrator of the City of Fergus Falls, Minnesota, DO HEREBY CERTIFY that I have carefully compared the attached and foregoing extract of minutes with the original minutes of a meeting of the City Council of the City held on the date therein indicated, which are on file and of record in my office, and the same is a full, true and complete transcript therefrom insofar as the same relates to a Resolution Authorizing Execution of a Development Agreement.

WITNESS my hand as such City Administrator of the City of Fergus Falls, Minnesota this ___ day of _____, 2023.

City Administrator

City Of Fergus Falls 2024 Fee Schedule

State and local taxes will be charged where applicable

ADMINISTRATIVE LICENSES, PERMITS AND FEES

ADMINISTRATIVE FEES

| | |
|---|---|
| Copy 8.5" x 11" | 25¢ per copy up to 100 pages After 100 pages, figured at actual cost |
| Copy 11" x 17" | 50¢ |
| Copy color printing 8.5" x 11" | 50¢ |
| Fax | 25¢ per sheet |
| NSF checks | \$25.00 |
| Water re-connection fee | \$50.00 |
| Water re-connection fee/after hours | \$100.00 plus \$50.00 reconnection fee |
| Nuisance (as defined in City Code Chapters 35 & 90) | \$100.00 \$200.00 for the first notice plus \$100 for each additional notice sent in a calendar year. 3 rd and any subsequent violations are a misdemeanor |
| Administrative appeal fee | \$500.00 |
| Data request | 25¢ per copy up to 100 pages After 100 pages, figured at actual cost |
| City Hall meeting room rental | \$20.00 per day (additional fees may apply if outside City Hall business hours) |

ANIMALS

| | |
|--|---|
| Dog or Cat Licensing - spayed or neutered | \$10.00 (two year license) |
| Dog or Cat Licensing - not spayed or neutered | \$20.00 (two year license) |
| Dog or Cat Licensing – owner 65 | No charge |
| Commercial Kennel License | \$35.00 |
| Dangerous Animal Registration Fee | \$200.00 |
| Chickens and Quails in R-1 and R-2 Zones | \$20.00 (two year permit and requires neighbor permission) |
| Animal Recovery Fee (for pets running at large) | \$25.00 (fee will increase \$25.00 with each subsequent recovery) |

LIQUOR, THC & TOBACCO

| | |
|--|------------------------------------|
| On Sale Full Liquor License | \$2,500.00 |
| On or Off Sale 3.2% Malt Liquor License | \$275.00 |
| Temporary On Sale 3.2% Malt Liquor License | \$25.00 per day |
| Wine License | \$200.00 |
| Growler License | \$275.00 |
| Brewery License | \$275.00 |
| Tap Room License | \$275.00 |
| Tobacco License | \$100.00 |
| THC Product Sales | \$500.00 \$2,500 |

LICENSE FEES

| | |
|---|---|
| Mechanical License (Heating, Ventilation and Air Conditioning) | \$200.00 |
| Excavator License | \$100.00 |
| Demo/Hauler of Building Waste License | \$100.00 |
| Fireworks Sales License | \$75.00 \$100.00 |
| Junk Dealer License | \$200.00 |
| Loading Zone License | \$125.00 \$100.00 |
| Metal Recyclable Collection License | \$100.00 |
| Paving Contractors (Sidewalk) License | \$100.00 |
| Sign Hanger License | \$100.00 |
| Peddler/Solicitor/Transient Merchant License | \$100.00 (up to 14 days) \$250.00 (annual) |
| Building Moving Permit | \$35.00 |
| Building Moving Traffic Direction | \$240.00 for first hour, \$75.00 per hour per officer thereafter |
| Food Truck Permit | \$100 for annual permit \$50 for short term (three day) permit |
| City Council/Mayor Filing Fee | \$5.00 |

ADULT USE PERMITS

| | |
|-----------------------------|----------|
| Adult Use Accessory License | \$100.00 |
| Adult Use Primary License | \$500.00 |
| Adult Use Investigation Fee | \$400.00 |

PARKING STALLS

| | |
|--|-----------------------------|
| Parking stall rental | \$30.00 per stall per month |
| Parking stall rental/covered structure | \$45.00 per stall per month |

