



City Council Agenda
April 15, 2024
5:30 pm in the City Council Chambers

Invocation –Pastor David Strom, St. James Church
Pledge of Allegiance

- A. Call to Order
- B. Roll Call
- C. Approval of the Agenda
- D. Public Hearings
 - 1. Preliminary cost hearing PI 5373, Shoreview Drive improvements
 - a. Resolution ordering plans and specifications for PI 5373, the Shoreview Drive street improvements
 - 2. Public hearing for a TIF redevelopment district at 801 W Stanton Ave
(A special council meeting will be held on April 24 at 7:00 am in the City Council Chambers to consider the creation of a TIF redevelopment district at 801 W Stanton Ave)
 - 3. Public hearing for a business subsidy loan for Mark and Brenda Christopherson
 - a. Resolution approving a business subsidy loan in the amount of \$500,000 to Mark and Brenda Christopherson for the property at 801 W Stanton Ave
 - b. Resolution authorizing the city to enter a purchase agreement for \$950,000 with Mark and Brenda Christopherson for the acquisition and cleanup of 801 W Stanton Ave
- E. Awarding of Bids-None
- F. Petitions and Communications
 - 1. Proclamation declaring April 25 as Arbor Day
 - 2. Proclamation declaring April 28-May 4 as Small Business Week
 - 3. Fergus Falls Public Library Annual Report
- G. Consent Agenda
 - 1. Motion approving the open and closed minutes from the April 1, 2024 City Council meeting and the April 10, 2024 Committee of the Whole meeting
 - 2. Motion approving licenses
 - 3. Resolution approving budget adjustments
 - 4. Resolution approving the pay equity report, authorizing signatures and submitting the report to the MN Management and Budget Office
 - 5. Resolution accepting the project plans and specifications and authorize the advertising of bids for PI 5377, the 2024 mill and overlay projects
 - 6. Resolution initiating PI 5376, the DeLagoon Park access road improvements and authorizing the acceptance of the State Park Road Account offer in the amount of \$209,049
 - 7. Resolution accepting the Local Road Improvement Program grant offer for PI 5362, the Fir and Friberg roundabout

- H. Ordinances and Resolutions
 - 1. Resolution granting property owners a temporary exemption from City Code 95.04 (C) not allowing for grass height to exceed 6” in height
 - 2. Resolution accepting the proposal for a steel fence for Public Improvement 9767, the Downtown Riverfront Improvement Project
- I. Presentation of Claims \$1,653,975.37
- J. Old Business/Unfinished Business
 - 1. Motion directing the City Attorney to draft an ordinance regarding franchise fees
 - 2. Charter Commission follow-up to the questions regarding 2.04, Vacancies
 - 3. Open forum policy revision
- K. New Business
- L. Miscellaneous Announcements
 - April 24 7:00 am Special Council Meeting to consider the creation of a TIF redevelopment district at 801 W Stanton Avenue
 - May 1 7:00 am Committee of the Whole meeting
 - May 6 5:30 pm City Council meeting
- M. Adjournment

If you have special needs for accommodations, please call 332-5436 or TDD 1-800-627-3529 (Minnesota Relay Service).



Council Action Recommendation

Meeting Date:

April 15, 2024 – City Council

Subject:

PI 5373 – Bituminous Street Improvement
Shoreview Drive: Pebble Lake Road to East Termini (Cul-de-sac)

Recommendation:

- Resolution ordering the project plans and specifications

Background/Key Points:

Legal publications along with individual mailed notices have been sent to all benefitting properties. The preliminary project data as follows:

Type of Project:

Bituminous Street and Drive Aprons, etc.

Location:

Shoreview Drive: Pebble Lake Road to Northeast Terminus (Cul-de-Sac)

Legal Description:

Lots 1-3, Block 1, Abundant Life Addition;
 Lots 1-8, Block 1: Pebble Lake Estates Addition;
 Part GL 1 & W1/2 NE1/4 East of Highway R/W except tracts, platted and R/W, (Parcel No. 71001500095003);
 Part GL 1 Com. SW Corner GL 1 Sec. 14, S 89° E 341.82', N 14° W 655.93', N 66° E 46.53' NELY, etc., (Parcel No. 71001500095014);
 Part NW1/4 NE1/4 & Part GL 1 & Part SW1/4 NE1/4 Begin SW Corner GL 1 E 341.82', N 15° W 665.62', S 68, etc., (Parcel No. 71001500095015);
 All located within the City of Fergus Falls (Section 14, T132N, R43W)

Hearing Date:

April 15, 2024

Interest Rate:

Not to exceed 6.5%

Assessment:

15 years

Estimated Special Assessments Rates:

Bituminous Street (5 Ton Design)	= \$ 11,750.00 / Unit
Bituminous Drive Apron (5 Ton Design)	= \$ 38.00 / S.F.

Cost Breakout:

Special Assess. Bituminous St. – 5 Ton (18 Units)	= \$ 211,500.00
City Share Bituminous Street – 5 Ton (0.5 Units)	= 5,875.00

Special Assess. Bit. Drive Apron – 5 Ton (550 S.F.)	=	20,900.00
City Share Bit. Drive Apron – 5 Ton (45 S.F.)	=	1,710.00
Deferred Special Assess. Bit. St. – 5 Ton (4 Units)	=	<u>47,000.00</u>
Total Project Cost	= \$	286,985.00

Financing:

PIR 429 Bonds (Special Assess. Street/Apron - Active)	=	\$232,400.00 (81.0%) #1
PIR 429 Bonds – City Share (Street/Apron)	=	7,585.00 (2.6%)
PIR 429 Bonds (Special Assess. Street/Apron - Deferred)	=	<u>47,000.00 (16.4%) #1</u>
TOTAL	=	\$ 286,985.00

#1: The percentage of the project being special assessed must be at least 20% of the PIR 429 Bond total. This project as proposed is **97.4 %** of the PIR 429 Bond total.
 $(\$279,400 / 286,985) = 97.4\%$

If acceptable, staff will finish the plans and specifications and request authorization to advertise for bids in the near future. Although the project schedule has not been determined, I will be recommending holding the Final Cost Hearing after bids are accepted.

Originating Department:

Engineering Department

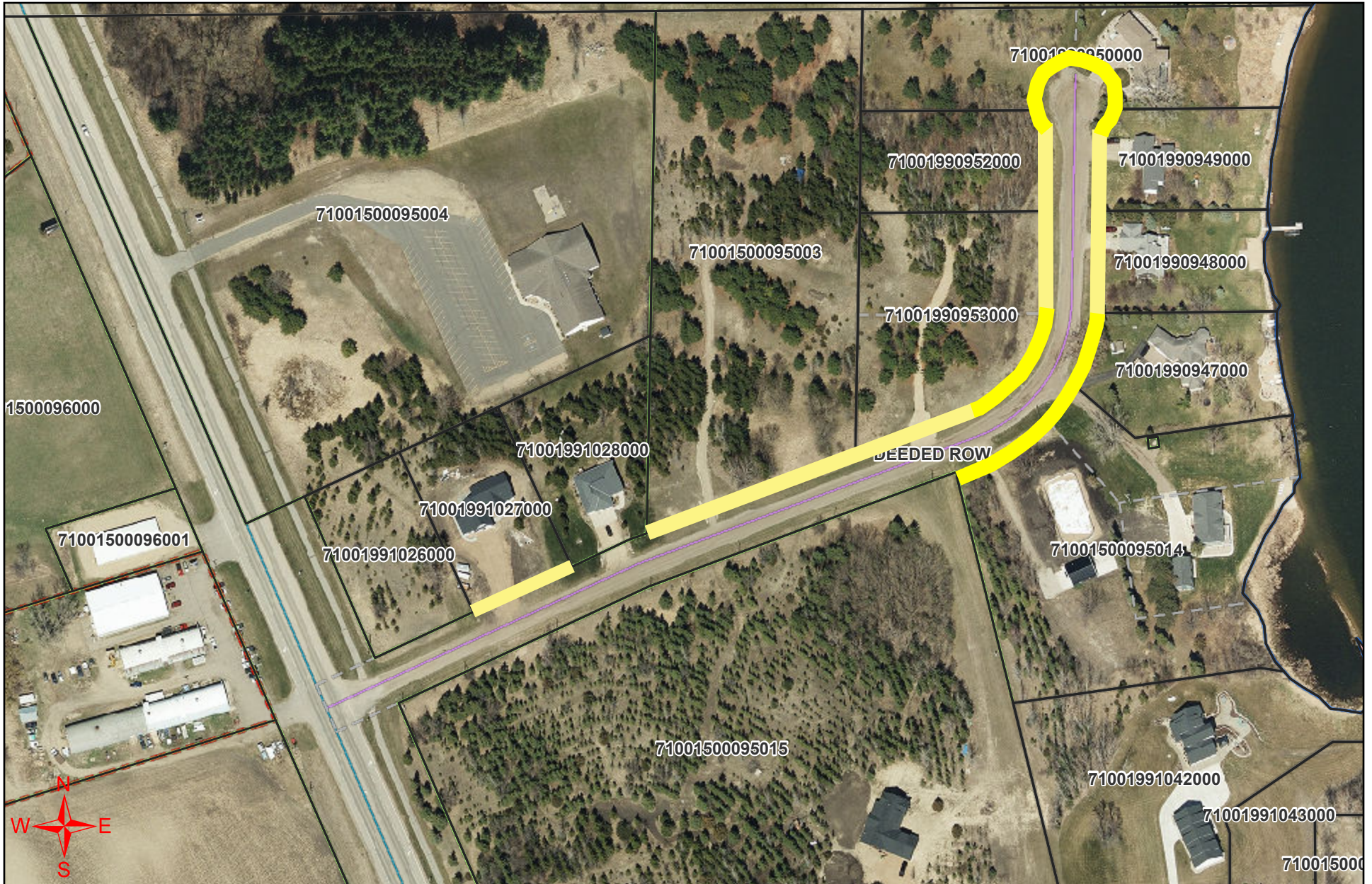
Respectfully Submitted:

Brian Yavarow, P.E. – City Engineer

Attachments:

Project Location Map

PI 5373 – Preliminary Assessment Notices



= SIGNED PETITIONED
SHOREVIEW DRIVE

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.

Date 3/28/2024

PROJECT FILE LISTING

Page 1

Project	Description/Vendor	Init Date	Hear Date	Pymt Date	Resolution	Assessment	City Share	UA
53-73	SHOREVIEW DR:BIT ST & DRIVE APRONS		4-15-2024			.00	.00	UA
	P.I. Seq				Deferred Code	Assessment		
	53-73 000					232,400.00		
	53-73 030					47,000.00		

Project # 53-73 Public Improvement No: 53-73 Sequence 000 Type of Public Improvement 12 BITUMINOUS STREET

* * * * *										BALANCES			* * * * *		
Due Date	Percent	Years	Original	Current	Deferred	Total	Local	Def.	Status						
6.50	15		232,400.00	232,400.00	.00	.00	24		U/A						
Lots 1-3,Block 1,Abundant Life Addtion;Lots 1-8,Block 1:Pebble Lake Estates Addition,Part GL 1 & W1/2 NE1/4 East of Highway R/W ex cept tracts,platted and R/W,(Parcel No.71001500095003);Part GL 1 Com.SW Corner GL 1 Sec.14,S 89° E341.82',N 14° W 655.93',N 66° E4 6.53' NELY,etc.,(Parcel No. 71001500095014);Part NW1/4 NE1/4 & Part GL 1 & Part SW1/4 NE1/4 Begin SW Corner GL 1 E341.82',N 15° W 665.62',S 68,etc.,(Parcel No. 71001500095015);All located within the City of Fergus Falls (Section 14,T132N,R43W)															

Project # 53-73 Public Improvement No: 53-73 Sequence 030 Type of Public Improvement 12 BITUMINOUS STREET

* * * * *										BALANCES			* * * * *		
Due Date	Percent	Years	Original	Current	Deferred	Total	Local	Def.	Status						
6.50	15		47,000.00	47,000.00	.00	.00	24		D/D						
PT NW1/4 NE1/4 & PT GL 1 & PT SW1/4 NE1/4 BG SW COR GL 1 E 341.82' N 15°W 665.62' S 68															

P R O J E C T F I L E R A T E L I S T I N G

Project No: 53-73 Public Improvement No: 53-73 Sequence: 000 Type of Public Improvement: 12 BITUMINOUS STREET

Code	Description	Size	Rate	Ref.
1	BIT STREET (5 TON)	UNIT	11,750.00000	0
2	BIT DRIVE APRON (5 TON)	S.Y.	38.00000	4

Project No: 53-73 Public Improvement No: 53-73 Sequence: 030 Type of Public Improvement: 12 BITUMINOUS STREET

Code	Description	Size	Rate	Ref.
1	BIT STREET (5 TON)	UNIT	11,750.00000	0

* * * * *
 CITY OF FERGUS FALLS, OTTER TAIL COUNTY, MINNESOTA
 * * * * *

Project No. 53-73 Type of Public Improvement BITUMINOUS STREET PRELIMINARY
 Public Improvement No. 53-73 000 Location SHOREVIEW DRIVE
 From PEBBLE LAKE ROAD To NORTHEAST TERMINUS (CUL-DE-SAC)

166475
 ALT FAMILY REV LIV TST

71001500095014 1802 SHOREVIEW DR

1802 SHOREVIEW DR
 FERGUS FALLS MN 56537 4212

Sect-74 Twp-132 Range-043 PT GL 1 COM SW COR GL 1 SEC 14 S 89° E
 341.82' N 14° W 655.93' N 66° E 46.53' NELY ALG SLY ROW ON A CUR
 VE 112.17' S 41° E 150.91' TO PT OF BG S 41° E 7.52' S 8° E 172.4
 6' N 81° E TO SHORELINE OF PEBBLE LAKE NLY ALG SHORELINE TO INTER

Assessed	Project Rate	Amount Assessed	Comment	Project Total
1.50	11,750.00000 UNIT	17,625.00	BIT STREET (5 TON)	19,449.00
48.00	38.00000 S.Y.	1,824.00	BIT DRIVE APRON (5 TON)	

 CITY OF FERGUS FALLS, OTTER TAIL COUNTY, MINNESOTA

Project No. 53-73 Type of Public Improvement BITUMINOUS STREET PRELIMINARY
 Public Improvement No. 53-73 000 Location SHOREVIEW DRIVE
 From PEBBLE LAKE ROAD To NORTHEAST TERMINUS (CUL-DE-SAC)

PEBBLE LAKE ESTATES

138851 71001990947000 1810 SHOREVIEW DR
 CARR FAMILY REV LVG TST Lot 1 Block 1
 Sect-14 Twp-132 Range-043 PEBBLE LAKE ESTATES 1.12 AC LOT 1 BLK 1

1810 SHOREVIEW DR
 FERGUS FALLS MN 56537 4212

Assessed	Project Rate		Amount Assessed	Comment	Project Total
1.00	11,750.00000	UNIT	11,750.00	BIT STREET (5 TON)	13,460.00
45.00	38.00000	S.Y.	1,710.00	BIT DRIVE APRON (5 TON)	

148450 71001990948000 1814 SHOREVIEW DR
 WERNER FAMILY REV LVG TST Lot 2 Block 1
 Sect-14 Twp-132 Range-043 PEBBLE LAKE ESTATES 1.12 AC LOT 2 BLK 1

1814 SHOREVIEW DR
 FERGUS FALLS MN 56537 4212

Assessed	Project Rate		Amount Assessed	Comment	Project Total
1.00	11,750.00000	UNIT	11,750.00	BIT STREET (5 TON)	15,360.00
95.00	38.00000	S.Y.	3,610.00	BIT DRIVE APRON (5 TON)	

158600 71001990949000 1818 SHOREVIEW DR
 TODD J & JENNIFER S KAMPSTRA Lot 3 Block 1
 Sect-14 Twp-132 Range-043 PEBBLE LAKE ESTATES 1.12 AC LOT 3 BLK 1

1818 SHOREVIEW DR
 FERGUS FALLS MN 56537 4212

Assessed	Project Rate		Amount Assessed	Comment	Project Total
1.00	11,750.00000	UNIT	11,750.00	BIT STREET (5 TON)	15,322.00
94.00	38.00000	S.Y.	3,572.00	BIT DRIVE APRON (5 TON)	

200735 71001990950000 1822 SHOREVIEW DR
 SHERRI E MONEY REV LIV TST Lot 4 Block 1
 Sect-14 Twp-132 Range-043 PEBBLE LAKE ESTATES 1.12 AC LOT 4 AND L
 OT 5 BLK 1

1822 SHOREVIEW DR
 FERGUS FALLS MN 56537 4212

Assessed	Project Rate		Amount Assessed	Comment	Project Total
1.50	11,750.00000	UNIT	17,625.00	BIT STREET (5 TON)	19,601.00

 CITY OF FERGUS FALLS, OTTER TAIL COUNTY, MINNESOTA

Project No. 53-73 Type of Public Improvement BITUMINOUS STREET PRELIMINARY
 Public Improvement No. 53-73 000 Location SHOREVIEW DRIVE
 From PEBBLE LAKE ROAD To NORTHEAST TERMINUS (CUL-DE-SAC)

PEBBLE LAKE ESTATES

52.00 38.00000 S.Y. 1,976.00 BIT DRIVE APRON (5 TON)

193584
 WILLIAM J & KARLA K ZANDER

71001990952000 1817 SHOREVIEW DR
 Lot 6 Block 1

Sect-14 Twp-132 Range-043 PEBBLE LAKE ESTATES LOT 6 BLK 1

1793 SHOREVIEW DR
 FERGUS FALLS MN 56537 4253

Assessed	Project Rate		Amount Assessed	Comment	Project Total
1.00	11,750.00000	UNIT	11,750.00	BIT STREET (5 TON)	11,750.00

193584
 WILLIAM J & KARLA K ZANDER

71001990953000 1793 SHOREVIEW DR
 Lot 7 Block 1

Sect-14 Twp-132 Range-043 PEBBLE LAKE ESTATES LOT 7 & 8 BLK 1

1793 SHOREVIEW DR
 FERGUS FALLS MN 56537 4253

Assessed	Project Rate		Amount Assessed	Comment	Project Total
3.00	11,750.00000	UNIT	35,250.00	BIT STREET (5 TON)	35,782.00
14.00	38.00000	S.Y.	532.00	BIT DRIVE APRON (5 TON)	

 CITY OF FERGUS FALLS, OTTER TAIL COUNTY, MINNESOTA

Project No. 53-73 Type of Public Improvement BITUMINOUS STREET PRELIMINARY
 Public Improvement No. 53-73 000 Location SHOREVIEW DRIVE
 From PEBBLE LAKE ROAD To NORTHEAST TERMINUS (CUL-DE-SAC)

UNPLATTED 14 132 43

151423
 KEVYN B HECK & ANGELA F BOWMAN

71001500095003 1765 SHOREVIEW DR

Sect-14 Twp-132 Range-043 5.00 AC PT GL 1 & W1/2 NE1/4 E OF HWY
 R/W EX TRS EX HWY EX PLATTED

1765 SHOREVIEW DR
 FERGUS FALLS MN 56537 4253

Assessed	Project Rate	UNIT	Amount Assessed	Comment	Project Total
2.00	11,750.00000		23,500.00	BIT STREET (5 TON)	25,894.00
63.00	38.00000	S.Y.	2,394.00	BIT DRIVE APRON (5 TON)	

144989
 STEPHEN A & SARAH E MOLINE

71001500095015 1827 PEBBLE LAKE GOLF DR

Sect-14 Twp-132 Range-043 11.45 AC PT NW1/4 NE1/4 & PT GL 1 & PT
 SW1/4 NE1/4 BG SW COR GL 1 E 341.82' N 15°W 665.62' S 68° W 483.
 48' S 64° W 506.55' S 24° E 418.97' N 76° E 580.33' TO PT OF BG

1827 PEBBLE LAKE GOLF DR
 FERGUS FALLS MN 56537 8526

Assessed	Project Rate	UNIT	Amount Assessed	Comment	Project Total
3.00	11,750.00000		35,250.00	BIT STREET (5 TON)	35,250.00

End of Processing Total for this Public Improvement 232,400.00

Memo

To: Klara Beck, City of Fergus Falls

From: Mikaela Huot, Director
Jake Emeott, Senior Consultant

Date: April 15, 2024

Subject: 801 W Stanton Redevelopment Project Financial Review and Tax Increment Financing Redevelopment District No. 4-17 Assistance Request Review

Executive Summary

At the request of the City of Fergus Falls, Baker Tilly Municipal Advisors has undertaken a review of the request for TIF assistance by Rivers Edge LLC (the “developer”) for redevelopment of existing substandard properties to include construction of a new three-story approximate 60-unit residential rental multifamily housing project. The total development cost for the project is estimated to be \$11,534,700 and the request for financial assistance is \$1,124,260 through tax increment financing. Construction of the proposed development is expected to begin in 2025 and be completed in 2026. The developer is also requesting assistance through Minnesota Housing Workforce Housing grant program in the amount of \$4,493,400.