BUILDING DEPARTMENT INSPECTION FEES

| | |
|--|------------------|
| Outside of normal business hours (Minimum 2 hours) | \$65.00 per hour |
| Re-inspection fee assessed under provisions of Section 305(g) | \$65.00 per hour |
| Re-inspection, additional plan reviews and revisions (Minimum 1/2 hour) | \$65.00 per hour |
| Inspections for which no fee is specifically indicated (Minimum 1/2 hour) | \$65.00 per hour |
| Additional plan review required by changes, additions or revisions (Minimum 1/2 hour) | \$30.00 per hour |

**BUILDING DEPARTMENT
MECHANICAL PERMITS – RESIDENTIAL AND COMMERCIAL**

Fixed Fees

| | |
|--|------------------|
| Base Inspection Fee | \$65.00 |
| Residential/Commercial Furnace Change Out Fee | \$65.00 |
| Rooftop Change Out Fee | \$95.00 |
| New Gas Line Inspection Fee | \$65.00 per line |
| Existing Gas Line, New Branch or Tee Fee | \$32.50 |
| <i>includes installation of temporary LP and propane tanks</i> | |

Valuation Fees

Mechanical Equipment Permit (fee based on total valuation)

| | |
|---|----------|
| \$1 to \$500 | \$15.00 |
| \$501 to \$1,000 | \$35.00 |
| \$1,001 to \$10,000 | \$35.00 |
| For the first \$1,000 plus \$6.50 for each additional \$1,000 or fraction thereof, up to and including \$10,000 | |
| \$10,001 to \$50,000 | \$93.50 |
| For the first \$10,000 plus \$4.00 for each additional \$1,000 or fraction thereof, up to and including \$50,000 | |
| \$50,001 to \$100,000 | \$253.50 |
| For the first \$50,000 plus \$2.50 for each additional \$1,000 or fraction thereof, up to and including \$100,000 | |
| \$100,001 and up | \$378.50 |
| For the first \$100,000 plus \$1.35 for each additional \$1,000 or fraction thereof | |

A Minnesota State Surcharge is applied to all fixed fee permits calculated at a rate of \$1.00 for total fees of up to \$2,010 or .0005 times the total fixed fee for fees of \$2,010 and over.

A Minnesota State Surcharge is applied to all valuation based permits calculated on the total construction value for each permit times .0005 for valuations up to \$1 M. See MN Statute 326B.148 for surcharge rates on construction values over \$1 M.

An investigation fee equal to the permit fee shall be charged whenever work is started prior to obtaining a permit.

In commercial, industrial, multifamily residential, one and two family dwellings and institutional structures, the permit fee shall be based on the valuation of the entire mechanical installation (materials and labor), which is to be declared on the permit application.

**BUILDING DEPARTMENT
PLUMBING PERMITS – RESIDENTIAL AND COMMERCIAL**

Fixed Fees

| | |
|--|---------|
| Base Inspection Fee | \$65.00 |
| (Drain, Waste, Vent and Waterline) | |
| Water Heater Fee | \$35.00 |
| Water Softener Fee | \$65.00 |
| Lawn Sprinkler Fee | \$65.00 |
| RPZ/PVB Fee | \$65.00 |
| (Reduced Pressure Zone, Pressure Vacuum Breaker Fee) | |
| Grease/Sand Separator Fee | \$65.00 |
| Flammable Waste Pit Fee | \$65.00 |

Plumbing Permit

| | |
|---------------------------------|--|
| First four fixtures | \$35.00 |
| Each additional fixture | \$5.00 |
| Sewer Service Permit | \$40.00 |
| Water Service Permit | \$40.00 |
| Water and Sewer Combined Permit | \$50.00 |
| Water Availability Charge | \$450.00 |
| Temporary Water Meter | |
| 5/8" meters | \$50.00 plus \$60 deposit + monthly fee \$13.35 |
| 3/4" meters | \$50.00 plus \$60 deposit + monthly fee \$26.85 |
| 1" meters | \$50.00 plus \$60 deposit + monthly fee \$41.50 |
| 3" hydrant meters | \$50.00 \$150.00 plus \$260 deposit + monthly fee \$105.75 |

A Minnesota State Surcharge is applied to all fixed fee permits calculated at a rate of \$1.00 for total fees of up to \$2,010 or .0005 times the total fixed fee for fees of \$2,010 and over.

An investigation fee equal to the permit fee shall be charged whenever work is started prior to obtaining a permit.