Prior to establishing a tax increment financing district, there are findings that need to be made by the City that include: 1) determination that the project qualifies as a TIF district, 2) determination that the project as proposed would not proceed without public assistance (meeting the “but-for” test), and 3) the increased market value of the property to be developed is greater with tax increment than if no public assistance is provided. When reviewing requests for financial assistance it is important to understand how the level of financial assistance would impact the ability of the project to proceed as proposed and maximize new value created on the current project site.

Review of the sources and uses and operating proforma based on the developer assumptions with pay-as-you-go assistance as compared to no assistance provides an understanding of financial feasibility for this project and need for public assistance. The purpose of the analysis is to test the level of assistance that may be needed using those assumptions and if the recommended structure is reasonable while remaining consistent with the City’s objectives for providing assistance.

Based on the financial analysis and available financing assumptions, without financial assistance, the project would not be feasible due to the extraordinary development/redevelopment costs mixed with current market conditions. Without assistance, the projected debt coverage ratios and annual/cumulative rates of return to the developer is projected to be below industry standards for this type of project. The debt coverage and rate of return analyses indicates that the provided financing structure would not be financially viable without one or more of the following: 1) reduction in project costs 2) additional annual cash flow (tax increment revenues), and/or 3) additional funding sources (workforce housing grant program). With annual public assistance, the project is projected to be more financially feasible by providing additional cash flow (annual tax increment revenues) to the project. The level of public assistance is projected to have a positive impact on what the projected debt coverage and returns for the project could be as compared to no assistance.

The purpose of the memorandum is to provide a summary of the preliminary tax increment revenue projections based on estimated post-development taxable values for the project, as well as provide a summary of the financial review of the development project costs and sources of revenue and operating pro forma as provided by the developer to assist the City with making a determination 1) if the project as proposed would be unlikely to proceed “but-for” the requested Tax Increment Financing (TIF) assistance, and 2) if assistance is necessary, to

determine an appropriate level of public assistance that may be considered. Should the City choose to provide TIF assistance, it is expected that the developer would obtain all necessary financing sources and annual tax increments generated by the TIF District would be pledged to the developer to reimburse for extraordinary redevelopment costs with a portion retained by the City for annual administrative expenses (estimated 10%).

Background

The City of Fergus Falls has been working with the developer on potential acquisition and subsequent redevelopment of property located at 801 W Stanton Ave which would include demolition of the existing substandard buildings and construction of a new three story, 60-unit residential rental market rate apartment complex. The developer has requested the City apply for funding through the MHFA Workforce Housing Development Program to assist with closing a financial gap that will exist with redevelopment of the project site and construction of the new project. The developer has also requested the City consider the establishment of a Redevelopment Tax Increment Financing District that would provide additional gap financing and be the required local funding match as required for the grant funding.

Developer Request for Assistance

The developer has requested assistance from the City through tax increment financing assistance. The total development costs are approximately \$11,534,700. Upfront funding sources to support development costs include first mortgage, developer equity, energy rebates, Fergus Falls HRA grant, Minnesota Housing Workforce Housing grant and TIF. The primary loan is approximately 42% of total funding sources, equity is 9%, grant is 39% and TIF is 10%. We would expect to see the primary debt financing percent greater than the financing structure being proposed and is subject to availability of net operating income to support debt repayment. The overall project performance is lower than typical lenders and investors would tolerate, thus resulting in a financial gap. Due to the current market environment and interest rates, annual debt service payments are higher with increased interest costs.

Typical extraordinary redevelopment costs that cannot be supported solely by the project alone could justify the need for public financial assistance and allow the project to proceed as proposed. In addition, current market conditions of increased interest rates requiring reduced debt financing and increased equity amounts have resulted in higher funding gaps. Tax increment financing from the City provides an additional funding source to the project that allows the developer to obtain an appropriate level of upfront funding and meet minimum debt coverage and investor return metrics. The workforce housing grant is an additional source of funds to close the financing gap with eligible expenses related to construction of the project and in addition to costs that would be supported by TIF. Summary of the sources and uses of funds is illustrated in Table 1 below.

The recommendation for a reasonable level of public assistance is balanced by a combination of extraordinary costs and projected financial cash flow performance of the project, public policy guidelines/considerations and potential financial parameters as further outlined below:

- Return on Investment: *(City benefits)*
- Purchase price and other development costs: *(reasonable ranges and supported by project)*
- Public to private investment: *(public participation 10%)*
- Public assistance (TIF) and private equity: *(public does not exceed private equity)*
- Extraordinary costs: *(redevelopment)*
- Financial gap: *(limit on private debt and equity)*
- Market conditions *(financing limitations)*
- Term of district collection: *(redevelopment term of up to 26 years)*
- Other identified public improvements: *(case by case basis to be determined)*

Sources and Uses of Funds

The proposed total development cost of the project is estimated to be \$11,534,700. The developer did not provide a breakout of individual line items as it relates to the building hard cost construction estimate of \$10,550,000. However, this amount equates to approximately \$175,000 per residential unit and generally a reasonable level. The purchase price of property is \$300,000 (2.6%) and additional costs related to professional fees (2%), developer fee (1.73%), financing fees (1.71%) and reserves (0.43%) are all generally reasonable and lower range for this type of project.

The developer has identified the sources of funds for the proposed project, including debt, equity, a grant and TIF assistance. The developer is seeking TIF reimbursement of up to \$1,124,260 based on 26 years of tax increment assistance on a pay-as-you-go basis.

Table 1: Projected Sources and Uses of Funds

Sources	Amount	Percent	Uses	Amount	Percent	Per Unit
Bank Loan	4,835,000	41.92%	Land	300,000	2.60%	5,000
Equity	1,045,000	9.06%	Construction	10,550,000	91.46%	175,833
Developer Equity		0.00%	Professional Fees	237,200	2.06%	3,953
Capitalized Interest		0.00%	Developer fee	200,000	1.73%	3,333
TIF	1,124,260	9.75%	Financing	197,500	1.71%	3,292
Energy rebate	12,040	0.10%	PM Fee		0.00%	-
FF HRA	25,000	0.22%	Developer Fee		0.00%	-
WF Grant	4,493,400	38.96%	Dev Contingency		0.00%	-
		0.00%	Reserves	50,000	0.43%	833
		0.00%			0.00%	-
		0.00%			0.00%	-
		0.00%			0.00%	-
		0.00%			0.00%	-
Total	11,534,700	100%	Total	11,534,700	100%	192,245

Tax Increment Revenue Assumptions and Estimates

Certain assumptions were used to estimate the projected available tax increment revenues as outlined below:

- Parcel ID: 71.003.50.0006.000
 - Existing land value of \$393,900 (taxes payable 2024)
 - Total land acreage of 8.312
- Parcel ID: 71.003.99.1321.000
 - Existing land value of \$15,400 (taxes payable 2024)
 - Total land acreage of 0.25
- Original net tax capacity (ONTC) estimated to be \$5,116 with reclassification as residential rental
 - 1.25% classification rate
- Maximum term of redevelopment district (26 total years)
 - Projected maximum term for project is 26 years
 - First year collection payable 2028 and final year payable 2053
- Increment based on difference between existing value
 - Preliminary and to be evaluated as project proceeds
- Construction commences in 2025 and completed in 2026
 - 100% completed by December 31, 2026 with
 - Assess January 2027 for taxes payable 2028
- Payable 2023 combined tax rate of 107.189%
- 3% annual market value inflator
- 10% retained by City for admin
 - *Maximum 10% for admin*
 - 90% pledged to project
- Present value rate of 6% and 6/30/25 present value date

Table 2: Projected Tax Increment Revenues

Existing Land Value	\$409,300
Original Net Tax Capacity (Base)	\$5,116
Estimated Total Completed Value	\$6,300,250
Total Tax Capacity	\$78,753
Captured Tax Capacity (Total less Original)	\$73,637
x 2023 Local Capacity Rate	107.189%

Estimated Total Gross Tax Increment Revenue (less OSA deduction of 0.36%)	\$78,647
Less: 10% for Administrative Expenses (Maximum Percentage is 10%)	\$7,865
Estimated Net Annual Available Revenue	\$70,782
Estimated Annual Total Taxes Due (Year 1 full buildout)	\$92,913
Total Estimated Gross Tax Increment (26 years)	\$3,100,652
Estimated City Retained (10%)	\$310,070
Total Estimated Net Tax Increment (26 years)	\$2,790,582
Total Estimated Present Value Net Increment with 6% interest rate	\$1,124,260

Project Financing

There are generally two ways in which assistance can be provided for most projects, either upfront or on a pay-as-you-go basis. With upfront financing, the City would finance a portion of the applicant's initial project costs through the issuance of bonds or as an internal loan. Future tax increments would be collected by the City and used to pay debt service on the bonds or repayment of the internal loan. With pay-as-you-go financing, the applicant would finance all project costs upfront and would be reimbursed over time for a portion of those costs as revenues are available.

Pay-as-you-go-financing is generally more acceptable than upfront financing for the City because it shifts the risk for repayment to the applicant. If tax increment revenues are less than originally projected, the applicant receives less and therefore bears the risk of not being reimbursed the full amount of their financing. However, in some cases pay as you go financing may not be financially feasible. With bonds, the City would still need to make debt service payments and would have to use other sources to fill any shortfall of tax increment revenues. With internal financing, the City reimburses the loan with future revenue collections and may risk not repaying itself in full if tax increment revenues are not sufficient. The City has historically financed projects as pay-as-you-go for reimbursement to the developer of eligible costs for terms less than the statutory maximum number of years (specifically for a redevelopment district of 26 years)

Operating Assumptions

The developer provided a breakdown of the projected revenues from the individual residential unit types with estimated square footage and rent per square foot. The estimated rents for the project upon completion are \$850 for studio, \$950-985 for 1-bedroom units, \$1,075 - \$1,225 for 2-bedroom units and \$1,300 - \$1,350 for 3-bedroom units. The estimated operating revenues and expenditures include 2% annual inflationary increases and 7% vacancy rates (revenues). Total operating expense ratio for the residential project component is approximately 46% annually upon stabilization. Assumptions utilized for the operating proforma are generally reasonable as compared to industry standards and could be considered conservative as the project analysis proceeds. The projected rents, as outlined in the summary range on the following page represent between 50% and 60% area median income levels (based on 30% of annual incomes applied towards paying rent). We would expect additional review of the vacancy rate and annual operating expenses also as the project proceeds to understand if either assumption could be reduced. A summary of the projected annual incomes and rents by income level and unit type is included in the following table.

Table 3: Projected Income and Rent Levels for Otter Tail County for 2024

HUD Median Income Chart (2024)
City of Fergus Falls, Minnesota
Otter Tail County

Otter Tail County - FY 2024 Median Family Income \$93,000

Income Limits	1 person	1.5 persons	2 person	3 person	4 person	4.5 persons	5 person	6 person	7 person	7.5 persons	8 person
30% of Median	19,550	20,950	22,350	25,820	31,200	33,890	36,580	41,960	47,340	50,030	52,720
50% of Median (very low income)	32,550	34,875	37,200	41,850	46,500	48,375	50,250	53,950	57,700	59,550	61,400
60% of Median (1.2 times 50%)	39,060	41,850	44,640	50,220	55,800	58,050	60,300	64,740	69,240	71,460	73,680
80% of Median (low income)	52,100	55,825	59,550	67,000	74,400	77,400	80,400	86,350	92,300	95,275	98,250
100% of Median	65,100	69,750	74,400	83,700	93,000	96,720	100,440	107,880	115,320	119,040	122,760
115% of Median	74,865	80,213	85,560	96,255	106,950	111,228	115,506	124,062	132,618	136,896	141,174

Monthly Rent Limits (30% of Income spent on rent)	Efficiency 1 person	1 Bedroom 1.5 persons	2 Bedroom 3 persons	3 Bedroom 4.5 persons	4 Bedroom 6 persons	5 Bedroom 7.5 persons
30% of Median	488	523	645	847	1,049	1,250
50% of Median (very low income)	813	871	1,046	1,209	1,348	1,488
60% of Median (1.2 times 50%)	976	1,046	1,255	1,451	1,618	1,786
80% of Median (low income)	1,302	1,395	1,675	1,935	2,158	2,381
100% of Median	1,627	1,743	2,092	2,418	2,697	2,976
115% of Median	1,871	2,005	2,406	2,780	3,101	3,422

Proposed Rents	850	985	1,225	1,350

Financial Needs (Pro forma Analysis)

Upon approval of a TIF district and project, the City must make several findings, including the “but for” test: that the proposed redevelopment would not reasonably be expected to occur solely through private investment within the reasonably foreseeable future. The developer has stated that but for the provision of tax increment financing, the project as proposed would not occur. Based on the developer’s stated position relative to the need for tax increment financing assistance, the City could make its “but for” finding and provide tax increment assistance. We recommend, however, that the City review the provided assumptions to consider if the project meets the but-for test and, if so, what an appropriate level and type of TIF assistance may be based on the information submitted by the developer.

Following thorough evaluation of the project as provided allows the City to be prepared to make an informed decision based on the likelihood of the project needing assistance, as well as the appropriate level of assistance. To complete this analysis, we reviewed the developer’s provided financial data and constructed ten-year operating project proformas, showing a result if the project received financial assistance as requested and did not receive assistance. Analysis of the proformas include a review of the development budget, projected operating revenues and expenditures, and the project’s capacity to support annual debt service on outstanding debt. The purpose of evaluating the operating proformas is to understand the potential cash flow performance through initial development of the project and the annual operations of the project over a 10-year period to assist with determining if the project is financially feasible and in need of public participation.

Measuring project feasibility is typically accomplished by analyzing a combination of 1) projected rate of return – both annual and cumulative and 2) estimated debt coverage ratio (DCR). Rate of return (IRR) analysis illustrates the projected return to the investor(s) using the available cash flow after payment of operating expenses and debt repayment as a measurement to the initial equity investment. Industry standards for certain development types indicate the level of investment a developer is willing to make based on projected returns from the project. Should the projected annual and cumulative returns fall below those standards, the project would require a reduced level of equity participation and/or increased cash flow to be feasible. Debt Coverage Ratio (DCR) is a calculation detailing the ratio by which operating income exceeds the debt payments for the project. If the DCR is greater than 1.0 it indicates the project has operating income that is greater than the debt-service payment by some margin; conversely if the DCR is less than 1.0, it indicates the project is incapable of meeting its debt-service payment and would need to seek additional revenue sources in order to pay its debt.

For a project to be considered financially feasible and likely to secure private financing, lenders are going to want to see a project with an estimated net operating income that exceeds the debt-service amount by a specific threshold or more. This is a test based on a stabilized year of revenue. Typically, we see lenders identifying a desired threshold for DCR of 1.10-1.20 or greater, meaning an expectation that the stabilized Net Operating Income of the project will exceed debt service by 1.10 to 1.20 times. The chart below illustrates our

calculation of the projected stabilized DCR with and without requested TIF assistance, both on a one-year stabilized basis and additionally as a 10-year average.

Debt Coverage Analysis

Scenario	Debt Coverage Ratio	
	1-Year Stabilized	10-year Average
Term of Review		
Without Public Assistance	0.93x	1.03x
With Assistance	1.09x	1.18x

The estimated debt coverage ratios indicate that public assistance will be required to obtain debt financing for the project. Typical underwriting standards will require debt coverage ratios to be a minimum of 1.10-1.20x plus.

Return Analysis

To assist the City with making the 'but-for' test, we performed financial analysis to assist with projecting anticipated return on investments. The Internal Rate of Return (IRR) is a return-on-investment measurement that accounts for the time value of money, and accounts for the full development cycle including project construction, project operating, and finally the hypothetical sale of the completed asset. The inclusion of a hypothetical sale of the asset at the end of the pro forma period is necessary to include within the IRR analysis in order to account for the value of the asset that was created. It is not necessarily an indication that the asset will be sold at that time but is a mathematical construct for purposes of calculating the overall return on investment.

The developer provided the sources and uses of funds and estimated rent assumptions for the residential units. We reviewed the provided information to prepare a 10-year pro forma period, including 1+ years of construction and 2 years stabilized operations. A hypothetical sale of the asset is assumed in year 10. In order to provide an estimate of the anticipated sale value of the asset we utilized a capitalization rate of 7% and 2% cost of sale allowance.

The capitalization rate is a percentage amount that is divided against a project's Net Operating Income ("NOI") to determine the anticipated sale value. By comparing the capitalization rate, or cap rate, used against market information we can evaluate the reasonableness of the developer's hypothetical sale value assumption. The lower the cap rate used, the higher the projected value of the asset. Based on this review the developer's capitalization rate for a presumed sale in 2035 of 7% is a reasonable assumption.

We utilized the 10-year pro forma to prepare an unleveraged return analysis. An unleveraged return is a return calculation that measures the return on investment against the total cost of the project. An unleveraged return does not break out the investment into equity and financing amounts, and instead measures the return against the total investment/cost of the project. An unleveraged return calculation is utilized in order to draw comparisons against third-party market benchmarks for real estate investment thresholds. Since debt & equity ratios often differ across multiple projects, these third-party market benchmark surveys utilize unleveraged return calculations so that return comparisons can be drawn on an equal basis. As a result of our analysis, we found the developer's return without the proposed TIF assistance to be below our feasibility benchmark, and therefore we conclude that the project would be unlikely to proceed but for public assistance.

For comparison of the reasonableness of this return we reviewed third-party benchmark surveys that are nationwide surveys of real estate investors, which identify the return benchmarks the responders would need to realize in order to pursue a project. The benchmarks provided in these surveys can be used for establishing the likelihood of a proposed project proceeding without assistance ("But-For" Test), as well as the reasonableness of the assistance request.

One of the surveys we utilize is the Price Waterhouse Cooper ("PWC") Real Estate Investor Survey for the 3rd quarter 2023. This survey identified a national average of desired unleveraged returns for investment in apartment projects ranging from 5.75% to 8.0% with an average of 6.63. The PWC survey is a conservative benchmark and represents the responses of major institutional equity real estate investors who are primarily investing in institutional-grade property. Since the investors surveyed are basing their anticipated returns on their investment in constructed and operational developments there is a significantly lower risk threshold

present and thus the desired returns cited are typically lower than what would be sought for a new construction development.

Since the PWC survey is a conservative benchmark it creates a low hurdle rate, and if a project fails to meet the average threshold identified within the PWC survey we can make the determination that the project would be unlikely to proceed “but-for” the requested assistance. In the case of this project without assistance we have calculated an unleveraged return which falls below the average return threshold and even the low end of the identified PWC range. This allows us to determine that the project would be unlikely to proceed but-for the requested assistance.

In addition to the Internal Rate of Return analysis identified above, we also prepared a “cash on cash” investment return for the project upon stabilization. The cash-on-cash investment return is a single-year return calculation that measures the annual cash flow to the developer as a percentage of their equity investment. This is an annual test and the amount we calculated was based on the 3rd year of the pro forma, which is when the project would be operational and incurring debt-service on the private financing amount, as well as the average return over 10 years. For debt-service assumptions we utilized a current interest rate assumption of 6% (permanent financing) and a 30-year amortization. To account for the varying levels of assistance within this analysis we increased the developer’s equity amount subject to debt coverage and availability of cash flow to support debt service payments. The table below identifies the cash on cash returns we calculated for the project at varying assistance levels.

Scenario	Cash on Cash Return	
	1-Year Stabilized	10-year Average
Level of Debt		
Without Public Assistance	-2.54%	1.52%
With Assistance	4.1%	7.85%

The projected cash-on-cash return analysis illustrates modest returns and reflects the impact current permanent financing interest rates have on the potential return realized by the project. If the project were to realize a lower permanent financing interest rate, the projected cash on cash return would be greater than what is shown here.

Conclusion

The developer has requested financial assistance to facilitate redevelopment of the project site. The project has a financial gap due to extraordinary redevelopment needs of the building and project site and is seeking financial assistance from the City to close it. Through submission of the tax increment financing request and supporting financial information, the developer has indicated that the project would not occur as proposed without financial assistance from the City due to below market rates of equity returns and debt financing.

Following analysis of the developer’s financing assumptions and considering current market environment, without financial assistance, the project would not be financially feasible. Without assistance, the projected equity rate of return and debt financing metrics are below industry standards. The rate of return analysis indicates that the provided financing structure would not be financially viable without one or more of the following: 1) reduction in project costs 2) additional annual cash flow (tax increment revenues), and/or 3) additional funding sources (grant funding). With public assistance through tax increment assistance with additional annual cash flow, the project is projected to achieve more marketable returns. There are ranges of what would be considered market returns and are generally subject to the project type, market indicators, investor demands and financing structure. The level of public assistance is expected to have an impact on what the projected returns for the project could be.

The developer has requested tax increment assistance to close a financial gap in the project as well as to provide local funding to support the request to Minnesota Housing for the workforce housing grant program. An additional test to understand 1) if the project would proceed without assistance and 2) if assistance is required, what a reasonable level of assistance would be is to adjust the upfront project costs and operating income to test feasibility of the project and potential for reduction in tax increment assistance. The viability of these scenarios is subject to additional developer review and is intended to provide an illustration of what adjustments may need to be to reduce and/or eliminate the assistance. The amount of workforce housing grant that would be awarded may also impact the viability of these alternate financing scenarios.

Considered parameters for level of public assistance include the following:

- Return on Investment: *(City benefits)*
- Purchase price and other development costs: *(reasonable ranges and supported by project)*
- Public to private investment: *(public participation 10%)*
- Public assistance (TIF) and private equity: *(public does not exceed private equity)*
- Extraordinary costs: *(redevelopment)*
- Financial gap: *(limit on private debt and equity)*
- Market conditions *(financing limitations)*
- Term of district collection: *(up to 26 years for redevelopment)*
- Other identified public improvements: *(case by case basis to be determined)*

The developer has requested tax increment financing from the City as a method of providing additional cash flow revenues required to achieve financial feasibility. The project will be privately financed through private debt and equity. Assistance would be provided through a pledge of annual tax increments to provide additional cash flow to support debt repayment, enhance cash flow and increase the developer's return. We typically review both the annual (upon stabilization) and longer-term (10-year period) investment returns to understand financial performance and verification of need for public assistance, as well as identifying those costs considered TIF-eligible as extraordinary to the project.

Thank you for the opportunity to be of assistance to the City of Fergus Falls. We look forward to discussing the project and financing assumptions in greater detail.

Projected Tax Increment Report

**City of Fergus Falls, Minnesota
 Tax Increment Financing (Redevelopment) District No. 4-17
 801 W Stanton Ave Redevelopment
 Updated Revenues based on \$6.3M taxable value for 60 units**

Annual Period Ending	Total Market Value	Total Net Tax Capacity	Less: Original Net Tax Capacity	Retained Captured Net Tax Capacity	Times: Tax Capacity Rate	Annual Gross Tax Increment	Less: State Aud. Deduction 0.360%	Subtotal Net Tax Increment	Less: City Retainage 10.00%	Less: City Pooling 0.00%	Annual Net Revenue	P.V. Annual Net Rev. To 06/30/25 6.00%
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
12/31/25	409,300	5,116	5,116	0	107.189%	0	0	0	0	0	0	0
12/31/26	409,300	5,116	5,116	0	107.189%	0	0	0	0	0	0	0
12/31/27	409,300	5,116	5,116	0	107.189%	0	0	0	0	0	0	0
12/31/28	6,300,250	78,753	5,116	73,637	107.189%	78,931	284	78,647	7,865	0	70,782	59,430
12/31/29	6,489,258	81,116	5,116	75,999	107.189%	81,463	293	81,170	8,117	0	73,053	57,865
12/31/30	6,683,935	83,549	5,116	78,433	107.189%	84,071	303	83,768	8,377	0	75,391	56,337
12/31/31	6,884,453	86,056	5,116	80,939	107.189%	86,758	312	86,446	8,645	0	77,801	54,847
12/31/32	7,090,987	88,637	5,116	83,521	107.189%	89,525	322	89,203	8,920	0	80,283	53,393
12/31/33	7,303,716	91,296	5,116	86,180	107.189%	92,376	333	92,043	9,204	0	82,839	51,974
12/31/34	7,522,828	94,035	5,116	88,919	107.189%	95,311	343	94,968	9,497	0	85,471	50,590
12/31/35	7,748,513	96,856	5,116	91,740	107.189%	98,335	354	97,981	9,798	0	88,183	49,241
12/31/36	7,980,968	99,762	5,116	94,646	107.189%	101,450	365	101,085	10,109	0	90,976	47,925
12/31/37	8,220,397	102,755	5,116	97,639	107.189%	104,658	377	104,281	10,428	0	93,853	46,642
12/31/38	8,467,009	105,838	5,116	100,721	107.189%	107,962	389	107,573	10,757	0	96,816	45,391
12/31/39	8,721,019	109,013	5,116	103,896	107.189%	111,366	401	110,965	11,097	0	99,868	44,172
12/31/40	8,982,650	112,283	5,116	107,167	107.189%	114,871	414	114,457	11,446	0	103,011	42,983
12/31/41	9,252,130	115,652	5,116	110,535	107.189%	118,482	427	118,055	11,806	0	106,249	41,825
12/31/42	9,529,693	119,121	5,116	114,005	107.189%	122,201	440	121,761	12,176	0	109,585	40,696
12/31/43	9,815,584	122,695	5,116	117,579	107.189%	126,031	454	125,577	12,558	0	113,019	39,596
12/31/44	10,110,052	126,376	5,116	121,259	107.189%	129,977	468	129,509	12,951	0	116,558	38,524
12/31/45	10,413,353	130,167	5,116	125,051	107.189%	134,041	483	133,558	13,356	0	120,202	37,480
12/31/46	10,725,754	134,072	5,116	128,956	107.189%	138,226	498	137,728	13,773	0	123,955	36,462
12/31/47	11,047,527	138,094	5,116	132,978	107.189%	142,538	513	142,025	14,203	0	127,822	35,471
12/31/48	11,378,952	142,237	5,116	137,121	107.189%	146,978	529	146,449	14,645	0	131,804	34,506
12/31/49	11,720,321	146,504	5,116	141,388	107.189%	151,552	546	151,006	15,101	0	135,905	33,566
12/31/50	12,071,931	150,899	5,116	145,783	107.189%	156,263	563	155,700	15,570	0	140,130	32,650
12/31/51	12,434,088	155,426	5,116	150,310	107.189%	161,116	580	160,536	16,054	0	144,482	31,759
12/31/52	12,807,111	160,089	5,116	154,973	107.189%	166,114	598	165,516	16,552	0	148,964	30,890
12/31/53	13,191,324	164,892	5,116	159,775	107.189%	171,262	617	170,645	17,065	0	153,580	30,045
						\$3,111,858	\$11,206	\$3,100,652	\$310,070	\$0	\$2,790,582	\$1,124,260

⁽¹⁾ Total estimated market value based on information provided by City and County Includes 3% annual market value inflator.
⁽²⁾ Total net tax capacity based on mix of residential rental with a class rate of 1.25%
⁽³⁾ Original net tax capacity based on existing land value for the property to be included in the development
⁽⁴⁾ Total local tax capacity rate for taxes payable 2023



Memo

Page 1 of 1

Meeting Date:

April 15, 2024- City Council

Subject:

Letter of Intent- Rivers Edge LLC

Recommendation:

Review LOI for action at a special session of the Council at 7 AM on April 24.

Background/Key Points:

Rivers Edge LLC, affiliated with D.W. Jones, Inc., has expressed interest in acquiring 801 W Stanton Ave from the City of Fergus Falls for the development of workforce housing, subject to a purchase agreement between the City of Fergus Falls and Mark and Brenda Christopherson. Rivers Edge LLC have submitted a Letter of Intent proposing a 3-story, 60-unit apartment building with garage stalls. The LOI is attached.

A key aspect of the Rivers Edge proposal is a request for tax increment financing (TIF) to support the project's development. A public hearing on April 15, 2024, will allow for public comment on a redevelopment TIF district for 801 W Stanton Ave and council discussion. The City Council will then convene a special meeting at 7 AM on April 24, 2024, to take action on establishing the TIF district. Council may also act on the LOI at the special session.

Originating Department:

Community Development

Respectfully Submitted:

Klara Beck, Community Development Manager

Dear Mayor Schierer,

I, Ron Duchesneau Jr., in my capacity as Chief Manager of Rivers Edge LLC, am reaching out to formally express our interest in entering into a letter of intent to acquire the property situated at 801 W Stanton Avenue and legally described as Exhibit A. It is our understanding that the City of Fergus Falls will take ownership of the property on or before December 31, 2024. The city currently has entered into to a purchase agreement dated _____, 2024 by and between Mark A. Christopherson and Brenda Christopherson, (the “Seller”), and the City of Fergus Falls, a Minnesota municipal corporation, (the “Buyer”).

Rivers Edge LLC is an affiliate of D.W. Jones, Inc., and an established entity in the development of market rate housing. We have assessed the property at 801 W Stanton Avenue and believe it presents an opportunity for us to contribute to the growth and economic health of Fergus Falls through workforce housing development. We propose a 3-story, 58-unit apartment building with an elevator, attached tuck-under garage stalls, detached garage stalls. We are excited about the opportunity to partner with the City of Fergus Falls in contributing to its growth and economic health through the development of such a vital housing asset.

The acquisition price for the property is \$300,000. With a clean site free of buildings debris, special assessments, and contamination. We believe this valuation accurately reflects the current market conditions for a clean site and the potential value that Rivers Edge LLC can bring to the property through our expertise and strategic vision. Rivers Edge LLC will enter into a formal commercial purchase agreement upon the successful funding from Minnesota Housing in their Work Force Housing Development

We understand the importance of this property to the City of Fergus Falls’ housing development goals and are committed to being a responsible steward of its future development in partnership with the city. Thank you for considering our proposal.

SELLER:

CITY OF FERGUS FALLS

By: _____
Ben Schierer, Mayor

By: _____
Andrew Bremseth, City Administrator

BUYER:

RIVERS EDGE LLC

By: _____

Ron Duchesneau, Chief Manger

Exhibit A

Lots 1 and 2, Block 2, West End Addition to City of Fergus Falls, Otter Tail County,

AND

That part of Government Lots 2 and 3, Section 4, Township 132, Range 43, described as follows:

Commencing at a point on the town line between the town of Buse and town of Fergus Falls, 237 feet west of the west line of Buse Street extended, in the City of Fergus Falls, thence due west to the east line of Lot 11, Block 8, of Hill and Tod's Addition to said city, thence due south to the north line of the railroad right of way of the Northern Pacific Railway Company, thence easterly along the north line of the right of way to a line running due north and south which is 237 feet west of the west line of Buse Street, extended, thence north to township line between said townships, to point of beginning; and right to cross over tract located in Government Lot 1 between above described land and west line of Buse Street, extended, of the width of 20 feet immediately south of township road between said townships, except flowage rights, Otter Tail County, Minnesota.

EXCEPT the following tract:

All that part of Government Lot 3, Section 4, Township 132, Range 43, Otter Tail County, Minnesota, described as follows:

Commencing at the north quarter of said Section 4; thence on an assumed bearing of North $88^{\circ}42'39''$ West along the north line of said Section 4, a distance of 768.45 feet to the point of beginning of the land to be described; thence South $01^{\circ}39'16''$ West a distance of 463.12 feet to the northerly right-of-way line of the Burlington Northern Railroad; thence South $83^{\circ}27'46''$ West along said northerly right-of-way line, a distance of 126.24 feet to the east line of Lot 20, Block 11, Hill and Tod's Addition to Fergus Falls, according to the recorded plat thereof, Otter Tail County, Minnesota; thence North $01^{\circ}30'16''$ East along said east line of Lot 20 and the east line of Lot 11, said Block 11 and along the east line of Lot 11, Block 8, said Hill and Tod's Addition to Fergus Falls, a distance of 480.31 feet to the said north line of Section 4; thence South $88^{\circ}42'39''$ East along said north line of Section 4, a distance of 125.00 feet to the point of beginning.

AND EXCEPT that part of the above described tract which lies within the following:

All that part of Government Lots 2 and 3 of Section 4, Township 132, Range 43. Otter Tail County, Minnesota, described as follows:



Council Action Recommendation

Page 1 of 1

Meeting Date:

April 15, 2024- City Council

Subject:

Business subsidy loan to Mark & Brenda Christopherson

Recommendations:

Approve the execution of a loan agreement with Mark and Brenda Christopherson for \$500,000.

Background/Key Points:

A [business subsidy](#) encompasses various forms of financial assistance provided by a state or local government, including grants, contributions of personal or real property, infrastructure support, loans at rates below commercial availability, tax reductions or deferrals, guarantees of payments, preferential use of government facilities, etc.

Since Mark & Brenda Christopherson are seeking a loan for \$500,000 from the City of Fergus Falls at an interest rate below commercial availability, the request falls within the definition of a business subsidy. A public hearing is therefore required to discuss and potentially approve their loan request, ensuring transparency and public input regarding the use of public funds for business assistance.

Council had initially discussed a loan coming from Fund 264, which holds the funds for revolving loan programs. However, lending policy for Fund 264 caps requests at \$100,000. A short term-loan at 3.09% interest is instead being requested from the city's general fund.

The loan is being sought to fund the cleanup of 801 W Stanton Ave in preparation for its potential sale to the City of Fergus Falls (a purchase agreement is being discussed simultaneously). The purchase represents a proactive step by the city to address its housing needs, particularly in the moderate-income category, as consideration is also being given to a developer proposal from Rivers Edge LLC for a now 60-unit apartment building. This proposal includes a request for tax increment financing (TIF), which is subject to its own public hearing.

Budgetary Impact:

\$500,000 from the city's general fund at 3.09% interest until closing on the property at 801 W Stanton or until December 31, 2024, whichever comes first.

Originating Department:

Community Development

Respectfully Submitted:

Klara Beck, Community Development Manager

LOAN DISBURSEMENT AGREEMENT

This Loan and Disbursement Agreement (the “**Loan and Disbursement Agreement**”) is entered into to be effective as of _____, 2024 (the “**Effective Date**”), by and between **Mark A. Christopherson and Brenda Christopherson**, (the “**Borrower**” or “**Seller**”), and the **City of Fergus Falls**, a Minnesota municipal corporation, (the “**Lender**” or “**Buyer**”). The Seller and the Buyer are referred to individually as a “**Party**” and collectively as the “**Parties**”.

WHEREAS, Borrower owns the fee interest in that certain real property described in Exhibit “A” (the “**Property**”),

WHEREAS, Borrower and Lender have entered into a purchase agreement which requires the Borrower to demolish and dispose of all buildings, foundations, tanks and all other materials located either on or under the Property; disconnect service utilities at the right-of-way, grade, level, stabilize the Property, and deliver to Lender a buildable site.

WHEREAS Based upon the representations of the Borrower the Lender has agreed to provide a loan to the Borrower for the demolition and disposal of all buildings which loan proceeds shall be periodically disbursed pursuant to this Loan and Disbursement Agreement.

In consideration of the Parties covenants and representations contained above, and in consideration of the covenants and representations contained in the “**Purchase Agreement**” entered into on this same date of this Loan and Disbursement Agreement by and between the Parties wherein the Seller agrees to sell to Buyer, and Buyer agrees to purchase from Seller, all of Seller’s right, title, and interest in real property located in the City of Fergus Falls, County of Otter Tail, Minnesota, legally described in the attached **Exhibit A** (the “**Property**”), and, the further consideration of the covenants and conditions contained in the Purchase Agreement at paragraph 6 which provides:

- a. ONCE PARAGRAPH 6 OF THE PURCHASE AGREEMENT IS FINALIZED WE WILL INSERT ENTIRE PARAGRAPH HERE

and for other good and valuable consideration, the receipt and sufficiency of which the parties acknowledge, the parties agree as follows:

1. **Promissory Note, Loan Agreement and Mortgage Deed.** Seller agrees to simultaneously execute a Promissory Note, Loan Agreement, and Mortgage Deed (the “**Loan Documents**”) secured by a mortgage recorded against the real estate legally described on Exhibit A (the “**Real Property**”) wherein the Borrower promises to pay to the Lender \$500,000.00 that shall bear interest at the rate of 3.09% per annum and shall be secured by a mortgage deed on the Property which loan proceeds shall be held by the Lender and periodically disbursed to the Borrower pursuant to this Loan Disbursing Agreement.

- 2. Disbursement Agreement.** Seller and Buyer agree to this Loan Disbursement Agreement establishing the terms and conditions for periodic loan disbursements from Lender to Borrower as the Borrower performs the Demolition and Improvements to the Property as follows:

 - a. \$250,000.00, initial disbursement of which \$10,000.00 will be held in escrow by the Title Company to cover the costs of the action to quiet title in the Purchase Agreement, and \$240,000.00 will be disbursed to Seller upon execution of this Agreement and the recording of the Mortgage Deed with the Otter Tail County Recorder's Office, Otter Tail County, Minnesota.
 - b. \$100,000.00 to be disbursed upon demolition, removal, and proper disposal of above grade structures (78,500 S.F.)
 - c. \$100,000.00 to be disbursed upon demolition, removal, and proper disposal of below grade structures (78,500 S.F.)
 - d. \$30,000.00 to be disbursed upon demolition, removal, and proper disposal of impervious surfacing (57,000 S.F.) material and debris, and utility disconnects, etc.
 - e. \$20,000.00 to be disbursed upon temporary and final soil stabilization (SWPPP).
- 3. Conditions for Disbursements.** The Borrower shall always have all building and demolition permits in effect during the term of this Loan and Disbursement Agreement. All demolition and potential remediation shall be in accordance to all Federal, State, and Local requirements. The Borrower shall submit to the Fergus Falls City Engineer (the "City Engineer") a request for disbursement indicating that they have completed that portion of the Demolition and Improvements authorizing a disbursement. The City Engineer shall be permitted to inspect the Real Property to determine whether the required Demolition and Improvements have been completed to authorize a disbursement. No disbursements, other than the initial disbursement, shall be made unless authorized and approved by the City Engineer. If the City Engineer does not authorize or approve a disbursement request, the City Engineer shall provide the Seller/Borrower with a notice detailing required items to be completed to authorize the disbursement request.
- 4. Completion of Demolition and Improvements.** That upon the completion of the Demolition and Improvements and as approved by the Lender/Buyer the Parties shall immediately schedule a Closing on the Purchase Agreement which shall occur within 30 days of the City Engineer's final certification of completion of the Demolition and Improvements.
- 5. Notices.** Any notice required or permitted to be given by any party upon the other is given in accordance with this Agreement when it is (a) delivered personally to an officer of a party, (b) deposited in the United States mail, postage prepaid, or (c) deposited cost

paid with a nationally recognized, reputable overnight courier, properly addressed as follows:

If to Seller: City Administrator, 112 West Washington Ave, Fergus Falls, MN 56537

If to Buyer: Mark A. Christopherson 2119 County Hwy 111, Fergus Falls, MN 56537

Notices shall be deemed effective on the earlier of the date of receipt or the date of deposit as aforesaid; provided, however, that if notice is given by deposit, the time for response to any notice by the other party shall commence to run one business day after any such deposit. Any party may change its address for the service of notice by giving written notice of such change to the other party, in any manner above specified, ten (10) days prior to the effective date of such change.

6. **Captions.** The paragraph headings or captions appearing in this Agreement are for convenience only, are not a part of this Agreement and are not to be considered in interpreting this Agreement.
7. **Entire Agreement; Modification.** This written Agreement constitutes the complete agreement between the parties and supersedes any prior oral or written agreements between the parties regarding the Property. There are no verbal agreements that change this Agreement and no waiver of any of its terms will be effective unless in a writing executed by the parties. No modification of this Agreement shall be effective unless set forth in writing and executed by the parties.
8. **Binding Effect.** This Agreement binds upon and inures to the benefit of the parties and their respective heirs, successors, and assigns.
9. **Assignment.** Neither Party may assign this Agreement without the other Party's consent.
10. **Controlling Law.** Minnesota law will govern this Agreement.
11. **Time of Essence.** Time is of the essence with respect to all matters of this Agreement and each term and condition hereof.
12. **Severability.** The unenforceability or invalidity of any provision of this Agreement shall not render any other provision contained herein unenforceable or invalid.
13. **Counterparts.** This Agreement may be executed in any number of counterparts, all of which together shall constitute the Agreement.
20. **Cooperation.** The parties, without further consideration, agree to execute such additional documents and provide such information as may be reasonably necessary to carry out this Agreement's purposes and intent and to fulfill the obligations of the respective parties under this Agreement.

21. No Construction Against Drafter. Each party acknowledges and agrees that they have participated in negotiating and drafting this Agreement, and therefore, if an ambiguity or a question of intent or interpretation arises, this Agreement shall be construed as if the parties had drafted it jointly, as opposed to being construed against a party because it was responsible for drafting one or more of this Agreement's provisions.

BORROWER/SELLER and LENDER/BUYER have executed this Agreement as of the Effective Date.