**BUILDING DEPARTMENT
NEW & REMODEL CONSTRUCTION
RESIDENTIAL, COMMERCIAL, INDUSTRIAL & INSTITUTIONAL**

The TOTAL FEE for a building permit would be determined by adding together:

- Building Permit Fee (based on schedule(s) below)
- Plus Plan Review Fee (65% x Building Permit Fee)
- Plus MN State Surcharge

Valuation Fees

Building Permit Fees (based on total valuation)

| | |
|--|----------|
| \$1 to \$1,000 | \$34.00 |
| \$1,000 to \$25,000 | \$34.00 |
| For the first \$1,000 plus \$8.25 for each additional \$1,000 or fraction thereof, up to and including \$25,000 | |
| \$25,001 to \$50,000 | \$232.00 |
| For the first \$25,000 plus \$6.50 for each additional \$1,000 or fraction thereof, up to and including \$50,000 | |
| \$50,001 to \$100,000 | \$397.00 |
| For the first \$50,000 plus \$4.40 each additional \$1,000 or fraction thereof, up to and including \$100,000 | |
| \$100,000 and up | \$617.00 |
| For the first \$100,000 plus \$3.85 each additional \$1,000 or fraction thereof | |

A Minnesota State Surcharge is applied to all valuation based permits calculated on the total construction value for each permit times .0005 for valuations up to \$1 M. See MN Statute 326B.148 for surcharge rates on construction values over \$1 M.

An investigation fee equal to the permit fee shall be charged whenever work is started prior to obtaining a permit.

Other Fees

| | |
|--|---------------|
| Building Demolition Permit-Residential | \$50.00 each |
| Building Demolition Permit-Commercial | \$100.00 each |

The Minnesota State Surcharge does not apply to these permits.

Solar Field

| | |
|----------------------|---------|
| Commercial Solar Fee | \$4,500 |
|----------------------|---------|

**BUILDING DEPARTMENT
WATER METER VALVE FEES**

| | |
|------------------------------------|----------|
| Water meter valve 3/4 x 3/4 Copper | \$119.01 |
| Water meter valve 3/4 x 3/4 Poly | \$141.26 |
| Water meter valve 1 x 3/4 Copper | \$141.26 |
| Water meter valve 1 x 1 Copper | \$173.46 |
| Water meter valve 1 x 3/4 Poly | \$163.77 |
| Multi-pipe adapter | \$19.17 |

This is a variable fee schedule and may change with updated pricing throughout the year.

COMMUNITY DEVELOPMENT, PLANNING AND ZONING

PLANNING COMMISSION

| | |
|---------------------------------------|--|
| Conditional Use Permit | \$350.00 |
| After the Fact Conditional Use Permit | \$700.00 |
| Interim Use Permit | \$350.00 |
| Planned Unit of Development (PUD) | \$350.00 |
| Plat- Preliminary | \$500.00 plus \$30.00 per lot |
| Plat- Final (if separate) | \$100.00 |
| Special Planning Commission meeting | \$500.00 in addition to application fee(s) |
| Variance | \$350.00 |
| Zoning Amendment- Map or Text | \$700.00 |

OTHER

| | |
|------------------------|---------|
| Home Occupation Permit | \$50.00 |
| Zoning Letter | \$50.00 |

REVOLVING LOANS

Please visit [Business Development for Fergus Falls](#) for more information about revolving loan funds.

Community Block Grant/Housing & Urban Development Loans

Minimum application fee \$250, or 1% of the loan, whichever is greater
\$100 due up front with the remainder due at closing

Minnesota Investment Fund (MIF) and Intermediary Relending Program (IRP) Loans

\$100 application fee, 1.5% origination fee plus all closing costs incurred

TAX INCREMENT FINANCING (TIF) AND ABATEMENT

For further information about TIF and Abatement, please reach out to the [Community Development Department](#)

| | |
|-------------------------|------------------------------------|
| Tax Increment Financing | \$2,000.00 plus \$15,000.00 escrow |
| Tax Abatement | \$1,500.00 plus \$7,500.00 escrow |