BORROWER/SELLER:

By: _____
Mark A. Christopherson

By: _____
Brenda Christopherson

LENDER/BUYER:

CITY OF FERGUS FALLS

By: _____
Ben Schierer, Mayor

By: _____
Andrew Bremseth, City Administrator

Exhibit A

Lots 1 and 2, Block 2, West End Addition to City of Fergus Falls, Otter Tail County,

AND

That part of Government Lots 2 and 3, Section 4, Township 132, Range 43, described as follows:

Commencing at a point on the town line between the town of Buse and town of Fergus Falls, 237 feet west of the west line of Buse Street extended, in the City of Fergus Falls, thence due west to the east line of Lot 11, Block 8, of Hill and Tod's Addition to said city, thence due south to the north line of the railroad right of way of the Northern Pacific Railway Company, thence easterly along the north line of the right of way to a line running due north and south which is 237 feet west of the west line of Buse Street, extended, thence north to township line between said townships, to point of beginning; and right to cross over tract located in Government Lot 1 between above described land and west line of Buse Street, extended, of the width of 20 feet immediately south of township road between said townships, except flowage rights, Otter Tail County, Minnesota.

EXCEPT the following tract:

All that part of Government Lot 3, Section 4, Township 132, Range 43, Otter Tail County, Minnesota, described as follows:

Commencing at the north quarter of said Section 4; thence on an assumed bearing of North 88°42'39" West along the north line of said Section 4, a distance of 768.45 feet to the point of beginning of the land to be described; thence South 01°39'16" West a distance of 463.12 feet to the northerly right-of-way line of the Burlington Northern Railroad; thence South 83°27'46" West along said northerly right-of-way line, a distance of 126.24 feet to the east line of Lot 20, Block 11, Hill and Tod's Addition to Fergus Falls, according to the recorded plat thereof, Otter Tail County, Minnesota; thence North 01°30'16" East along said east line of Lot 20 and the east line of Lot 11, said Block 11 and along the east line of Lot 11, Block 8, said Hill and Tod's Addition to Fergus Falls, a distance of 480.31 feet to the said north line of Section 4; thence South 88°42'39" East along said north line of Section 4, a distance of 125.00 feet to the point of beginning.

AND EXCEPT that part of the above described tract which lies within the following:

All that part of Government Lots 2 and 3 of Section 4, Township 132, Range 43. Otter Tail County, Minnesota, described as follows:

Beginning at the north quarter corner of said Section 4; thence on an assumed bearing of North 88°42'39" West a distance of 463.12 feet to the northerly right-of-way line of the Ottertail

Valley Railroad; thence North $83^{\circ}27'46''$ East along said northerly right-of-way line, a distance of 611.49 feet; thence North $26^{\circ}34'42''$ East a distance of 420.11 feet to the north line of said Section 4; thence North $88^{\circ}42'05''$ West along said north line of Section 4, a distance of 15.07 feet to the point of beginning.

MORTGAGE
By Individuals

MORTGAGE REGISTRY TAX DUE: \$ 1,150

DATE: _____, 2024

THIS MORTGAGE (“**Mortgage**”) is given by **Mark A. Christopherson and Brenda L. Christopherson**, a Husband and Wife, as mortgagors (“**Borrowers**”), to **City of Fergus Falls**, a Minnesota municipal corporation, as mortgagee (“**Lender**”). In consideration of the receipt of **Five Hundred Thousand Dollars (\$500,000.00)** (the “**Indebtedness**”) from Lender, Borrower hereby mortgages, with power of sale, the real property in Otter Tail County, Minnesota, legally described as follows:

See attached Exhibit A

The Real Property or its address is commonly known as: 801 West Stanton Avenue, Fergus Falls, MN.
The Real Property tax identification numbers are 71-003-50-0006-00 & 70-003-99-1321-000.

Together with all hereditaments and appurtenances belonging thereto (the “**Property**”), subject to the following exceptions:

- (a) Covenants, conditions, restrictions (without effective forfeiture provisions) and declarations of record, if any;
- (b) Reservations of minerals or mineral rights by the State of Minnesota, if any;
- (c) Utility and drainage easements which do not interfere with present improvements; Applicable laws, ordinances, and regulations.
- (d) The lien of real estate taxes and installments of special assessments not yet due and payable; and
- (e) The following liens or encumbrances, (if any):
 - 1) **State Tax Lien** dated March 21, 2022, and recorded March 22, 2022, as Document #1274325, wherein Mark A. Christopherson is Taxpayer. Total amount due or balance assessed: \$4,336.88
 - 2) **State Tax Lien** dated March 21, 2022, and recorded March 22, 2022, as Document #1274326, wherein Brenda L. Christopherson is Taxpayer. Total amount due or balance assessed: \$4,336.88
 - 3) **State Tax Lien** dated May 14, 2022, and recorded May 19, 2022, as Document #1276919, wherein Mark A. Christopherson is Taxpayer. Total amount due or balance assessed: \$10,953.94
 - 4) **State Tax Lien** dated May 14, 2022, and recorded May 19, 2022, as Document #1276964, wherein Brenda L. Christopherson is Taxpayer. Total amount due or balance assessed: \$8,044.01
 - 5) **State Tax Lien** dated July 15, 2022, and recorded July 25, 2022, as Document #1280144, wherein Mark A. Christopherson is Taxpayer. Total amount due or balance assessed: \$1,836.33
 - 6) **State Tax Lien** dated March 25, 2023, and recorded March 27, 2023, as Document #1289640, wherein Brenda L. Christopherson is Taxpayer. Total amount due or balance assessed: \$1,316.84
 - 7) **Mortgage** dated September 7, 2011, and recorded September 9, 2011, as Document #1097173, wherein Mark A. Christopherson and Brenda L. Christopherson, husband and wife, are Mortgagors, and State Bank & Trust is Lender. Amount: \$200,000.00

- 8) **Modified by Modification of Mortgage** dated January 30, 2020, and recorded February 5, 2020, as Document #1233220, as follows: Maximum indebtedness is \$275,000.00. Maturity date is changed to January 15, 2025.
- 9) **Assignment of Rents** dated September 7, 2011, and recorded September 9, 2011, as Document #1097174, wherein Mark A. Christopherson and Brenda L. Christopherson, husband and wife, are Grantors, and State Bank & Trust is Lender. Amount: \$200,000.00

Borrower covenants with Lender as follows:

1. **Repayment of Indebtedness.** If Borrower (a) pays the Indebtedness to Lender according to the terms of the promissory note or other instrument of even date herewith that evidences the Indebtedness and all renewals, extensions, and modifications thereto (the “**Note**”), final payment of which is due on **December 31, 2024**; (b) pays interest on the Indebtedness as provided in the Note; (c) repays to Lender, at the times and with interest as specified, all sums advanced in protecting the lien of this Mortgage, if any; and (d) keeps and performs all the covenants and agreements contained herein, then Borrower’s obligations under this Mortgage will be satisfied, and Lender will deliver an executed satisfaction of this Mortgage to Borrower. It is Borrower’s responsibility to record any satisfaction of this Mortgage at Borrower’s expense.
2. **Statutory Covenants.** Borrower makes and includes in this Mortgage the following covenants and provisions set forth in Minn. Stat. 507.15, and the relevant statutory covenant equivalents contained therein are hereby incorporated by reference:
 - (a) To warrant the title of the Property;
 - (b) To pay the Indebtedness as herein provided;
 - (c) To pay all taxes;
 - (d) That the Property shall be kept in repair and no waste shall be committed;
 - (e) To pay principal and interest on prior mortgages (if any).
3. **Additional Covenants and Agreements of Borrower.** Borrower makes the following additional covenants and agreements with Lender:
 - (a) Borrower shall keep all buildings, improvements, and fixtures now or later located on all or any part of the Property (collectively, the “Improvements”) insured against loss by fire, lightning, and such other perils as are included in a standard all-risk endorsement, and against loss or damage by all other risks and hazards covered by a standard extended coverage insurance policy, including, without limitation, vandalism, malicious mischief, burglary, theft, and if applicable, steam boiler explosion. Such insurance shall be in an amount no less than the full replacement cost of the Improvements, without deduction for physical depreciation. If any of the Improvements are located in a federally designated flood prone area, and if flood insurance is available for that area, Borrower shall procure and maintain flood insurance in amounts reasonably satisfactory to Lender. Borrower shall procure and maintain liability insurance against claims for bodily injury, death, and property damage occurring on or about the Property in amounts reasonably satisfactory to Lender and naming Lender as an additional insured, all for the protection of the Lender.
 - (b) Each insurance policy required pursuant to Paragraph 3(a) must contain provisions in favor of Lender affording all right and privileges customarily provided under the so-called standard mortgagee clause. Each policy must be issued by an insurance company or companies licensed to do business in Minnesota and acceptance to Lender. Each policy must provide for not less than ten (10) days written notice to Lender before cancellation, non-renewal, termination, or change in coverage. Borrower will deliver to Lender a duplicate original or certificate of such insurance policies and of all renewals and modifications of such policies.
 - (c) If the Property is damaged by fire or other casualty, Borrower must promptly give notice of such damage to Lender and the insurance company. In such event, the insurance proceeds paid on account of such damage will be applied to payment of the amounts owed by Borrower pursuant to

the Note, even if such amounts are not otherwise then due, unless Borrower is permitted to make an election as described in the next paragraph. Such amounts first will be applied to unpaid accrued interest and next to the principal to be paid as provided in the Note in the inverse order of their maturity. Such payment(s) will not postpone the due date of the installments to be paid pursuant to the Note or change the amount of such installments. The balance of insurance proceeds, if any, will be the property of Borrower.

- (d) Notwithstanding the provisions of Paragraph 3(c), and unless otherwise agreed by Borrower and Lender in writing, if (i) Borrower is not in default under this Mortgage (or after Borrower has cured any such default); (ii) the mortgagees under any prior mortgages do not require otherwise; and (iii) such damage does not exceed ten percent (10%) of the then assessed market value of the Improvements, then Borrower may elect to have that portion of such insurance proceeds necessary to repair, replace, or restore the damaged Property (the “**Repairs**”) deposited in escrow with a bank or title insurance company qualified to do business in Minnesota, or such other party as may be mutually agreeable to Lender and Borrower. The election may only be made by written notice to Lender within sixty (60) days after the damage occurs; and the election will only be permitted if the plans, specifications, and contracts for the Repairs are approved by Lender, which approval shall not be unreasonably withheld, conditioned, or delayed. If such a permitted election is made by Borrower, Lender and Borrower shall jointly deposit the insurance proceeds into escrow when paid. If such insurance proceeds are insufficient for the Repairs, Borrower shall, before the commencement of the Repairs, deposit into such escrow sufficient additional money to insure the full payment for the Repairs. Even if the insurance proceeds are unavailable or are insufficient to pay the cost of the Repairs, Borrower shall at all times be responsible to pay the full cost of the Repairs. All escrowed funds shall be disbursed in accordance with sound, generally accepted, construction disbursement procedures. The costs incurred or to be incurred on account of such escrow shall be deposited by Borrower into such escrow before the commencement of the Repairs. Borrower shall complete the Repairs as soon as reasonably possible and in a good and workmanlike manner, and in any event the Repairs shall be completed by Borrower within one (1) year after the damage occurs. If, following the completion of and payment for the Repairs, there remains any undisbursed escrow funds, such funds shall be applied to payment of the amount owed by Borrower under the Note in accordance with Paragraph 3(c).
 - (e) If all or any part of the Property is taken in condemnation proceedings instituted under power of eminent domain or is conveyed in lieu thereof under threat of condemnation, the money paid pursuant to such condemnation or conveyance in lieu thereof must be applied to payment of the amounts due by Borrower to Lender under the Note as set forth in Paragraph 3(c), even if such amounts are not then due to be paid.
 - (f) Borrower will diligently complete all Improvements, if any, that may now or hereafter be under construction on the Property.
 - (g) Borrower will pay all dues, fees, or assessments, if any, which are due and payable by Borrower to any homeowner or similar association as a result of the Property’s inclusion therein.
 - (h) Borrower will pay any other expenses and attorneys’ fees incurred by Lender pursuant to the Note or as reasonably required for the protection of the lien of this Mortgage.
4. **Payment by Lender.** If Borrower fails to pay any amounts to be paid hereunder to Lender or any third parties, or to insure the Improvements, and delivers the policies as required herein, Lender may make such payments or secure such insurance. The sums so paid shall be additional Indebtedness, bear interest from the date of such payment at the same rate set forth in the Note, be an additional lien upon the Property, and be immediately due and payable upon written demand. This Mortgage secures the repayment of such advances.
5. **Default.** In case of default (i) in the payment of sums to be paid under the Note or this Mortgage, when the same becomes due, (ii) in any of the covenants set forth in this Mortgage, (iii) under the terms of the Note, or (iv) under any addendum attached to this Mortgage, Lender may declare the unpaid balance of the Note and the interest accrued thereon, together with all sums advanced hereunder, immediately due and payable without notice, and Borrower hereby authorizes and empowers Lender to foreclose this Mortgage by

judicial proceedings or to sell the Property at public auction and convey the same in fee simple in accordance with Minn. Stat. Ch. 580, and out of monies arising from such sale, to retain all sums secured hereby, with interest and all legal costs and charges of such foreclosure and the maximum attorneys' fees permitted by law, which costs, charges, and fees Borrower agrees to pay.

6. **Governing Law; Severability.** This Mortgage shall be governed by the laws of Minnesota. In the event that any provision or clause of this Mortgage or the Note conflicts with applicable law, such conflict shall not affect other provisions of this Mortgage or the Note which can be given effect without the conflicting provision.

Borrower(s)

Mark A. Christopherson, Husband

Brenda L. Christopherson, Wife

STATE OF MINNESOTA
COUNTY OF OTTER TAIL

This instrument was acknowledged before me on May _____, 2024, by Mark A. Christopherson, husband of Brenda L. Christopherson.

Notary Public

STATE OF MINNESOTA
COUNTY OF OTTER TAIL

This instrument was acknowledged before me on May _____, 2024, by Brenda L. Christopherson, wife of Mark A. Christopherson.

Notary Public

This Instrument was drafted by:
City of Fergus Falls
112 West Washington Avenue
Fergus Falls, MN 56537

Failure to record or file this mortgage may affect the priority of this mortgage.

Exhibit A Legal Description

That part of Government Lots 2 and 3, Section 4, Township 132, Range 43, Otter Tail County, Minnesota, described as follows: Commencing at a point on the town line between the town of Buse and town of Fergus Falls, 237 feet west of the west line of Buse Street extended, in the City of Fergus Falls, thence due west to the east line of Lot 11, Block 8, of Hill and Tod's Addition to said city, thence due south to the north line of the railroad right of way of the Northern Pacific Railway Company, thence easterly along the north line of the right of way to a line running due north and south which is 237 feet west of the west line of Buse Street, extended, thence north to township line between said townships, to point of beginning; and right to cross over tract located in Government Lot 1 between above described land and west line of Buse Street, extended, of the width of 20 feet immediately south of township road between said townships, except flowage rights, Otter Tail County, Minnesota.

Subject to restrictions, reservations, and easements of record, if any; subject to the lien of all unpaid special assessments and interest thereon.

EXCEPT the following tract:

All that part of Government Lot 3, Section 4, Township 132, Range 43, Otter Tail County, Minnesota, described as follows: Commencing at the north quarter corner of said Section 4; thence on an assumed bearing of North 88 degrees 42 minutes 39 seconds West along the north line of said Section 4, a distance of 768.45 feet to the point of beginning of the land to be described; thence South 01 degree 39 minutes 16 seconds West a distance of 463.12 feet to the northerly right-of-way line of the Burlington Northern Railroad; thence South 83 degrees 27 minutes 46 seconds West along said northerly right-of-way line, a distance of 126.24 feet to the east line of Lot 20, Block 11, Hill and Tod's Addition to Fergus Falls, according to the recorded plat thereof, Otter Tail County, Minnesota; thence North 01 degree 30 minutes 16 seconds East along said east line of Lot 20 and the east line of Lot 11, said Block 11 and along the east line of Lot 11, Block 8, said Hill and Tod's Addition to Fergus Falls, a distance of 480.31 feet to the said north line of Section 4; thence South 88 degrees 42 minutes 39 seconds East along said north line of Section 4, a distance of 125.00 feet to the point of beginning. Subject to easements and reservations of record if any.

AND EXCEPT that part of the above described tract which lies within the following:

All that part of Government Lots 2 and 3 of Section 4, Township 132, Range 43, Otter Tail County, Minnesota, described as follows: Beginning at the north quarter corner of said Section 4; thence on an assumed bearing of North 88 degrees 42 minutes 39 seconds West along the north line of said Section 4, a distance of 768.45 feet; thence South 01 degree 30 minutes 16 seconds West a distance of 463.12 feet to the northerly right-of-way line of the Ottertail Valley Railroad; thence North 83 degrees 27 minutes 46 seconds East along said northerly right-of-way line, a distance of 611.49 feet; thence North 26 degrees 34 minutes 42 seconds East a distance of 420.11 feet to the north line of said Section 4; thence North 88 degrees 42 minutes 05 seconds West along said north line of Section 4, a distance of 15.07 feet to the point of beginning.

AND

Lots One (1) and Two (2), Block Two (2), WESTEND ADDITION TO FERGUS FALLS, according to the certified plat thereof, on file and of record in the office of the County Recorder of Otter Tail County, Minnesota.

Guaranty By Individual

May 1, 2024

In order to induce the **CITY OF FERGUS FALLS** (hereinafter called "Lender") to make a loan or loans to **Brenda L. Christopherson**, (hereinafter called the "Debtor"), the Undersigned hereby unconditionally guarantees to Lender, its successors and assigns, the due and punctual payment when due, whether by acceleration or otherwise, in accordance with the terms thereof, of the principal of and interest on and all other sums payable, or stated to be payable, with respect to the note of the Debtor, made by the Debtor to Lender, dated **May 1, 2024** in the principal amount of **\$500,000** with interest at the rate of Three and Nine Hundreds percent (**3.09%**) per annum amortized over **eight months**. Such Note, and the interest thereon and all other sums payable with respect thereto are hereinafter collectively called "Liabilities". As security for the performance to this guaranty the Undersigned thereby pledges, assigns, transfers and delivers to Lender certain collateral (if any), listed in the attached schedule. The term "collateral" as used herein shall mean any funds, guaranties; agreements or other property or rights or interests of any nature whatsoever, or the proceeds thereof, which may have been, are, or hereafter may be, pledged, assigned, transferred or delivered directly or indirectly by or on behalf of the Debtor or the Undersigned or any other party to Lender or to the holder of the aforesaid note of the Debtor, or which may have been, are, or hereafter may hold by any party as trustee or otherwise, as security, whether immediate or underlying, for the performance of this guaranty or the payment of the Liabilities or any of them or any security therefor.

The Undersigned waives any notice of the incurring by the Debtor at any time of any of the Liabilities, and waives any and all presentment, demand, protest or notice of dishonor, nonpayment, or other default with respect to any of the Liabilities and any obligation of any party at any time compromised in the collateral. The Undersigned hereby grants to Lender full power, in its uncontrolled discretion and without notice to the undersigned, but subject to the provisions of any agreement between the Debtor or any other party and Lender at the time in force, to deal in any manner with the Liabilities and the collateral, including, but without limiting the generality of the foregoing, the following powers:

- (a) To modify or otherwise change any terms of all or any part of the Liabilities or the rate of interest thereon (but not to increase the principal amount of the note of the Debtor to Lender), to grant any extension or renewal thereof and any other indulgence with respect thereto, and to effect any release, compromise or settlement with respect thereto;
- (b) To enter into any agreement of forbearance with respect to all or any part of the Liabilities, or with respect to all or any part of the collateral, and to change the terms of any such agreement;
- (c) To forbear from calling for additional collateral to secure any of the Liabilities or to secure any obligation comprised in the collateral;
- (d) To consent to the substitution, exchange, or release of all or any part of the collateral, whether or not the collateral, if any received by Lender upon any such

substitution, exchange, or release shall be of the same or of a different character or value than the collateral surrendered by Lender;

- (e) In the event of the nonpayment when due, whether by acceleration or otherwise, of any of the Liabilities, or in the event of default in the performance of any obligation comprised in the collateral, to realize on the collateral or any part thereof, as a whole or in such parcels or subdivided interests as Lender may elect, at any public or private sale or sales, for cash or on credit or for future delivery, without demand, advertisement of notice of the time or place of sale or any adjournment thereof (the Undersigned hereby waiving any such demand, advertisement and notice to the extent permitted by law), or by foreclosure or otherwise, or to forbear from realizing thereon, all as Lender in its uncontrolled discretion may deem proper, and to purchase all or any part of the collateral for its own account at any such sale or foreclosure, such powers to be exercised only to the extent permitted by law.

The obligations of the Undersigned thereunder shall not be released, discharged or in any way affected, nor shall the Undersigned have any rights or recourse against Lender, by reason of any action Lender may take or omit to take under the foregoing powers.