ENGINEERING FEES

ANNEXATION

Annexation Petition \$500.00

RIGHT OF WAY/VACATION

Right of Way/Vacation \$500.00

LAND ALTERATION

Land Alteration \$50.00
 Shoreline Alteration ~~\$20.00~~ \$50.00
 Solar Power Systems Fee based off the building permit fee schedule
 Towers/Antenna Fee Fee based off the building permit fee schedule
 Change-outs and Alterations \$15.00
 Wind Energy Conversion System (WECS) Fee based off the building permit fee schedule
 Inspection when no city permit is issued (after the fact) \$65.00 per hour/Minimum 1/2 hour
 Modular/Manufactured Homes (mobile homes in courts) \$65.00 per hour/Minimum 1/2 hour

EXCAVATION FEES

Excavating Permit \$70.00 plus restoration deposit (see below)
 Sidewalk Permit Replacement \$15.00
 Sidewalk Permit New \$50.00
 Septic Tank Abandonment Permit \$50.00

RESTORATION DEPOSITS ON CITY RIGHT OF WAYS

Boulevard Restoration (compaction, 3" topsoil and grass seed) \$300.00
 Gravel Street Restoration (compaction and 6" of gravel) \$800.00
 Combination Boulevard & Gravel Street Restoration \$500.00
 Sidewalk Replacement (4" thick) \$1,000.00
 Concrete Driveway Replacement (6" thick) \$3,000.00
 Concrete Curb & Gutter Replacement \$600.00
 Bituminous Restoration for 1/4 of street width \$900.00
 Bituminous Restoration for 1/2 of street width \$1,800.00
 Bituminous Restoration for 3/4 of street width \$2,700.00
 Bituminous Restoration for entire street width \$3,600.00

FIRE DEPARTMENT

CALLS FOR SERVICE

All types unless listed below

City Residential/Business First 4 hours- No charge
 Each additional hour based on usage

Rural Contract Residential/Business First 2 hours- No charge
 Each additional hour based on usage

Non-Residential/Business
First hour- No charge
Each additional hour based on usage

FIRE ALARM ACTIVATIONS (per calendar year)

First-Fourth Alarm No charge
Fifth Alarm \$100.00
Sixth Alarm \$150.00 per each additional alarm

MOTOR VEHICLE CRASH

Extrication required Charge per hour based on usage
~~Minimum 1-hour charge (unless cancelled en route; 15-minute increments thereafter)~~

HAZARDOUS MATERIALS

Includes fuel spills over 5 gallons Charged per hour based on usage
Supplies charged at replacement cost

TECHNICAL RESCUE

Confined space, high/low angle rope, Charged per hour based on usage
machinery extrication, trench, grain/storage bin

CARELESS/ ILLEGAL BURNING

\$200.00 plus per hour charge based on usage

USAGE RATES

Aerial Truck \$375.00 per hour (includes up to 4 personnel)
NFPA>1,000 GPM Pumper \$275.00 per hour (includes up to 4 personnel)
Tanker \$200.00 per hour (includes 2 personnel)
Rescue Truck \$200.00 per hour (includes up to 4 personnel)
Wildland Truck \$150.00 per hour (includes 2 personnel)
~~Utility Terrain Vehicle \$ 75.00 per hour (includes 2 personnel)~~
Personnel \$ 20.00 per hour per person
Standby at potentially hazardous conditions Half the per hour vehicle rate listed above
~~Planned Event- Medical Standby \$ 50.00 per hour per person (includes first response medical equipment)~~

FIRE PROTECTION SYSTEM PERMIT

\$50.00

FIRE SAFETY INSPECTION

Inspection due to non-compliance \$100.00 first hour, \$50.00 each additional hour

FUN HOUSE RENTAL

\$150.00 first event day
\$50.00 each additional event day

RECREATIONAL BURNING

Permit No charge
First offense for burning without a permit Verbal warning
Second offense for burning without a permit \$100.00
Subsequent offenses \$200.00 per incident

CONSUMABLES

Materials billed at replacement cost

GIS SERVICES

| <u>Item</u> | <u>Maps</u> | <u>Aerial Photos</u> | <u>Zoning Map</u> |
|---------------------------------------|-------------|----------------------|-------------------|
| 8.5" x 11" | \$7.50 | \$10.00 | |
| 11" x 17" | \$10.00 | \$15.00 | |
| 24" x 36" | \$15.00 | \$20.00 | |
| 36" x 36" | \$20.00 | \$25.00 | |
| 36" x 50" | \$30.00 | \$45.00 | \$45.00 |
| Voting Ward Maps | | | |
| 36" x 50" | \$15.00 | | |
| Plan Sheet Copies | | | |
| All copies | \$15.00 | | |
| GIS special requests \$55.00 per hour | | | |

**LANDFILL FEES
(RATES INCLUDE TAXES AND FEES)**

| Item | Unit Type | City Resident | Non-Resident |
|--------------------------|------------------|------------------------------------|------------------------------------|
| Compost | cubic yard | No Charge | No Charge |
| Trees/Brush | cubic yard | No Charge | \$15.00 |
| MSW (garbage) | cubic yard | \$21.50 | \$32.25 |
| ½ MSW | cubic yard | \$10.75 | \$16.25 |
| Garbage Bags | each | \$4.00 | \$6.00 |
| Demolition Debris | cubic yard | \$31.00 | \$46.50 |
| ½ Demolition Debris | cubic yard | \$15.50 | \$23.25 |
| White Goods (appliances) | each | \$9.00 | \$13.50 |
| TV's/Monitors | each | \$20.00 | \$30.00 |
| Computer Scrap | each | \$5.00 | \$7.50 |
| Small Electronics | each | \$5.00 | \$7.50 |
| Car/Pickup Tires | each | \$6.00 | \$9.00 |
| Semi-Truck Tires | each | \$15.00 | \$22.50 |
| Tractor Tires | each | \$15.00 | \$22.50 |
| Oversized Tractor Tires | each | \$50.00 | \$75.00 |
| Tire Rims | each | \$3.00 | \$4.50 |
| Batteries | each | No Charge | \$1.50 |
| Fluorescent Lamps | each | \$1.00 | \$1.50 |
| Ballast | pounds | \$1.00 | \$1.50 |
| Bypass/Treated Lumber | cubic yard | \$31.00 | \$46.50 |
| ½ Bypass/Treated Lumber | cubic yard | \$15.50 | \$23.25 |
| Handling Fee | each | \$50.00 \$100.00 | \$75.00 \$150.00 |
| Labor Charge per ½ hour | each | \$25.00 | \$37.50 |

*\$15.00 fee to load mulch if assistance is requested/\$22.50 for non-resident

Landfill Fines

| | |
|-----------------|--|
| First Offense: | Verbal warning to clean up load |
| Second Offense: | \$100.00 plus labor, time and equipment to clean up load |
| Third Offense: | \$300.00 plus labor, time and equipment to clean up load |
| Fourth Offense: | \$500.00 plus labor, time and equipment to clean up load |

LIBRARY

REPLACEMENTS

| | |
|-----------------------------------|---|
| Library card replacement fee | \$3.00 |
| Lost or damaged library materials | Replacement cost plus \$3.00 handling fee |

PHOTOCOPIES AND FAXES

| | |
|-----------------------|--------------|
| Black and White | 20¢ per page |
| Color | 50¢ per page |
| Fax (coming or going) | 50¢ per page |

PARKS & RECREATION

CAMPGROUND FEES

| | |
|---------|---------------------------------|
| Tents | \$15.00 per night (7 night max) |
| Campers | \$30.00 per night (7 night max) |

FIELDS

| | |
|-----------------------|---|
| Disc Golf Tournament | \$50.00 per day |
| American Legion Field | \$60.00 \$55.00 per game |
| Baseball Fields | \$40.00 \$35.00 per practice (excludes youth baseball programs) |
| | \$60.00 \$55.00 per game (excludes youth baseball programs) |
| Baseball Tournament | \$175.00 or \$60 per game \$150.00 per field/per day, no exclusions <i>All fields will begin with a dragged and lined field prior to each tournament game</i> |
| Softball Fields | \$40.00 \$35.00 per practice (excludes youth softball programs) |
| | \$60.00 \$55.00 per game (excludes youth softball programs) |
| Softball Tournament | \$250.00 per day, no exclusions (up to four softball fields) <i>All fields will begin with a dragged and lined field prior to the start of tournament play</i> <i>Any additional dragging/lining requests will be charged \$40.00 per field</i> |
| Soccer Fields | \$40.00 per field/per day |