In case the debtor shall fail to pay all or any part of the Liabilities when due, whether by acceleration or otherwise, according to the terms of said note, the Undersigned, immediately upon the written demand of Lender will pay to Lender the amount due and unpaid by the Debtor as aforesaid, in like manner as if such amount constituted the direct and primary obligation of the Undersigned. Lender shall not be required, prior to any such demand on, or payment by, the Undersigned, to make any demand upon or pursue or exhaust any of its rights or remedies against the Debtor or others with respect to the payment of any of the Liabilities, or to pursue or exhaust any of its rights or remedies against the Debtor or other with respect to the payment of any of the Liabilities, or to pursue or exhaust any of its rights or remedies with respect to any part of the collateral. The Undersigned shall have no right of subrogation whatsoever with respect to the Liabilities or the collateral unless and until Lender shall have received full payment or all the Liabilities.

The obligations of the Undersigned hereunder, and the rights of Lender in the collateral, shall not be released, discharged or in any way affected, nor shall the Undersigned have any rights or recourse against Lender, by reason of the fact that any of the collateral may be in default at the time of acceptance thereof by Lender or later; nor by reason of the facts that valid lien in any of the collateral may not be conveyed to, or created in favor of, Lender; nor by reason of the fact that any of the collateral may be subject to equities or defenses or claims in favor of others or may be invalid or defective in any way; nor by reason of the fact that any of the Liabilities may be invalid for any reason whatsoever; nor by reason of the fact that the value of any of the collateral, or the financial condition of the Debtor or of any obligor under or guarantor of any of the collateral, may not have been correctly estimated or may have changed or hereafter change nor by reason of any collateral, unless such deterioration, waste, or loss be caused by the willful act or willful failure to act of Lender.

The Undersigned agrees to furnish Lender, or the holder of the aforesaid note of the Debtor, upon demand, but not more often than semiannually, so long as any part of the indebtedness under such note remains unpaid, a financial statement setting forth, in reasonable detail, the assets, liabilities, and net worth of the Undersigned.

The term "Undersigned" as used in this agreement shall mean the signer or signers of this agreement, and such signers, if more than one, shall be jointly and severally liable hereunder. The Undersigned further agrees that all liability hereunder shall continue notwithstanding the incapacity, lack of authority, death or disability of any one or more of the Undersigned, and that any failure by Lender or its assigns to file or enforce a claim against the estate of any of the Undersigned shall not operate to release any other of the Undersigned from liability hereunder. The failure of any other person to sign this guaranty shall not release or affect the liability of any signer hereof.

By: _____
Brenda L. Christopherson

Guaranty By Individual

May 1, 2024

In order to induce the **CITY OF FERGUS FALLS** (hereinafter called "Lender") to make a loan or loans to **Mark A. Christopherson**, (hereinafter called the "Debtor"), the Undersigned hereby unconditionally guarantees to Lender, its successors and assigns, the due and punctual payment when due, whether by acceleration or otherwise, in accordance with the terms thereof, of the principal of and interest on and all other sums payable, or stated to be payable, with respect to the note of the Debtor, made by the Debtor to Lender, dated **May 1, 2024** in the principal amount of **\$500,000** with interest at the rate of Three and Nine Hundreds percent (**3.09%**) per annum amortized over **eight months**. Such Note, and the interest thereon and all other sums payable with respect thereto are hereinafter collectively called "Liabilities". As security for the performance to this guaranty the Undersigned thereby pledges, assigns, transfers and delivers to Lender certain collateral (if any), listed in the attached schedule. The term "collateral" as used herein shall mean any funds, guaranties; agreements or other property or rights or interests of any nature whatsoever, or the proceeds thereof, which may have been, are, or hereafter may be, pledged, assigned, transferred or delivered directly or indirectly by or on behalf of the Debtor or the Undersigned or any other party to Lender or to the holder of the aforesaid note of the Debtor, or which may have been, are, or hereafter may hold by any party as trustee or otherwise, as security, whether immediate or underlying, for the performance of this guaranty or the payment of the Liabilities or any of them or any security therefor.

The Undersigned waives any notice of the incurring by the Debtor at any time of any of the Liabilities, and waives any and all presentment, demand, protest or notice of dishonor, nonpayment, or other default with respect to any of the Liabilities and any obligation of any party at any time compromised in the collateral. The Undersigned hereby grants to Lender full power, in its uncontrolled discretion and without notice to the undersigned, but subject to the provisions of any agreement between the Debtor or any other party and Lender at the time in force, to deal in any manner with the Liabilities and the collateral, including, but without limiting the generality of the foregoing, the following powers:

- (a) To modify or otherwise change any terms of all or any part of the Liabilities or the rate of interest thereon (but not to increase the principal amount of the note of the Debtor to Lender), to grant any extension or renewal thereof and any other indulgence with respect thereto, and to effect any release, compromise or settlement with respect thereto;
- (b) To enter into any agreement of forbearance with respect to all or any part of the Liabilities, or with respect to all or any part of the collateral, and to change the terms of any such agreement;
- (c) To forbear from calling for additional collateral to secure any of the Liabilities or to secure any obligation comprised in the collateral;
- (d) To consent to the substitution, exchange, or release of all or any part of the collateral, whether or not the collateral, if any received by Lender upon any such substitution, exchange, or release shall be of the same or of a different character

or value than the collateral surrendered by Lender;

- (e) In the event of the nonpayment when due, whether by acceleration or otherwise, of any of the Liabilities, or in the event of default in the performance of any obligation comprised in the collateral, to realize on the collateral or any part thereof, as a whole or in such parcels or subdivided interests as Lender may elect, at any public or private sale or sales, for cash or on credit or for future delivery, without demand, advertisement of notice of the time or place of sale or any adjournment thereof (the Undersigned hereby waiving any such demand, advertisement and notice to the extent permitted by law), or by foreclosure or otherwise, or to forbear from realizing thereon, all as Lender in its uncontrolled discretion may deem proper, and to purchase all or any part of the collateral for its own account at any such sale or foreclosure, such powers to be exercised only to the extent permitted by law.

The obligations of the Undersigned thereunder shall not be released, discharged or in any way affected, nor shall the Undersigned have any rights or recourse against Lender, by reason of any action Lender may take or omit to take under the foregoing powers.

In case the debtor shall fail to pay all or any part of the Liabilities when due, whether by acceleration or otherwise, according to the terms of said note, the Undersigned, immediately upon the written demand of Lender will pay to Lender the amount due and unpaid by the Debtor as aforesaid, in like manner as if such amount constituted the direct and primary obligation of the Undersigned. Lender shall not be required, prior to any such demand on, or payment by, the Undersigned, to make any demand upon or pursue or exhaust any of its rights or remedies against the Debtor or others with respect to the payment of any of the Liabilities, or to pursue or exhaust any of its rights or remedies against the Debtor or other with respect to the payment of any of the Liabilities, or to pursue or exhaust any of its rights or remedies with respect to any part of the collateral. The Undersigned shall have no right of subrogation whatsoever with respect to the Liabilities or the collateral unless and until Lender shall have received full payment or all the Liabilities.

The obligations of the Undersigned hereunder, and the rights of Lender in the collateral, shall not be released, discharged or in any way affected, nor shall the Undersigned have any rights or recourse against Lender, by reason of the fact that any of the collateral may be in default at the time of acceptance thereof by Lender or later; nor by reason of the facts that valid lien in any of the collateral may not be conveyed to, or created in favor of, Lender; nor by reason of the fact that any of the collateral may be subject to equities or defenses or claims in favor of others or may be invalid or defective in any way; nor by reason of the fact that any of the Liabilities may be invalid for any reason whatsoever; nor by reason of the fact that the value of any of the collateral, or the financial condition of the Debtor or of any obligor under or guarantor of any of the collateral, may not have been correctly estimated or may have changed or hereafter change nor by reason of any collateral, unless such deterioration, waste, or loss be caused by the willful act or willful failure to act of Lender.

The Undersigned agrees to furnish Lender, or the holder of the aforesaid note of the Debtor,

upon demand, but not more often than semiannually, so long as any part of the indebtedness under such note remains unpaid, a financial statement setting forth, in reasonable detail, the assets, liabilities, and net worth of the Undersigned.

The term "Undersigned" as used in this agreement shall mean the signer or signers of this agreement, and such signers, if more than one, shall be jointly and severally liable hereunder. The Undersigned further agrees that all liability hereunder shall continue notwithstanding the incapacity, lack of authority, death or disability of any one or more of the Undersigned, and that any failure by Lender or its assigns to file or enforce a claim against the estate of any of the Undersigned shall not operate to release any other of the Undersigned from liability hereunder. The failure of any other person to sign this guaranty shall not release or affect the liability of any signer hereof.

By: _____
Mark A. Christopherson

CITY OF FERGUS FALLS PROMISSORY NOTE

AT: Fergus Falls, Minnesota

AMOUNT: \$500,000

Date:

FOR VALUE RECEIVED, **Mark A. Christopherson and Brenda L. Christopherson**, a Husband and Wife (“Borrowers”), whose address is 2119 County Highway 111, Fergus Falls, MN promise to pay to the order of the **City of Fergus Falls, Minnesota** (“City”) a municipal corporation organized & existing under the laws of the State of Minnesota, at its office at 112 West Washington Avenue, Fergus Falls, Minnesota 56537, the sum of **Five Hundred Thousand & 00/100 dollars (\$500,000)** in principal, plus interest at a rate of **Three and Nine Hundreds percent (3.09%)** from the date hereof until paid in full.

Borrower has agreed to repay this loan by making monthly interest payments on the amount of borrowed commencing **June 1, 2024** and continuing until **December 31, 2024 or the date the property is sold to the City of Fergus Falls**, when all remaining principal and accrued interest shall be paid in full. Interest shall accrue on the outstanding balance from the date of advancement of funds at the rate of **Three and Nine Hundreds (3.09%)**. Each payment shall first be applied to interest then due and owing and the balance applied to principal.

This Promissory Note may be prepaid, in whole or in part, without prepayment penalties.

This Note is secured by a First Position Mortgage on the property located at 801 West Stanton Avenue, Fergus Falls, MN 56537.

Also, there will be a Collateral Assignment of life insurance from Mark Christopherson and Brenda Christopherson for \$500,000 each. As well as a Personal Guaranty from Mark Christopherson and Brenda Christopherson. All the agreements, conditions, covenants, provisions and stipulations contained in the Loan Agreement, Mortgage, Guaranty, and Collateral Assignment, are hereby made a part of the Note to the same extent and with the same force and effect as if they were fully set forth herein.

In the event that any monthly installment due under this Note is not paid within 10 days of its due date, a penalty of 15% of the late payment amount shall be applied. If payments become 90 days or more late, the City, at its discretion, may call the entire loan due and payable.

If a default occurs under this Note and is not cured within ten (10) days after written notice to the undersigned, or if default occurs under the Loan Agreement and is not cured within any applicable grace period, then the holder may, as its right and option, declare immediately due and payable the principal balance of this Note and interest accrued thereon.

The undersigned agrees to pay all costs of collection, including reasonable attorneys' fees and legal expenses, incurred by the holder in the event this Note is not duly paid. The holder may at any time renew this Note or extend its maturity date for any period and release any security for, or any party to, this Note, all without notice to or consent of and without releasing any party, maker, endorser or guarantor from any liability on this Note. Presentment or other demand for payment, notice of dishonor and protest are hereby waived by the undersigned and each endorser and guarantor.

IN WITNESS WHEREOF, the undersigned has caused this Note to be executed by its authorized signer(s) as of the day and year first above written.

BY _____
Mark A. Christopherson, Husband

BY _____
Brenda L. Christopherson, Wife

PURCHASE AGREEMENT

This Purchase Agreement (this “**Agreement**”) is entered into to be effective as of _____, 2024 (the “**Effective Date**”), by and between **Mark A. Christopherson and Brenda Christopherson**, (the “**Seller**”), and the **City of Fergus Falls**, a Minnesota municipal corporation, (the “**Buyer**”). The Seller and the Buyer are referred to individually as a “**Party**” and collectively as the “**Parties**”.

In consideration of the Parties covenants and representations in this Agreement and for other good and valuable consideration, the receipt and sufficiency of which the parties acknowledge, the parties agree as follows:

1. Sale of Property. Seller agrees to sell to Buyer, and Buyer agrees to purchase from Seller, all of Seller’s right, title, and interest in real property located in the City of Fergus Falls, County of Otter Tail, Minnesota, legally described in the attached **Exhibit A** (the “**Property**”). The Property shall also include any easements, rights of way, privileges, hereditaments, appurtenances, and right to the same belonging to or inuring to the benefit of the Property.

2. Purchase Price and Manner of Payment. The total purchase price (the “**Purchase Price**”) shall be Nine Hundred Fifty Thousand Dollars (\$950,000.00) which shall be paid by certified funds or wire transfer at the Closing.

3. Closing. Provided that this Agreement has not been terminated in accordance with this Agreement’s terms, the closing of the purchase and sale contemplated by this Agreement (the “**Closing**”) shall occur within 30 days of the completion of the Demolition and Improvements identified below (the “**Closing Date**”), with West Central Abstracting of Fergus Falls, Minnesota, (the “**Title Company**”), at the Title Company’s offices, or another mutually agreed upon location, at a time the Parties agree upon. Seller shall deliver possession of the Property to Buyer on the Closing Date.

a. **Seller’s Closing Documents.** On the Closing Date, Seller shall execute and deliver to Buyer all of the following (collectively, “**Seller’s Closing Documents**”), all in form and content reasonably acceptable to Buyer and the Title Company:

(1) **Deed.** Upon performance by Buyer, Seller shall execute and deliver a Warranty Deed (the “**Deed**”) conveying marketable title, subject to:

- 1) Building and zoning laws, ordinances, state and federal regulations;
- 2) Reservation of any mineral rights by the State of Minnesota;
- 3) Utility and drainage easements.

4) The following exceptions to title which constitute encumbrances or restrictions which have been disclosed to Buyer and accepted by Buyer in this Purchase Agreement: None.

- (2) **Title Policy.** The Title Policy, or a suitably marked up Title Commitment from the Title Company, in the form required by this Agreement.
 - (3) **Seller's Affidavit.** An Affidavit of Title by Seller indicating that on the Closing Date there are no outstanding, unsatisfied judgments, tax liens or bankruptcies against or involving Seller or the Property, known to Seller; that there has been no skill, labor or material furnished to the Property for which payment has not been made or for which mechanics' liens could be filed, known to Seller; and that there are no other unrecorded interests in the Property, together with whatever standard owner's affidavit and/or, indemnity (ALTA Form) which may be required by the Title Company to issue the Title Policy with the standard exceptions waived.
 - (4) **Well, Septic System, and Storage Tanks.** All certificates, disclosure forms, or affidavits required by law or the Title Company regarding wells, private septic systems, or underground or above ground storage tanks. Seller has no knowledge of any release of hazardous materials.
 - (5) **Other Documents.** All mortgage payoff letters and other documents required by law or reasonably determined by Buyer or the Title Company to be necessary to transfer the Property to Buyer as provided in this Agreement, in addition to Seller and Buyer executing a Development Agreement substantially similar to the one attached as **Exhibit F**.
- b. **Buyer's Closing Documents.** On the Closing Date, Buyer will execute and/or deliver to Seller the following (collectively, "**Buyer's Closing Documents**"):
- (1) **Closing Payment.** The Purchase Price which shall be paid by certified funds or wire transfer.
 - (2) **Other Documents.** Other documents as may be reasonably required by the Title Company in order to issue the Title Policy required by this Agreement.

4. Prorations. Seller and Buyer agree to the following prorations and allocations of costs regarding this Agreement:

- a. **Title Insurance and Closing Costs.** Buyer will pay all costs for the Title Company to examine title and issue the Title Commitment. Seller will pay all fees charged by the Title Company for any escrow required regarding Buyer's Objections. Buyer will pay all premiums required for the issuance of an Owners [and Lenders](#) Title Policy. Seller and Buyer will each pay one-half (1/2) of all reasonable and customary closing fees or charges imposed by the Title Company.

Seller will pay all state deed tax regarding the Deed. Seller will pay the cost of recording all documents necessary to place record title in the condition warranted and requested of Seller in this Agreement. Buyer will pay the cost to record the Deed. Each of the parties will pay its own attorneys' fees. All other costs will be allocated in accordance with prevailing customs for similar transactions in the area.

- b. **Real Estate Taxes.** Seller shall pay all real estate taxes payable for the Property in years prior to the year of Closing, plus any penalty and interest. With respect to real estate taxes payable in the year of Closing, such real estate taxes will be prorated to the Closing Date with the Seller paying the taxes attributable for the period prior to the Closing Date and Buyer paying the taxes attributable for the period on and after the Closing Date. Buyer shall pay all real estate taxes payable for the Real Property in years subsequent to the year of Closing. Seller does not make any representation concerning the amount of real estate taxes which will be assessed against the Real Property subsequent to the Closing Date. Seller on Closing Date is responsible to pay all deferred real estate taxes and "Green Acres" taxes under Minnesota Stat. § 273.111, if payment is required as a result of the Closing.
- c. **Special Assessments.** Seller shall pay in full, at time of Closing, all levied special assessments affecting the Property prior to the Closing Date, including installments of special assessments due and payable in the year of Closing and in subsequent years. Seller shall further provide for full payment of any special assessments pending but not levied prior to the Closing Date. Buyer shall pay all special assessments first levied or first pending against the Real Property from and after the Closing Date.

5. Title Examination. Title Examination will be conducted as follows:

- a. **Seller's Title Evidence.** Seller ~~shall~~has delivered the abstracts of title (the "Abstracts") covering the Property to the Title Company and ~~shall~~Buyer has instructed the Title Company to furnish the following (collectively, "Title Evidence") to Buyer:
 - (1) **Lender's Title Insurance Commitment.** The Title Company ~~shall provide~~has issued a a commitment (the "Lender's Title Commitment²) to issue an owner's lende title insurance policy in the full amount of the Purchase Price issued by the Title Company on a current ALTA form on behalf of Buyer in contemplation of the loan and mortgage identified below. Schedule which is attached as Exhibit B. Schedule B-Section 1 of the Lender's Title Commitment at Paragraph 12, through 20 identify various encumbrances that must be satisfied prior to closing on the Loan and Mortgage identified below. Schedule B-Section 1 of the Lender's Title Commitment at Paragraph 21 identifies a defect in the legal description that will require an action to Quiet Title. The Seller agrees that \$10,000.00 of

the loan proceeds shall be escrowed with the Title Company to cover the costs of a survey and legal fees and expenses for clearing title and removing this title objection which shall be completed to the satisfaction of the Title Company on or before the date of Closing on this Agreement. The Buyer shall pay the Title Company's costs for updating the Abstracts, issuance of the Lenders Title Commitment, and the issuance of the Title Policy.

(2) On or after October 1, 2024, the Title Company shall issue an Owner's Title Commitment and Policy in the full amount of the Purchase Price on a current ALTA form acceptable to Buyer insuring an undivided 100% marketable and insurable fee simple title to the Property to be in good and marketable condition, free and clear of all lien and encumbrances, except the Permitted Encumbrances, known to the Seller, certified to the date of recording the Deed (the "Title Policy"). ~~If the Title Company cannot provide the Title Commitment, this Agreement shall be null and void and cancelled without any further action by either Party.~~ The Buyer shall pay the ~~Closing Title~~ Company's costs for updating the Abstracts, issuance of the Owner's Title Commitment, and the issuance of the Title Policy.

b. **Buyer's Objections.** Within fifteen (15) days after receiving the Title Evidence Owner's Title Commitment including copies of all documents listed in Schedule B of the Title Commitment, Buyer will make written objections Buyer may have (the "**Objections**") to the form and/or contents of the Title Evidence and the status of title. Buyer's failure to make objections within such time period will constitute waiver of objections. Any matter shown on such Title Evidence and not objected to by Buyer shall be a "**Permitted Encumbrance**" under this Agreement. Seller shall use its best efforts to correct and cure all Objections within 120 days after receipt of the Objections (the "**Cure Period**"), during which period the Closing will be postponed as necessary. To the extent an Objection can be satisfied by the payment of money, Buyer at its option shall have the right to apply a portion of the Purchase Price payable to Seller at the Closing to satisfaction of such Objection and the amount so applied shall reduce the amount of the Purchase Price payable to Seller at the Closing, if agreed to by both parties. If the Objections are not cured within such Cure Period and on the Closing Date Seller cannot deliver marketable title as required by this Section, Buyer will have the option to do any of the following:

- (1) Terminate this Agreement without liability; or
- (2) Waive the Objections and proceed to close; provided that Buyer shall have the option, at Closing, to pay directly any liens, mortgages, charges or similar encumbrances against the Property that are liquidated in amount and to which an Objection has been made by Buyer, and Buyer may deduct the amount so paid from the Purchase Price.

- c. **Title Policy.** Seller shall instruct the Title Company to furnish to Buyer, at Buyer's expense, at the Closing, the Title Policy issued by the Title Company pursuant to the Title Commitment, or a suitably marked up Title Commitment from the Title Company undertaking to issue such a Title Policy in the form required by the Title Commitment as approved by Buyer.