PARK AND RECREATION PROGRAMS*

| | |
|---------------------------|---|
| Rookie T-Ball | \$40.00 \$45.00 |
| T-Ball | \$60.00 \$65.00 |
| Toss | \$60.00 \$65.00 |
| Girls Toss | \$60.00 \$65.00 |
| Minors | \$70.00 \$75.00 |
| Majors | \$70.00 \$75.00 |
| Late fee (youth ball) | \$25.00 will be added to any late registrations |
| Adult Softball Team | \$600.00 \$625.00 |
| Late Fee (adult softball) | \$25.00 will be added to any late payments |

Kids Kamp (per 2 week session) \$185.00 (field trips included)

PERMITS AND RENTALS

Park Food Vending Permit (two day) \$15.00 if using city utilities
Community Garden Plots \$30.00 per plot
Mobile Stage Rental Fee \$500.00 per day/\$250.00 per additional day
Sound System \$300.00 per day (only rented to qualified operators)
Speakers Only \$100.00 per day

PICNIC SHELTERS AND TABLES

Outdoor Shelter Rental \$50.00 per day
Pebble Lake Indoor Shelter Rental ~~\$175.00~~ ~~\$150.00~~ per day (plus \$25.00 security deposit)
Picnic Table (in town delivery only) ~~\$35.00~~ ~~\$15.00~~ per table/per day
Riverfront Pavilion ~~\$150.00~~ ~~\$100.00~~ per day (plus \$100.00 security deposit)

SPONSORSHIPS

Youth Sport Sponsorships ~~\$300.00~~ ~~\$285.00~~
Banner Sponsorships First year \$300.00. Each additional renewal year \$250.00

WARMING HOUSES

Outdoor Warming Houses \$50.00 per day (plus \$25.00 deposit)

COMMUNITY ARENA RENTAL (OCTOBER-MARCH)

Arena Non-User Groups ~~\$120.00~~ **\$195.00** per hour with ice
Arena User Group Overage ~~\$105.00~~ **\$175.00** per hour with ice
Arena Facility Rental ~~\$120.00 per day without ice plus expenses~~ **\$250.00 per rink (No Ice) plus additional costs (example: staff and refuse disposal)**

Leagues and Curling \$175.00 per hour with ice

COMMUNITY ARENA RENTAL (APRIL-SEPTEMBER)

Arena Rate with Ice **\$195.00**
~~Fergus Falls Hockey Association, Fergus Falls Skating Club, High School Boys Booster Club and High School Girls Booster Club~~ ~~\$175.00 per hour~~
~~All Other Users~~ ~~\$195.00 per hour~~
Arena Facility Rental ~~\$120.00 per day without ice plus expenses~~ **\$250.00 per rink (No Ice) plus additional costs (example: staff and refuse disposal)**

POLICE DEPARTMENT

FALSE ALARMS (per calendar year)

False Alarm Fee/First-Fourth Alarm No charge
False Alarm Fee/Fifth False Alarm \$100.00
False Alarm Fee/Sixth False Alarm \$150.00 per each additional alarm

GENERAL SERVICES

Photographs- Printed Color Photo on Paper \$1.50 each
Photographs on CD \$5.00

| | |
|--|---|
| Audio Productions on CD | \$5.00 |
| Security Services/Police Services/ Building Moves/Traffic Control | \$75.00 per hour per officer - 2 hour minimum |
| Records Data Request | \$0.25 per page plus cost for collecting data including staff time, materials (disk/thumb drive) |
| Vehicle Impound Charge | \$35.00 |
| Impounded Vehicle Storage Fee | \$5.00 per day outside/\$20.00 per day inside |
| Forfeiture Fee | \$150.00 |
| Ignition Interlock Device Installation | \$100.00 fee to have a police officer on standby at the time of installation |

PUBLIC WORKS MISC. FEES

EQUIPMENT

Equipment fees are determined by the equipment and vehicles required in addition to city labor rates.

ROAD CLOSURE SIGNS

| | |
|-------------|-------------|
| Closed | \$2.00 each |
| Pre-Warning | \$3.00 each |

LABOR

| | |
|-------------------------|--|
| Regular business hours: | \$35.00 \$40.00 per hour |
| Saturdays: | \$52.50 \$54.00 per hour (2 hour minimum) |
| Sundays: | \$70.00 per hour (4 hour minimum) |