6. Seller's Covenants from Effective Date to Closing Date. On or before October 1, 2024, Seller must demolish and dispose of all buildings, foundations, tanks and all other materials located either on or under the Property; disconnect service utilities at the right-of-way, grade, level, stabilize the Property, and deliver to Buyer a buildable site (the "**Demolition and Improvements**"). All Demolition and Improvements required of Seller must be conducted in conformance with all state and local laws. All Demolition and Improvements costs shall be paid by Seller and Seller shall provide certification that all these costs and expenses have been paid in full. The parties acknowledge that Seller has provided the Buyer with an SCE Phase I Environmental Site Assessment dated February 21, 2024, from McCoy Environmental Inc ("**Phase I Assessment**") and the Seller's promise to complete the Demolition and Improvements are the primary reasons and inducement for the Buyer to enter into this Agreement and therefore the parties agree to the following covenants and conditions which must be completed prior to closing:

- a. **Covenant to Demolish and Dispose of Buildings Improvements.** Seller expressly covenants that Seller will begin to demolish the Property on or before May 1, 2024. Seller shall complete the Demolition and Improvements on or before October 1, 2024, subject to unavoidable delays. Seller's completion of the Demolition and Improvements means that the Demolition and Improvements have been substantially completed. Buyer's execution of a Certificate of Completion will serve as confirmation of Seller's completion of the Demolition and Improvements required under this Agreement. Buyer may extend the deadlines contained in this section if the Seller has good cause.
- b. **Covenant to Remediate.** The Phase I Assessment indicates the Property historically operated as a former foundry (boiler manufacturer) and no documentation of bulk petroleum or chemical storage was identified, however, bulk fuel sources and/or remnant heavy metals ("**Recognized Environmental Conditions**") were likely used in connection with the manufacturing process. The Phase I Assessment recommends, and the Seller agrees, to conduct field instrument soil screening, along with confirmation soil sampling during the sub-grade foundation removal in the central portion of building as it currently is located and in other areas on the Property that exhibit staining, odors, or solid waste debris to determine if the presence of Recognized Environmental Conditions exists ("**Soil Screening and Sampling**"). The costs of the Soil Screening and Sampling shall be the responsibility of the Seller. The Soil Screening and Sampling shall be conducted by McCoy Environmental Inc (the "**Professional Consultant**") at such times and places as the Professional Consultant may require, and the results of all testing shall be provided to the Buyer by the Professional Consultant. The Buyer also has the right, at its own

expense, to always conduct soil screening and sampling on the Property to determine if there are any indicators of any Recognized Environmental Conditions and to monitor the testing and screening process. The Seller shall remediate and remove any and all Recognized Environmental Conditions as identified and as required by the Professional Consultant to enable the Professional Consultant to provide to the Buyer a Certification that based upon the Soil Screening and Sampling (and the Sellers remediations efforts if required), there does not appear to be any Recognized Environmental Conditions on the Property.

- c. **Release of Covenants.** Upon satisfactory completion of the Demolition and Improvements and issuance of the required Certification from the Professional Consultant to the Buyer that there does not appear to be any Recognized Environmental Conditions on the Property, and in accordance with this Agreement, Buyer will deliver an executed Release of Covenants certifying that Seller has performed its obligations under this Agreement. The issuance of the Release of Covenants may not be unreasonably withheld because of minor deviations outside of the Seller's control.
- d. **Promissory Note, Loan Agreement, and Mortgage Deed.** Buyer agrees to loan money to assist the Seller in completing the Demolition and Improvements. Upon execution of this Agreement, Seller agrees to simultaneously execute a Promissory Note, Loan Agreement and Mortgage Deed wherein the Seller promises to pay to the Buyer \$500,000.00 that shall bear interest at the rate of 3.095% per annum and shall be secured by a mortgage deed on the Property which loan proceeds shall be periodically disbursed to the Seller pursuant to a Disbursement Agreement. ~~Interest will be paid on money actually disbursed to the Sellers. The Promissory Note shall contain no personal guarantee by the sellers, Buyer's sole recourse upon Sellers' default is the foreclosure of the underlying real property with no deficiency obligation by the Sellers.~~ The Title Company shall issue a Lender's Title Insurance Commitment, conduct the closing of this loan, and record the Mortgage Deed, and its If requested and the Title Company is able to issue a Final Owner's Title Insurance Commitment Policy regarding the Purchase Agreement, the policy shall be amended to include requiring payment of this encumbrance as a condition to Closing. The entire balance together with interest due and owing the Buyer shall either be paid to the Buyer or deducted from the Purchase Price at Closing.
- e. **Disbursement Agreement.** Upon execution of this Agreement, Seller and Buyer agree to simultaneously execute a Loan Disbursement Agreement establishing standards and conditions for periodic loan disbursements from Buyer to Seller as the Seller performs the Demolition and Improvements to the Property. The Disbursement Agreement shall provide the loan amount is \$500,000.00 of which an initial disbursement of \$250,000.00 of which \$10,000.00 will be held in escrow by the Title Company to cover the costs of the action to quiet title in the identified herein, and \$240,000.00 will be disbursed to Seller upon execution of

this Agreement and the recording of the Mortgage Deed with the Otter Tail County Recorder's Office, Otter Tail County, Minnesota, \$250,000.00 will be made at the time the Mortgage Deed is recorded with the Otter Tail County Recorder's Office, Otter Tail County, Minnesota, with regular disbursements being made to Seller contemplated as follows: \$100,000 upon the demolition, removal, and disposal of the above grade ~~west~~ buildings; \$100,000 upon the demolition, removal, and disposal of the ~~above-below~~ grade ~~east~~ buildings; \$30,000 upon demolition and impervious surfacing removal of material, debris, utility disconnect etc.; \$20,000 upon temporary and final soil stabilization (swppp); or at other times and agreed to between the Sellers and the city engineer. The Title Company shall conduct the closing on this Mortgage and shall utilize the initial disbursement of \$250,000.00 to first pay off and satisfy in full the Mortgage dated September 7, 2011, and recorded September 9, 2011 as Document No. 1097173, and the Modification of Mortgage dated January 30, 2020, and recorded February 5, 2020 as Document No. 1233220, tax liens and all other encumbrances identified by the Title Company, and the balance, less closing costs and Title Company fees, shall be disbursed by the Closing Company to the Seller. ~~being made thereafter as the Seller completes the Demolition and Improvements.~~

7. Seller's Representations and Warranties. Seller represents and warrants to Buyer as of the Effective Date and the Closing Date as follows:

- a. **Authority.** Seller owns the Property and has the requisite power and authority to enter into and perform its obligations under this Agreement and Seller's Closing Documents. This Agreement has been duly authorized by all necessary action on Seller's part and has been duly executed and delivered. As of the Closing Date, Seller's Closing Documents shall have been duly authorized by all necessary action on the part of Seller and shall have been duly executed and delivered. Seller's execution, delivery and performance of this Agreement and Seller's Closing Documents shall not conflict with or result in a violation of either Seller's contractual or other obligations or any judgment, order, or decree of any court or arbiter by which Seller is bound. This Agreement and Seller's Closing Documents shall be legal, valid, and binding obligations of Seller enforceable in accordance with their terms.
- b. **Title to Property.** Seller owns and has good and marketable title to the Property, and on the Closing Date, the Property will be free and clear of all encumbrances except the Permitted Encumbrances. Other than Seller there are no parties in possession of any part of the Property and there are no other leaseholds or rights of possession which have been granted to any third party.
- c. **Assessments.** Except for special assessments levied and of record against the Property as of the Effective Date, Seller has no knowledge of and has not received any notice of actual special assessments or reassessments of the Property. Seller will promptly provide Buyer with any notices it receives regarding any special

assessments or other charges against the Property. All real estate and personal property taxes relating to and due for the Property are currently paid and not delinquent.

- d. **Seller's Defaults.** Seller is not in default concerning any of its obligations or liabilities regarding the Property.
- e. **Proceedings.** There is no litigation or administrative action, claim, demand, investigation or proceeding pending, and to Seller's knowledge there is no litigation, or administrative or other action threatened against or relating to any of the Property or Seller's ability to convey the Property pursuant to this Agreement, and there are no pending, or to Seller's knowledge, threatened or contemplated condemnation actions with respect to the Property. Seller has not received any request (written or otherwise) from any governmental entity with regard to dedication of any of the Property.

8. Buyer's Representations and Warranties. Buyer represents and warrants to Seller as of the Effective Date and the Closing Date as follows:

- a. **Organization.** Buyer represents and warrants to the Seller that Buyer is qualified to do business in Minnesota and has the requisite power and authority to enter into and perform this Agreement. Buyer's execution, delivery and performance of this Agreement will not conflict with or result in a violation of any contract or court judgment or order to which Buyer is a part.
- b. **Financial Ability.** The Buyer has the financial ability to perform under this Agreement.
- c. **Authority.** This Agreement and Buyer's Closing Documents will have been duly authorized by all necessary action on Buyer's part and will have been duly executed and delivered. Buyer's execution, delivery and performance of this Agreement and Buyer's Closing Documents does not conflict with or result in violation of any contract or agreement, or any judgment, order or decree of any court or arbiter to which Buyer is a party. This Agreement and Buyer's Closing Documents are Buyer's valid and binding obligations and are enforceable in accordance with their terms.

9. Mutual Indemnification. Seller and Buyer agree to indemnify each other against, and hold each other harmless from, all claims and liabilities (including reasonable attorneys' fees in defending against claims) arising out of the Property's ownership, operation or maintenance for their respective periods of ownership. Such rights to indemnification will not arise to the extent that (a) the party seeking indemnification actually receives insurance proceeds or other cash payments directly attributable to the liability in question (net of the cost of collection, including reasonable attorneys' fees) or (b) the claim for indemnification arises out of the act or neglect of the party seeking indemnification. If and to the extent that the indemnified party has insurance coverage, or the right to make claim against any third party for any amount to be indemnified against as set forth above, the indemnified party will, upon full performance by the indemnifying party of its indemnification obligations, assign such rights to the indemnifying party or, if such

rights are not assignable, the indemnified party will diligently pursue such rights by appropriate legal action or proceeding and assign the recovery and/or right of recovery to the indemnifying party to the extent of the indemnification payment made by such party. This Section shall survive the Closing. Nothing in this Agreement shall constitute a waiver of the Seller's statutory limits on liability set forth in Minnesota Statutes Chapter 466 or a waiver of any available immunities or defenses. Nothing in this agreement prohibits either party from the remedy of specific performance for a breach of a covenant herein.

10. Notices. Any notice required or permitted to be given by any party upon the other is given in accordance with this Agreement when it is (a) delivered personally to an officer of a party, (b) deposited in the United States mail, postage prepaid, or (c) deposited cost paid with a nationally recognized, reputable overnight courier, properly addressed as follows:

If to Seller: City Administrator, 112 West Washington Ave, Fergus Falls, MN 56537

If to Buyer: Mark A. Christopherson 2119 County Hwy 111, Fergus Falls, MN 56537

Notices shall be deemed effective on the earlier of the date of receipt or the date of deposit as aforesaid; provided, however, that if notice is given by deposit, the time for response to any notice by the other party shall commence to run one business day after any such deposit. Any party may change its address for the service of notice by giving written notice of such change to the other party, in any manner above specified, ten (10) days prior to the effective date of such change.

11. Captions. The paragraph headings or captions appearing in this Agreement are for convenience only, are not a part of this Agreement and are not to be considered in interpreting this Agreement.

12. Entire Agreement; Modification. This written Agreement constitutes the complete agreement between the parties and supersedes any prior oral or written agreements between the parties regarding the Property. There are no verbal agreements that change this Agreement and no waiver of any of its terms will be effective unless in a writing executed by the parties. No modification of this Agreement shall be effective unless set forth in writing and executed by the parties.

13. Binding Effect. This Agreement binds upon and inures to the benefit of the parties and their respective heirs, successors, and assigns.

14. Assignment. Neither Party may assign this Agreement without the other Party's consent.

15. Controlling Law. Minnesota law will govern this Agreement.

16. Time of Essence. Time is of the essence with respect to all matters of this Agreement and each term and condition hereof.

17. Severability. The unenforceability or invalidity of any provision of this Agreement shall not render any other provision contained herein unenforceable or invalid.

18. Counterparts. This Agreement may be executed in any number of counterparts, all of which together shall constitute the Agreement.

19. Digital Signatures. This Agreement may be transmitted between the parties by email and/or facsimile machine. Faxed and digital signatures shall constitute original signatures, and a faxed or digital agreement or counterparts containing the signatures (original, faxed or emailed) of all the parties shall be binding upon the parties.

20. Cooperation. The parties, without further consideration, agree to execute such additional documents and provide such information as may be reasonably necessary to carry out this Agreement's purposes and intent and to fulfill the obligations of the respective parties under this Agreement.

21. No Construction Against Drafter. Each party acknowledges and agrees that they have participated in negotiating and drafting this Agreement, and therefore, if an ambiguity or a question of intent or interpretation arises, this Agreement shall be construed as if the parties had drafted it jointly, as opposed to being construed against a party because it was responsible for drafting one or more of this Agreement's provisions.

22. Calculation of Time Periods. Unless otherwise specifically provided in this Agreement, in computing any period described in this Agreement, the day of the act or event after which the designated period begins to run is not to be included and the last day of the period so computed is to be included, unless such last day is a Saturday, Sunday or legal holiday. The final day of such a period shall be deemed to end at 5:00 p.m., Central Standard Time.

Seller and Buyer have executed this Agreement as of the Effective Date.

SELLER:

By: _____
Mark A. Christopherson

By: _____
Brenda Christopherson

BUYER:

CITY OF FERGUS FALLS

By: _____
Ben Schierer, Mayor

By: _____
Andrew Bremseth, City Administrator

Exhibit A

Lots 1 and 2, Block 2, West End Addition to City of Fergus Falls, Otter Tail County,

AND

That part of Government Lots 2 and 3, Section 4, Township 132, Range 43, described as follows:

Commencing at a point on the town line between the town of Buse and town of Fergus Falls, 237 feet west of the west line of Buse Street extended, in the City of Fergus Falls, thence due west to the east line of Lot 11, Block 8, of Hill and Tod's Addition to said city, thence due south to the north line of the railroad right of way of the Northern Pacific Railway Company, thence easterly along the north line of the right of way to a line running due north and south which is 237 feet west of the west line of Buse Street, extended, thence north to township line between said townships, to point of beginning; and right to cross over tract located in Government Lot 1 between above described land and west line of Buse Street, extended, of the width of 20 feet immediately south of township road between said townships, except flowage rights, Otter Tail County, Minnesota.

EXCEPT the following tract:

All that part of Government Lot 3, Section 4, Township 132, Range 43, Otter Tail County, Minnesota, described as follows:

Commencing at the north quarter of said Section 4; thence on an assumed bearing of North $88^{\circ}42'39''$ West along the north line of said Section 4, a distance of 768.45 feet to the point of beginning of the land to be described; thence South $01^{\circ}39'16''$ West a distance of 463.12 feet to the northerly right-of-way line of the Burlington Northern Railroad; thence South $83^{\circ}27'46''$ West along said northerly right-of-way line, a distance of 126.24 feet to the east line of Lot 20, Block 11, Hill and Tod's Addition to Fergus Falls, according to the recorded plat thereof, Otter Tail County, Minnesota; thence North $01^{\circ}30'16''$ East along said east line of Lot 20 and the east line of Lot 11, said Block 11 and along the east line of Lot 11, Block 8, said Hill and Tod's Addition to Fergus Falls, a distance of 480.31 feet to the said north line of Section 4; thence South $88^{\circ}42'39''$ East along said north line of Section 4, a distance of 125.00 feet to the point of beginning.

AND EXCEPT that part of the above described tract which lies within the following:

All that part of Government Lots 2 and 3 of Section 4, Township 132, Range 43. Otter Tail County, Minnesota, described as follows:

Beginning at the north quarter corner of said Section 4; thence on an assumed bearing of North $88^{\circ}42'39''$ West a distance of 463.12 feet to the northerly right-of-way line of the Ottertail Valley Railroad; thence North $83^{\circ}27'46''$ East along said northerly right-of-way line, a distance of 611.49 feet; thence North $26^{\circ}34'42''$ East a distance of 420.11 feet to the north line of said Section 4; thence North $88^{\circ}42'05''$ West along said north line of Section 4, a distance of 15.07 feet to the point of beginning.



City Council Memo

Page 1 of 2

Meeting Date:

April 10, 2024- Committee of the Whole

Subject:

Workforce Housing Plan for 801 W Stanton Ave

Recommendations:

At the regular meeting of the City Council on April 15, 2024:

- Call for a special session of the City Council at noon on April 24, 2024
- Authorize the city to enter a purchase agreement for \$950,000 with Mark & Brenda Christopherson for the acquisition and cleanup of 801 W Stanton Ave.
- Approve the negotiation and execution of a loan agreement with Mark and Brenda Christopherson for \$500,000.

Background/Key Points:

A 2021 [Comprehensive Housing Needs Analysis for Otter Tail County, Minnesota](#) broke the county into five submarkets. The southwest submarket encompasses Fergus Falls and indicates a need of 50-60 units of moderate-income housing. Moderate-income housing, also referred to as workforce housing, focuses on households earning between 80% and 120% of the Area Median Income (AMI) and is a critical component of future growth.

The city's [strategic planning process](#) in 2022 also reported housing needs and resulted in a recommendation to focus efforts on residential development to aid in economic development and create a more sustainable economy. The 2017 [Fergus Falls Downtown & Riverfront Master Plan](#) identified 801 W Stanton Ave as an "opportunity zone" in relation to the dairy site in the riverfront area west of downtown. The plan gives recommendations to revitalize the area while addressing housing needs.

In alignment with these findings and strategic directions, the City of Fergus Falls seeks to acquire 801 W Stanton Ave, a property with a history of industrial use, for redevelopment as workforce housing.

Workforce Housing Actions:

Rezoning: As per the 2017 Downtown & Riverfront Master Plan recommendation, the dairy site south of the rail line has been successfully rezoned R-4. R-4 zoning for 801 W Stanton is pending, contingent upon its sale to the City of Fergus Falls.

Execute Purchase Agreement: The city will enter a purchase agreement for \$950,000 with Mark & Brenda Christopherson for acquisition of a clean site at 801 W Stanton Ave. The city has secured a grant of \$640,250 from DEED's Community Energy Transition Grant program to go toward the acquisition. A further \$100,275 is available from the State of Minnesota's Statewide Affordable Housing Aid initiative(2023 allocation). The City will receive the same allocation in 2024. Following acquisition of the property, the City of Fergus Falls will work towards a workforce housing project on the site.

Execute Loan Agreement: The city is negotiating a loan agreement with Mark and Brenda Christopherson for \$500,000. This loan will be used to reduce debt on 801 W Stanton Ave and cover the costs of demolition. The loan amount will be repaid to the city upon closing. Pursuant to Business Subsidy Law Minn. Stat. 116J.993 to 116J.995, a public hearing will be held to deliberate on the proposed loan on Monday, April 15, 2024, at 5:30 PM in City Council Chambers.

Act on Developer Proposal (LOI, TIF request, and application to MN Housing program): Rivers Edge LLC, an affiliate of D.W. Jones, Inc., has demonstrated interest in acquiring 801 W Stanton Ave from the City of Fergus Falls for the purpose of developing workforce housing. They have submitted a Letter of Intent (LOI) expressing their commitment and propose a 3-story, 58-unit apartment building with attached and detached garage stalls.

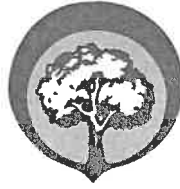
A key aspect of Rivers Edge LLC's proposal is their request for tax increment financing (TIF) for the project. This financing mechanism will provide crucial support for the development, enabling them to capture a portion of the future property tax revenue generated by the project to help finance upfront costs. A public hearing will be held to consider a redevelopment TIF district for 801 W Stanton Ave on April 15, 2024. City Council will be asked to call for a special meeting at noon on April 24, 2024 in order to take action on the creation of the TIF district.

TIF is necessary as the local contribution to Minnesota Housing's Workforce Housing Development Program, to which Rivers Edge LLC intends to apply for significant financial assistance to facilitate the development of the workforce housing project.

By securing funding, leveraging partnerships, and adhering to strategic planning, we can provide much-needed moderate-income housing options while revitalizing a dilapidated industrial site in an established residential neighborhood.

Originating Department:
Community Development

Respectfully Submitted:
Klara Beck, Community Development Manager



TREE CITY USA®
An Arbor Day Foundation Program

*** OFFICIAL PROCLAMATION ***

WHEREAS in 1872, the Nebraska Board of Agriculture established a special day to be set aside for the planting of trees, *and*

WHEREAS this holiday, called Arbor Day, was first observed with the planting of more than a million trees in Nebraska, *and*

WHEREAS Arbor Day is now observed throughout the nation and the world, *and*

WHEREAS trees can be a solution to combating climate change by reducing the erosion of our precious topsoil by wind and water, cutting heating and cooling costs, moderating the temperature, cleaning the air, producing life-giving oxygen, and providing habitat for wildlife, *and*

WHEREAS trees are a renewable resource giving us paper, wood for our homes, fuel for our fires, and countless other wood products, *and*

WHEREAS trees in our city increase property values, enhance the economic vitality of business areas, and beautify our community, *and*

WHEREAS trees — wherever they are planted — are a source of joy and spiritual renewal.

NOW, THEREFORE, I, Benjamin Schierer, Mayor of the City of Fergus Falls, do hereby proclaim April 26, 2024 as **ARBOR DAY**

In the City of Fergus Falls, and I urge all citizens to celebrate Arbor Day and to support efforts to protect our trees and woodlands, *and*

FURTHER, I urge all citizens to plant trees to gladden the heart and promote the well-being of this and future generations.

DATED THIS 15th day of April, 2024

Mayor Benjamin Schierer



Arbor Day Foundation®

211 N. 12th Street • Lincoln, NE 68508 • 888-448-7337 • arborday.org

We inspire people to plant, nurture, and celebrate trees.

Mayor Ben Schierer
112 W Washington Ave
Fergus Falls, MN 56537

Dear Tree City USA Community Member,

On behalf of the Arbor Day Foundation, I'm thrilled to congratulate Fergus Falls on earning recognition as a 2023 Tree City USA. Residents of Fergus Falls should be proud to live in a community that makes the planting and care of trees a priority.

Founded in 1976, Tree City USA is a partnership between the Arbor Day Foundation, the U.S. Forest Service, and the National Association of State Foresters. Fergus Falls is part of an incredible network of more than 3,600 Tree City USA communities nationwide, with a combined population of 155 million.

Over the last few years, the value and importance of trees has become increasingly clear. Cities and towns across the globe are facing issues with air quality, water resources, personal health and well-being, and energy use. Fergus Falls has taken steps to create to a brighter, greener future.

We hope you are as excited as we are to share this accomplishment with your local media and your residents. Enclosed in this packet is a press release for you to distribute at your convenience.

We're excited to celebrate your commitment to the people and trees of Fergus Falls. Thank you, again, for your efforts.

Best Regards,

Dan Lambe
Arbor Day Foundation Chief Executive

FOR IMMEDIATE RELEASE

Contact:
Jasmine Putney
Arbor Day Foundation
402-216-9307
jputney@arborday.org

Arbor Day Foundation Names Fergus Falls a 2023 Tree City USA®

LINCOLN, Nebraska (4/2/2024) – Fergus Falls was named a 2023 Tree City USA by the Arbor Day Foundation to honor its commitment to effective urban forest management.

Fergus Falls achieved Tree City USA recognition by meeting the program's four requirements: maintaining a tree board or department, having a tree care ordinance, dedicating an annual community forestry budget of at least \$2 per capita, and hosting an Arbor Day observance and proclamation.

The Tree City USA program is sponsored by the Arbor Day Foundation, in partnership with the U.S. Forest Service and the National Association of State Foresters.

“Tree City USA communities see the positive effects of an urban forest firsthand,” said Dan Lambe, chief executive of the Arbor Day Foundation. “The trees being planted and cared for by Fergus Falls are ensuring that generations to come will enjoy to a better quality of life. Additionally, participation in this program brings residents together and creates a sense of civic pride, whether it’s through volunteer engagement or public education.”

If ever there was a time for trees, now is that time. Communities worldwide are facing issues with air quality, water resources, personal health and well-being, energy use, and extreme heat and flooding. Fergus Falls is doing its part to address these challenges for residents both now and in the future.

More information on the program is available at arborday.org/TreeCityUSA.

About the Arbor Day Foundation

Founded in 1972, the Arbor Day Foundation has grown to become the largest nonprofit membership organization dedicated to planting trees, with more than one million members, supporters and valued partners. Since 1972, almost 500 million Arbor Day Foundation trees have been planted in neighborhoods, communities, cities and forests throughout the world. Our vision is to lead toward a world where trees are used to solve issues critical to survival.

As one of the world's largest operating conservation foundations, the Arbor Day Foundation, through its members, partners and programs, educates and engages stakeholders and communities across the globe to involve themselves in its mission of planting, nurturing and celebrating trees. More information is available at arborday.org.

April 10, 2024

Fergus Falls Area Chamber of Commerce requests Proclamation Recognizing Small Business Week April 28 - May 4, 2024

Whereas, small businesses are the backbone of our local economy, contributing to the vibrancy and resilience of our community; and

Whereas, small businesses play a crucial role in providing employment opportunities, fostering innovation, and driving economic growth within the City of Fergus Falls; and

Whereas, the entrepreneurial spirit and dedication of small business owners enhance the unique character and identity of our city; and

Whereas, Small Business Week provides an opportunity to celebrate and honor the contributions of small businesses and the individuals who work tirelessly to make them successful; and

Whereas, during Small Business Week, we recognize the importance of supporting and patronizing local small businesses, which are integral to the fabric of our community; and

Whereas, by promoting awareness and appreciation for small businesses, we encourage economic development and prosperity for all residents of Fergus Falls.

Now, therefore, I, Benjamin Schierer, Mayor of the City of Fergus Falls, do hereby proclaim the week of Sunday, April 28 through Saturday, May 4, 2024, as Small Business Week in Fergus Falls. I call upon all residents to join me in recognizing the vital role that small businesses play in our community and to support them through patronage and encouragement.

In witness whereof, I have hereunto set my hand and caused the seal of the City of Fergus Falls to be affixed this 15th day of April, 2024.

[Signature of Mayor] [City Seal]

Sincerely,



Lisa Workman, IOM
President
Fergus Falls Area Chamber of Commerce



belong. connect. succeed.

City Council Minutes
April 1, 2024

The Fergus Falls City Council held a regular meeting on April 1, 2024, at 5:30 pm in the City Council Chambers. Pastor Doug Dent gave the invocation, and the Pledge of Allegiance was recited. Mayor Schierer called the meeting to order at 5:32 pm and the following council members were in attendance: Kvamme, Rufer, Kremeier, Thompson, Rachels, Hicks, Fish and Job.

Approval of the Agenda

A motion and second were made by Hicks and Job approving tonight's agenda with the addition of an update on the YMCA lifeguard agreement and the response to the March 18 open forum request to old business and the motion carried.

Daughters of the American Revolution Proclamation

A proclamation was read declaring April 11 as Daughters of the American Revolution Day in celebration of their 125-year anniversary.

Bicycle Friendly Award

The city was recognized for achieving the silver status as a Bicycle Friendly Community by the Bicycle Alliance of Minnesota.

Consent Agenda

The following items were approved under **Resolution #65-2024** by Rufer: Motion approving the minutes from the March 18, 2024, City Council meeting and the March 27, 2024, Committee of the Whole meeting. Motion approving the following licenses: Paving/Sidewalk Lee Property Care; Mechanical Legacy Plumbing of ND; Mobile Food Vendor Permit Ruby's Pinoy Food. **Resolution #66-2024** accepting a Pathways to Policing grant from the Office of Justice Programs. The resolution was seconded by Thompson and was adopted.

Ordinance 57, Eighth Series

Ordinance 57, Eighth Series, Tobacco Sales in B-2 zones was adopted by a roll call vote.

New City Logo

Kvamme offered **Resolution #67-2024** approving the new city logo, which was seconded by Fish and was adopted.

Open Forum Policy

On March 18 the council directed staff to amend the open forum policy to be held prior to the council meeting, not be televised, and not require pre-registration. Rachels offered **Resolution #68-2024** approving the revised open forum policy which was seconded by Rufer.

Job read a statement advocating the open forum policy to remain within the council meeting and be televised to show transparency. She felt the open forum promotes active engagement with the community, offers a platform to share resident concerns and perspectives and when televised it gives residents the opportunity to listen to other public comments. Hicks agreed the open forum should be televised but was fine with it being outside the regular council meeting. Kremeier said televising an open forum provides transparency and gives everyone an opportunity to hear the opinions of other

residents. He felt people have the right to see communication between the council and residents and wanted to keep the open forum in its current format. He asked why the council would not be allowed to engage in dialogue with speakers at the open forum and was told the open forum is offered for the public to speak to their elected officials and for the council to listen to residents' concerns about the city.

Fish felt holding the open forum prior to the meeting allows the council to add items to that evening's council agenda with unanimous consent. Rufer felt the open forum is productive when the community uses the time for open dialogue with their elected officials and advocated it be outside the regular meeting and not televised. He said this decision is not being made to suppress free speech as there still is an opportunity to address the council. Mayor Schierer suggested moving the open forum off camera because a few individuals have abused the televised time to make false statements, provide inaccurate information or interrupt the council's business meeting. He emphasized he has and always will be supportive of the public's ability to address their elected officials and the open forum is still available to address city concerns. The public is also able to comment on matters on that night's agenda, which is available to the public to view three days prior to the meeting.

Rachels said the council conducts their business during an open meeting and whether the open forum is televised or not, residents are still being provided time to address their council members. The council is not trying to hide anything but taking away the public platform some are abusing which makes the city look foolish. He did not feel it is unreasonable to impose rules for people to follow at a city business meeting. Kvamme agreed the open forum should be held outside the council meeting as it is not a part of the city's business. The council meetings are meant to run city business and although the council is glad to hear public opinion, there are a multitude of ways for them to reach the council or staff outside of this meeting. He suggested the city could community listening sessions if people want to be heard publicly outside of the council meetings. Mayor Schierer opened the floor for public comment.

Laurie Mullen felt the open forum should be held within the council meeting and be televised. She disagreed that the council meetings are meant for only council business and felt the revised policy goes against the city's efforts to be a welcoming and inclusive community. Mayor Schierer reminded her the open forum is meant for topics that are not on that night's agenda. The public is still welcome to comment on items that are on the agenda and disagreed the public is not able to address their elected officials. As mayor he will continue to advocate for the public's ability to have respectful dialogue with the council.

Al Frank agreed the open forum should be televised. If someone is abusing the open forum time, that should be addressed separately than taking away the opportunity for the rest of the community to participate. He did not feel the council is respectful to those addressing the open forum and asked why speakers are limited in the number of times they can address a topic. Debbie Smith asked what the catalyst was for changing the policy and felt disagreement is healthy in communication. She felt not televising the open forum cuts down on transparency and opportunities to learn about the community.

Mark Leighton asked why the mayor skipped over the open forum this evening and Mayor Schierer apologized for his oversight. Leighton asked if he would be limited to speaking about the budget overall more than two times in 12 months or if he would be allowed to address different aspects of the

budget individually. He asked if he would be allowed to bring in his own camera crew to tape the open forum if it is moved outside the council meeting. He doesn't think the council questions their spending enough, his council members don't respond to him, and told the mayor he is mistaken if he believes he can restrict when the public is allowed to speak.

Bob Noah said the open forum is the time to hear the things you need to hear, but don't want to. He felt the policy revisions excluding public input and used the new city logo as an example of not involving the public in the decision-making process. He was opposed to the open forum not being televised, felt the city is not a welcoming community, but designed for control by only a few people and said the town hall meetings were the people's only opportunities be heard and told the council their actions were disgusting.

Desta Hunt spoke about her time as an elected official and the need to balance the council conducting their business and listening to public input. She encouraged the open forum to be televised to help inform the community but felt the limiting time and subject matter was important to enforce. Brenden Janssen said it is difficult to attend council meetings with his work schedule and televising the open forum is the best way for the community to be informed.

The resolution was called to a vote and was adopted 5-3. Voting in favor were Kvamme, Rufer, Thompson, Rachels and Fish. Voting in opposition were Kremerier, Hicks and Job.

Open Forum

Mayor Schierer again apologized for not engaging the open forum earlier in the meeting and encouraged those wishing to address the council on an issue not on tonight's agenda to the podium.

Mark Leighton cited a hypothetical household budget scenario and the hardship the franchise fee would add to a homeowner's tax burden. He asked to have the gas and electric bill for the largest 20 businesses in Fergus Falls and challenged the council to reconsider implementing franchise fees.

Bob Noah spoke about corruption in government and accused the council and mayor of being corrupt. He asked who to contact to expose the corruption. The city attorney told him corruption is a crime and crimes should be reported to law enforcement. He claimed they are also corrupt and warned the council they have crossed the line.

Pam Ballard learned about the proposed new logo on Facebook and asked how much the logo costs taxpayers. She did not feel the process involved the public and it was rude to not offer residents the opportunity for their input in the design process.

Resolution of Accounts

Fish offered a resolution authorizing the payments and claims in the amount of \$1,257,677.67, which was seconded by Rufer and was adopted.

Arena Air Conditioning

On March 18 the council adopted a resolution authorizing the purchase and installation of air conditioning units at the community arena. Recently the contractor realized the equipment quoted would not be available until August. There is equipment that is now available, but it would be configured differently and cost an additional \$7,200. The contractor agreed to cover half of the

additional cost. Fish offered **Resolution #69-2024** approving the additional cost of the air conditioning units at the community arena which was seconded by Rufer and was adopted.

Old Business

Taylor reported he has not yet been able to connect with the YMCA regarding the 2024 lifeguard services agreement. Becky Schwarzhoff's open forum request on March 18 to investigate if council member Kremeier vacated his third ward council position violating Section 2.04 of the Charter has been referred to the Charter Commission to review.

The meeting adjourned to a closed meeting at 6:51 pm for a real estate transaction pursuant to MN Statute 13D.05 and to discuss labor negotiations strategy as allowed by MN Statute 13D.03.

Set Loan Public Hearing

The council reconvened at 7:44 pm. Rachels offered **Resolution #70-2024** setting a public hearing for a business subsidy loan for the property located at 801 W Stanton Avenue for April 15 at 5:30 pm in the City Council Chambers, which was seconded by Hicks and was adopted.

The meeting adjourned at 7:46 pm.

Lynne Olson

Committee of the Whole Meeting
April 10, 2024

The Fergus Falls City Council met as a Committee of the Whole on April 10, 2024, at 7:00 am in the City Council Chambers. Mayor Schierer called the meeting to order, and the following council members were in attendance: Kvamme, Kremeier, Thompson, Rachels, Hicks, Fish and Job. Rufer was absent.

No Mow May

Members of the city's Natural Resources Advisory Committee introduced themselves and invited the council to engage them in conversations pertaining to conservation, protecting natural resources, and native planting. They shared information about upcoming Earth Day events and requested the city consider implementing No Mow May. This initiative would temporarily exempt certain property owners to City Code 95.04(C) which does not allow for grass to exceed 6 inches in height. Not mowing in May provides food sources for pollinators. All lawns must come into compliance on or before June 1. A motion and second were made by Hicks and Thompson to recommend the council allow a temporary exemption to City Code 95.04 (C) and the motion carried.

Workforce Housing Plan for 801 W Stanton

Community Development Director Klara Beck explained the efforts to tie multiple components of a project into an initiative to redevelop the site at 801 W Stanton Avenue into workforce housing. The city is seeking to acquire the property through a purchase agreement with Mark and Brenda Christopherson. The sellers will receive \$950,000 at the property closing if they fulfill the contract obligations including demolition of the buildings, resolving environmental issues, continuing with soil sampling as requested by the Phase I environmental assessment, removing the debris to the city's specifications, and selling the site in a buildable condition. The city has acquired a \$640,250 grant from DEED's Community Energy Transition Grant Program towards the acquisition. \$100,275 is available from the state's Statewide Affordable Housing Aid initiative and the same allocation will be received in 2024. The city is negotiating a loan agreement with the Christopherson's for \$500,000 to reduce debt on the property and cover the costs of demolition and it will be repaid upon closing. A public hearing will be held on April 15 to consider this business subsidy loan. Following the acquisition of the property, the city would work towards a workforce housing project on the site.

Various studies have shown a critical need for an additional 55-65 units of workforce housing. Rivers Edge LLC, an affiliate of D.W. Jones Inc. has demonstrated interest in acquiring the property after the city has purchased the property and submitted a Letter of Intent to redevelop the clean site into a 60-unit apartment complex to meet the identified need of workforce housing. A key aspect of their proposal is a request for Tax Increment Financing (TIF). At the public hearing on April 15 a financial analysis will be provided for this predicted 26-year district. TIF will be used as the local funding source for the Minnesota Housing Workforce's Housing Development Program to which River's Edge LLC intends to apply for financial assistance to facilitate the development of the workforce housing project. The deadline for the developer to submit their application is the end of the month. Due to the complexity of the adjoining issues, the council will not be asked to act on April 15 but rather consider the financial plan and public input. Beck suggested a special meeting of the City Council be called to consider the creation of this TIF district on April 24 at 7:00 am.

Beck explained by securing funding, leveraging partnerships, and adhering to strategic planning, the city can provide much needed moderate income housing options while revitalizing a dilapidated industrial site in an established residential neighborhood. A motion and second were made by Rachels and Hicks to recommend the council call for a special meeting of the City Council on April 24 at 7:00 am in the City Council Chambers; to authorize the city to enter into a purchase agreement of \$950,000 with Mark and Brenda Christopherson for the acquisition and cleanup of 801 W Stanton Avenue and to approve the negotiation and execution of a loan agreement with Mark and Brenda Christopherson for \$500,000 and the motion carried.

Mill and Overlay Project (PI 5377)

Plans and specifications are completed for PI 5377, the 2024 mill and overlay project. The proposed street resurfacing roadways are Sherman Street: Douglas to Channing; Sheridan Street: Adolphus to Channing; Mabelle Avenue: Adolphus to Channing and Adolphus Avenue: Sheridan to Mabelle. The estimated cost of the base bid is \$278,500 and if bids are favorable, Channing Avenue: Sheridan to Mabelle has been identified as an alternate. The city has budgeted \$324,400 for the work. A motion and second were made by Thompson and Fish to recommend the council accept the project plans and specifications and to authorize the advertising of bids and the motion carried.

Downtown Riverfront Project Phase II (PI 9767)

Initial plans for Phase I of the downtown riverfront project included fencing around the splash pad play area, but due to cost concerns this alternate was removed as the code does not require a physical barrier and green space separation between the splash pad and riverbank top. Concerns from the community have been brought forth regarding the safety hazards of young children playing in an area with a steep embankment to the river and Comstock Construction was asked to propose three options. Option I is a decorative steel fence like the fencing installed in Phase I of the project at a cost of \$70,425. Option II is a wooden cedar split rail fence at a cost of \$22,998.48 or Option III, the city could monitor usage and decide later. For safety purposes staff recommended Option I and explained there is \$219,100 remaining in the project's contingency budget, which the engineers are confident these funds won't be needed for other project uses. Kremeier agreed the more protective fencing was a safer option and suggested the city contribute the cost of the wooden fence and ask the fundraisers to cover the difference in pricing. Mayor Schierer felt it was hard to argue with safety if the funds are available. Fish felt the safety component was vital and the city should proceed with the steel fence as the money is available. Thompson agreed that the steel fence would match other components of the project, be a safer option and be less of a long-term maintenance concern. Hicks was concerned with using contingency funds if there is a gap in private fundraising.

Staff met with the fundraising committee yesterday and they have collected \$1,415,000 of their \$2 million goal to date. There are expectations of an additional \$379,500 to come in yet leaving a gap of \$205,000. They are still hopeful they will meet their goal and will continue their efforts. Rachels asked if this decision can be delayed until the May 6 meeting to see how the fundraising efforts continue. Staff was not sure if delaying the decision for an additional three weeks would give the contractors enough time to secure and install the fence in time for the large crowd anticipated at the May 30 grand opening, it felt would be wise to have all safety protocols in place before the facility is open. A motion and second were made by Fish and Kvamme to recommend the council accept Comstock's proposal for a decorative steel fence for Public Improvement 9767, the downtown riverfront project, Phase II and the motion carried.

DeLagoon Park Access Road (PI 5376)

Last year the city authorized the submission of a grant to the Minnesota DNR State Park Road Account Program to improve local access roads to state parks, campgrounds, public water access and eligible recreation areas. The city submitted a \$210,000 request to improve the DeLagoon Park access road and loop and was successful in receiving \$209,049. The remaining funds could be found within the Park & Recreation budget or the annual levied mill and overlay projects to complete the loop. A motion and second were made by Thompson and Fish to recommend the council initiate PI 5376, the DeLagoon Park access road improvement project and to authorize the acceptance of the state park road account offer in the amount of \$209,029 and the motion carried.

Fir and Friberg Roundabout (PI 5362)

The city and county are working jointly on the roundabout improvement project at Fir and Friberg Avenue. The agreement shows the city's project costs of \$730,000 plus any non-eligible municipal storm work which is determined by state aid review. The sanitary sewer and watermain replacements are estimated at \$180,000 which has been budgeted for 2024. The city submitted a Local Road Improvement Program application in December to help cover these costs and a \$790,000 grant has been awarded to the city. A motion and second were made by Job and Kvamme to recommend the city be authorized to accept the Local Road Improvement Program grant offer and the motion carried.