REFUSE, DUMPSTER AND ROLL-OFF RENTAL FEES

REFUSE CONTAINER RENTALS

| | |
|----------------------------|---|
| 35-gallon refuse container | \$5.00 per can per day rental plus \$25.00 disposal fee for up to 3 containers \$50.00 disposal fee for 4-6 containers |
| 65-gallon refuse container | \$5.00 per can per day rental plus \$30.00 disposal fee for up to 3 containers \$60.00 disposal fee for 4-6 containers |
| 95-gallon refuse container | \$5.00 per can per day rental plus \$35.00 disposal fee for up to 3 containers \$70.00 disposal fee for 4-6 containers |

DUMPSTER AND ROLL-OFF RENTAL FEES

| | |
|-----------------------|---------------------------|
| Dumpsters (all sizes) | \$16.00 per month minimum |
|-----------------------|---------------------------|

| | <u>1-7 days</u> | <u>8-15 days</u> | <u>16-31 days</u> |
|------------------|-----------------|------------------|-------------------|
| 20-yard roll-off | \$20.00 | \$40.00 | \$80.00 |
| 30-yard roll-off | \$23.00 | \$46.00 | \$92.00 |

SPECIAL PICKUP FEE

| | |
|--|----------------------|
| Dumpster | \$43.00 per pick up |
| Roll-off | \$130.00 per pick up |
| <i>*Containers used to dispose of dirt will be charged a pick fee of two times the standard rate</i> | |

DISPOSAL FEE

| | |
|-----------------------|------------------------------------|
| Demolition Debris | \$31.00 per cubic yard |
| Municipal Solid Waste | Based on container size or tonnage |

SANITIZING FEE

| | |
|--------------------------|----------|
| Dumpster/300 gallon tote | \$100.00 |
| Compactor 6 yard | \$125.00 |
| Compactor 20-40 yard | \$175.00 |

LEACHATE AND SEPTAGE

| | |
|-------------------|---|
| Leachate Disposal | \$45.00 \$50.00 per 1,000 gallons |
| Septage Disposal | \$45.00 \$50.00 per load |

RENTAL HOUSING REGISTRATION

Annual registration due December 1

Rental Property Conversion Fee \$500.00

A unit that has not previously been a registered rental property and is converted to a rental property shall pay a conversion fee. The onetime conversion fee includes the rental registration application and inspection fees for the first year. A rental property with a registration that has been expired for greater than one year will be subject to the full conversion fee and licensing inspection upon application for a rental registration.

Rental Registration Renewal Fee *(rental properties currently registered annual fee)*

| | |
|----------------------------|------------------|
| Single Family Home | \$20.00 |
| Multi-Units | \$20.00 per unit |
| Duplex, apartments, condos | |

Standard Rental Registration Renewal Fee *(This is a rental fee for properties maintained as a standard rental prior to November 18, 2018- Fees are not pro-rated)*

| | |
|-----------------------|--------------------------------|
| Single Family Home | \$120.00 |
| Duplex | \$140.00 |
| Apartment 3-9 units | \$200.00 plus \$20.00 per unit |
| Apartment 10-20 units | \$250.00 plus \$20.00-per unit |
| Apartment 21+ units | \$300.00 plus \$20.00-per unit |

Violation Fees

| | |
|------------------------------------|-------------------|
| Re-Inspection Fee | \$50.00 per unit |
| Complaint Based Inspection | \$50.00 per unit |
| Late Rental Registration | \$50.00 per unit |
| Reinstatement of Suspended License | \$250.00 per unit |

Operating Without a License Citable offense

Abatement Violations

1st Violation \$50.00
2nd Violation \$150.00 and warning of license revocation
3rd Violation \$500.00 and revocation of license

SIGN PERMIT FEES

“Signs” include any sign suspended from buildings, attached to the surface of a building, painted on wall type signs and pylon signs (not requiring footing inspections)

Sign Review \$30.00
Footing Inspections \$50.00 per sign
After the Fact Sign Permit Fees \$100.00 or double the permit fee, whichever is greater

PERMANENT SIGN PERMITS (EXCLUDES BILLBOARDS)

~~Under 25 sq. ft. \$15.00~~
~~26-50 sq. ft. \$20.00~~
~~Under 51-100 sq. ft. \$25.00~~ **\$50.00**
~~101 + sq. ft. \$25.00 plus \$0.20 per sq. ft.~~ **\$50.00 plus \$0.40 per sq ft**

OTHER SIGN PERMITS

Billboards ~~\$100.00~~ per sign **\$150.00**
Temporary Signs \$50.00 per year