New Business

A motion and second were made by Fish and Kvamme to recommend the council reconsider televising the open forum, but to keep other aspects of the policy as agreed upon on April 1 and the motion carried.

The meeting adjourned at 7:46 am

Lynne Olson

FOR COUNCIL MEETING APRIL 15, 2024

APPROVALS ON ALL LICENSES ARE CONTINGENT UPON PAPERWORK BEING FILLED OUT CORRECTLY AND COMPLETELY, AND ALL INSURANCES AND BONDS BEING CURRENT.

Mobile Food Vendor Permit

Fish Factor 108 LLC

Lowrider Tacos and Pizza

Stony Brook Donut Company

Big J's Smokehouse

Fireworks Sales

WalMart

Mechanical

H.A. Thompson & Sons

Paving/Sidewalk

Robert Nordick Construction



Council Action Recommendation

Page 1 of 1

Meeting Date: April 15, 2024

Subject: 2023 & 2024 Budget Adjustments

Recommendation: Please approve the proposed adjustments to the 2023 & 2024 budgets.

Background/Key Points:

2023 Adjustments:

- Increase the General Fund transfers out to the Capital Improvement Fund for \$213,030. The funding is \$102,410 from the General Municipal State Aid (MSA) for 2023 project funding and \$110,620 for interest charged to projects.
- Increase the Streets infrastructure budget for \$296 related to capital project funding. The funding is from the General MSA for Streets.
- Increase State Aids and Fire Dept training expenditure budgets for the receipt of State Fire Training funds - \$4,598

2024 Adjustments:

- Carry forward the 2023 unexpended capital outlay: General Fund \$1,366,955; Public Library \$153,475.
- Carry forward unexpended 2023 Police Forfeitures \$123,839
- Carry forward unexpended 2023 snow removal budget \$105,228
- Carry forward unexpended 2023 Oak Grove Cemetery budget \$2,663
- Carry forward unexpended 2023 Wellness Program budget \$1,935 and increase the budget for the receipt of 2024 Lakes Country Service Coop. wellness funding \$1,010.
- Carry forward unexpended 2023 General Government budget for benefits owed \$170,046.
- Increase library expenditure budgets for donations received - \$6,256.

Budgetary Impact: 2023 & 2024 budgets will be adjusted accordingly.

Originating Department: Finance

Respectfully Submitted: Bill Sonmor, Finance Director

Attachments:

None

April 4, 2024

TO: City Council Members
RE: Pay Equity Reporting for 2023
FROM: Mike Hartwell, Human Resources Director

In 1984, the Minnesota Legislature passed the Local Government Pay Equity Act. (M.S. 471-991-999). Jurisdictions such as the City of Fergus Falls have been on a 3 years cycle of reporting.

Pay Equity Compliance is done to make sure that female classes and male classes are treated the same in actual pay and in salary range movement as well as in exceptional pay such as longevity pay, or performance pay, which Fergus Falls doesn't have. Pay Equity is not Comparable Worth, nor is it Equal Pay.

Pay Equity also looks at making sure that benefits such as health insurance are equally provided to both female and male classes. This is important to note as we negotiate labor agreements, as any aberration in pay for health insurance or salaries between groups could cause us to be out of compliance – and this is why we want to remain consistent in our salary increases as well as benefits across the 4 labor contracts as well as the non-union employees. Failure to be in compliance, may result in a penalty of 5% reduction in state aid payments or \$100 per day whichever is greater. Compliance requires not only that we show that we have equity between male and female classes, but also that we file our report on or before January 31 of 2023.

This report is considered public data under the Minnesota Government Data Practices Act and a notice is posted in that regard.

I am requesting that the Council authorize a resolution approving the report and authorizing the mayor to sign so that I may submit it to the MN Management & Budget Office.

March 13, 2024

Local Government Official
Fergus Falls
112 West Washington Avenue

Fergus Falls, MN 56537

Dear Local Government Official:

Congratulations! I am very pleased to send you the attached notification of compliance with the Local Government Pay Equity Act. Since the law was passed in 1984, jurisdictions have worked diligently to meet compliance requirements and your work is to be commended.

Minnesota Rules Chapter 3920 specifies the procedure and criteria for measuring compliance and your jurisdiction's results are attached. You may find a copy of our "Guide to Understanding Pay Equity Compliance" and other resources on our Local Government Pay Equity webpage at: <https://mn.gov/mmb/employee-relations/compensation/laws/local-gov/local-gov-pay-equity/>.

This notice and results of the compliance review are public information and must be supplied upon request to any interested party.

If you have questions or need assistance, please contact Dominique Murray at (651) 259-3805, or by email: pay.equity@state.mn.us

Again, congratulations on your achievement!

Sincerely,
Dominique Murray
Pay Equity Coordinator



Council Action Recommendation

Page 1 of 1

Meeting Date:

April 10, 2024 – Committee of the Whole
April 15, 2024 – City Council

Subject:

PI 5377 – 2024 Mill & Overlay Improvement Project

Recommendation:

- 1) Accept the project plans and specifications for PI 5377
- 2) Authorize the Advertisement for Bids for PI 5377

Background/Key Points:

City staff has substantially completed the project plans and specifications for the above-referenced project. The proposed 2024 street resurfacing candidates are:

- Sherman Street: Douglas Avenue to Channing Avenue
- Sheridan Street: Adolphus Avenue to Channing Avenue
- Mabelle Avenue: Adolphus Avenue to Channing Avenue
- Adolphus Avenue: Sheridan Street to Mabelle Avenue

The alternate bid street candidate is Channing Avenue from Sherman Street to Sheridan Street. Please refer the attached map for the proposed street locations.

The Estimated Probable Construction Cost for the base bid is \$278,500.00 and \$58,500.00 for the alternate bid. Therefore, the City must publicly advertise for bids pursuant to the “Competitive Bidding Requirements” monetary thresholds.

The bid opening date is not schedule however, I anticipate opening bids in early May. If the City receives favorable bid prices, additional street segments will be evaluated. I will prepare a recommendation for this Council to consider if this happens. This work is scheduled to be completed by this fall.

Budgetary Impact:

The City’s 2024 budget levy amount for bituminous mill & overlay is \$324,400.00. This budgeted amount includes general engineering and contingency costs. I may be requesting a budget adjustment from previous year’s carried over funds once actual bid prices are determined.

Originating Department:

Engineering Department

Respectfully Submitted:

Brian Yavarow, P.E. – City Engineer

Attachments: Exhibit – Title Sheet

CITY OF FERGUS FALLS, MINNESOTA

2024 CONCRETE, MILL AND BITUMINOUS OVERLAY PROJECT

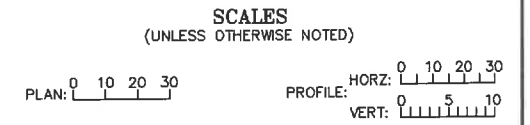
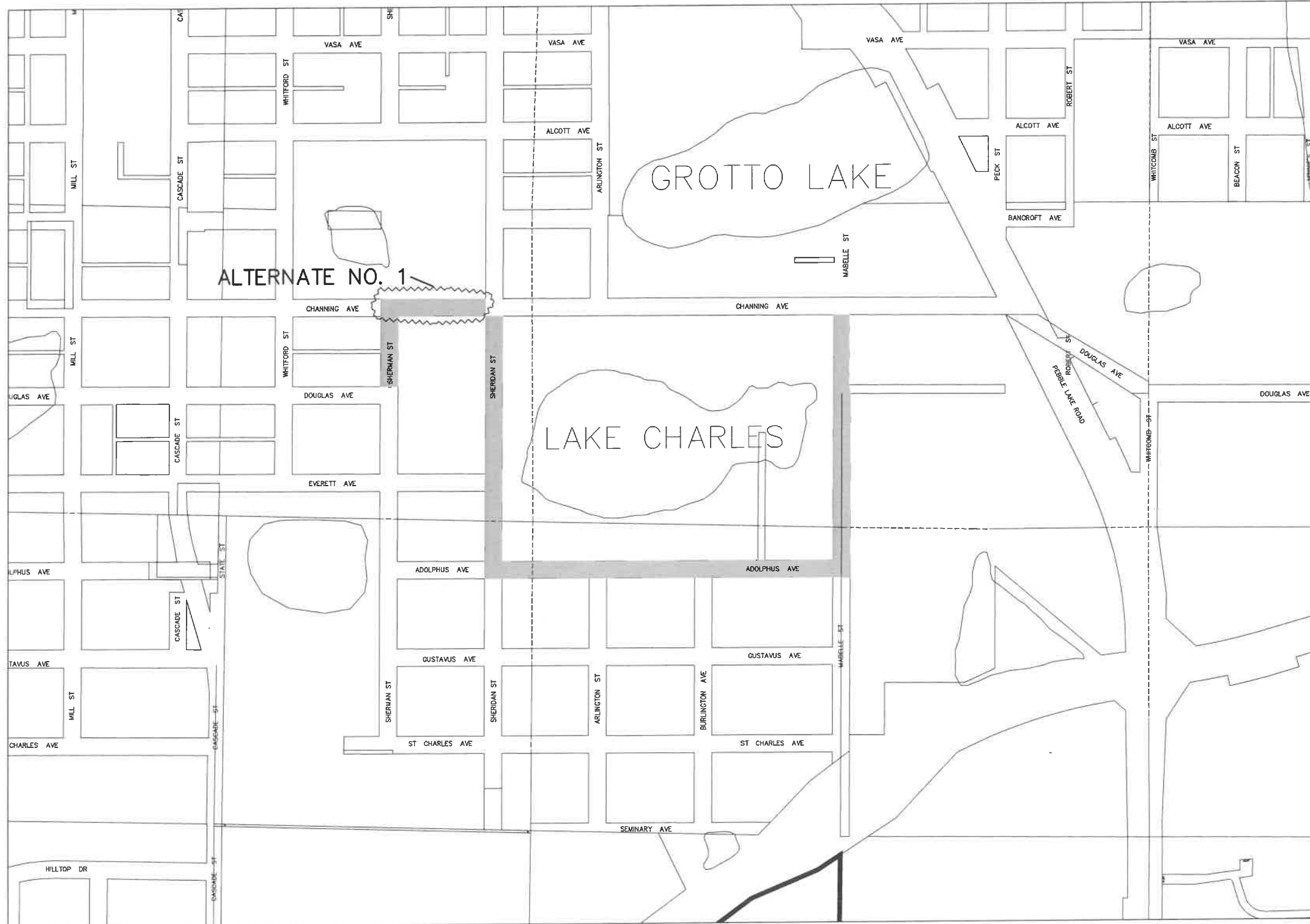
SPECIFICATIONS REFERENCE

THE 2018 EDITION OF THE MINNESOTA DEPARTMENT OF TRANSPORTATION "STANDARD SPECIFICATIONS FOR CONSTRUCTION" SHALL GOVERN.

ENGINEERING DEPARTMENT
CONSTRUCTION PLANS FOR
MILL & BITUMINOUS

PUBLIC IMPROVEMENT NO. 5377

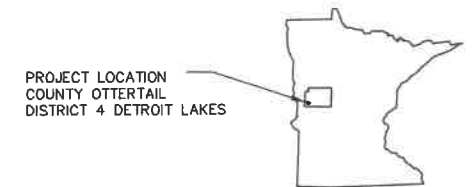
CITY ENGINEERS ASSOCIATION OF MINNESOTA (CEAM) STANDARD SPECIFICATION 2018 EDITION, SHALL GOVERN THE CONTRACT.



INDEX OF SHEETS		
PL. NO.	DESCRIPTION	SHEET
5377	TITLE SHEET	1
5377	ESTIMATED QUANTITIES & STANDARD PLATES	2
5377	TYPICAL SECTION & TRAFFIC CONTROL SCHEDULE	3
5377	SWPPP NOTES & SHEETS	4
5377	PEDESTRIAN CURB RAMP DETAILS	5-10
5377	MILL & OVERLAY PLAN SHEET	11

CONVENTIONAL SYMBOLS

- RIGHT OF WAY LINE
- PROPERTY LINE
- VACATED PROPERTY
- RAILROAD
- R.R. RIGHT OF WAY
- POWER POLE
- TELEPHONE POLE
- WATER VALVE BOX
- WIRE FENCE
- HEDGE
- WATER MAIN
- SANITARY SEWER IN PLACE
- STORM SEWER IN PLACE
- TREES
- MANHOLE
- FIRE HYDRANT
- STREET LIGHT
- GAS MAIN
- UNDERGROUND TELEPHONE
- UNDERGROUND POWER
- UNDERGROUND TELEVISION



I HEREBY CERTIFY THAT THIS PLAN WAS PREPARED BY ME OR UNDER MY DIRECT SUPERVISION AND THAT I AM A DULY LICENSED PROFESSIONAL ENGINEER UNDER THE LAWS OF THE STATE OF MINNESOTA.

CITY ENGINEER
DATE _____ 20____ REG. NO. 48363



Alternate Bid

BASE BID
STREETS

CHANNING AVE.

SHERMAN ST.

SHERIDAN ST.

MABELLE AVE.

ADOLPHUS AVE.

GUSTAVUS AVE.



2024 Mill & Overlay Improvement Project Location Map

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:

April 10, 2024 – Committee of the Whole

April 15, 2024 – City Council

Subject:

Mn DNR State Park Road Account Program

Recommendation:

- Initiate Public Improvement No. 5376: Delagoon Park Access Road Improvements
- Authorize the City Engineer to accept the State Park Road Account offer in the amount of \$209,049.00

Background/Key Points:

Last October, the City Council authorized me to apply to the DNR State Park Road Account Program. If you recall, approximately \$4 million was available for this statewide solicitation. Funds from this program may be used to improve local access roads to state parks, state campgrounds, public water access, and other eligible recreation areas. Applications were due November 1, 2023.

I recommended the access road for Delagoon Park be the City's candidate. The proposed improvement consists of full depth bituminous patching as needed and resurfacing throughout. Please refer to the attached location exhibit.

If acceptable, I will begin the grant process. I would anticipate starting this work in summer 2025 after the pending improvements to the ball field and campground are substantially completed which is tentatively scheduled to begin this summer.

Budgetary Impact:

The estimated construction cost to improve the access road and the "loop" within Delagoon Park is \$290,000.00. The City's request for funding was \$210,000.00 for the primary loop entrance. The State Park Road Account Program authorized \$209,049.00 for this portion of the project. Potential local matching funds are the Park & Recreation budget and/or annual levied mill & overlay funds to complete the Delagoon access road loop.

Originating Department:

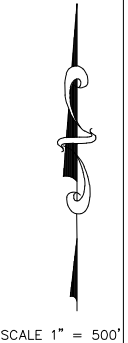
Engineering Department

Respectfully Submitted:

Brian Yavarow, P.E. – City Engineer

Attachments:

SPRA Notification Letter



REVISION			
No.	Date	By	Description

CITY PROJ. NO.	PUB. IMP. NO.	I HEREBY CERTIFY THAT THIS PLAN WAS PREPARED BY ME OR UNDER MY DIRECT SUPERVISION AND THAT I AM A DULY LICENSED PROFESSIONAL ENGINEER UNDER THE LAWS OF THE STATE OF MINNESOTA.
DESIGN	5376	
BLT. AREA = 36'-8" TON	DATE = 2023	
CITY ENGINEER	REG. NO. 48363	
CHECKED BY: BT	DRAWN BY: JH	State Proj. No.

CITY OF FERGUS FALLS, MINNESOTA	DELAGOON PARK
ENGINEERING DEPARTMENT	PEBBLE LAKE PUBLIC ACCESS
Sheet No. of Sheets	



Council Action Recommendation

Page 1 of 1

Meeting Date:

April 10, 2024 – Committee of the Whole
April 15, 2024 – City Council

Subject:

PI 5362 – Fir Avenue (C.S.A.H 1) and Friberg Avenue (MSAS No. 126) Roundabout Improvement Project: Local Road Improvement Program (LRIP) Grant Application

Recommendation:

1. Authorize the City Engineer to accept the Local Road Improvement Program (LRIP) Grant offer.

Background/Key Points:

Last December an application was submitted to the Local Road Improvement Program (LRIP) to fund a portion of the capital construction costs for the City's share of this project. I received the attached letter from the program administrator indicating \$790,000.00 has been allocated to this project. If acceptable, I will begin the grant acceptance process.

Budgetary Impact:

Pursuant to County/City Agreement and past joint ventures, the City shall pay for the following project costs:

- 1) One-third (1/3) of the cost of the street repair, sidewalk and lighting including the resurfaced area.
- 2) 100 percent of the cost of the non-storm sewer municipal utilities. To be determined and quantified during the final design phase.
- 3) One-third (1/3) of the cost of storm sewer placement based on the Mn/DOT stormwater analysis.
- 4) 100 percent of costs for permanent and/or temporary easements adjoining Friberg Avenue.
- 5) A pro rata portion of the total engineering costs for the project, in an amount representing the same ratio to the total engineering costs as Municipality's portion of the construction costs bears to the total construction contract cost.

The City's portion is estimated at approximately \$730,000 plus any non-eligible municipal storm work which is determined thru State Aid review. Sanitary sewer and watermain replacements are estimated at \$180,000 which have been budgeted in the City's 2024 CIP.

Originating Department:

Engineering Department

Respectfully Submitted:

Brian Yavarow, P.E. – City Engineer

Attachments: LRIP Notification Letter

April 1, 2024

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

Re: 2023 Local Road Improvement Program Project Selection

Dear Brian Yavarow,

Thank you for your application submittal under the 2023 Local Road Improvement Program (LRIP) solicitation. The MSAS 123 (Friberg Ave.) project in City of Fergus Falls was selected for Local Road Improvement Program funds appropriated by the legislature in 2023. We have identified up to \$790,000.00 in LRIP 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 grant bond or 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) on next steps and throughout the project development process. Please email the SAP/SP number to me immediately after it is issued.

Following are a few other important notes:

- Items that are eligible for LRIP funds include reasonable elements associated with roadway construction, including basic landscaping and 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 is not eligible.
- Your agency will be required to execute an LRIP grant agreement prior to construction, which includes certification of right of way ownership by the agency and a resolution agreeing to finance any costs 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 separate a column that identifies LRIP participating items only. If more than one agency will ultimately own bond or general funded improvements, there will need to be separate LRIP participating columns on the engineer's estimate for each agency. Additionally, if this is the case, separate LRIP grant agreements will be required with each agency that will ultimately own bond or general funded improvements.
- Design standards:
 - Work on State Aid routes are subject to State Aid standards
 - Work on non-state aid routes will need to adhere to design standards as identified in [MnDOT State Aid Rules](#), the American Association of State Highway and Transportation Official (AASHTO) A Policy on Geometric Design of Highways and Streets, or other design standards as identified by the DSAE. Please consult with your DSAE to determine the appropriate design standards for your project.
- The DSAE will need to review, approve, and sign plans prior to advertising the construction contract.

- After DSAE plan approval, you will need a funding letter from the State Aid Programs office before advertising the construction contract. The LRIP 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 LRIP grant agreement as part of the delivery of the funding letter.
- The final LRIP amount as included in one or more LRIP grant agreements will be based on the low bid documents. The LRIP grant amount is typically capped.
- The LRIP grant agreement should be fully executed before construction begins.

If you have questions, please contact me, Rashmi Brewer at rashmi.brewer@state.mn.us. I will be your primary contact for this LRIP grant selection.

Sincerely,



Rashmi Brewer, P.E.
State Aid State Programs Engineer

copy: Nathan Gannon, District 4 State Aid Engineer
enclosure: State Fund Grantee User Guide



Council Action Recommendation

Page 1 of 1

Committee of the Whole

Meeting Date: 4-10-24

Subject: "NO MOW MAY"

Recommendation: Allow a temporary exemption from city nuisance regulation 95.04(C) that doesn't allow for grass to exceed 6" in height.

Background/Key Points: The Natural Resources Advisory Committee believes that participating in "No Mow May" supports all of Minnesota's pollinators. Minnesota pollinators include native bees, butterflies, ants, flies, beetles, birds, and more. Avoiding mowing in early spring and during the month of May helps to protect overwinter habitat for threatened bee populations and other pollinators, while allowing flowering plants to grow rich in nectar and other key nutrients that serve as food for our pollinators during a time when needed most. In areas like Fergus Falls, pollinator habitat and food sources are relatively sparse this time of year. By participating in "No Mow May", residents can help support the health and diversity of the native pollinator populations by providing the resources needed for pollinators to thrive. All lawns would need to comply to the height maximum by on or before June 1st.

Budgetary Impact: None

Originating Department: Public Works/Code Enforcement Div.

Respectfully Submitted: Len Taylor

Attachments:



Council Action Recommendation

Page 1 of 3

Meeting Date:

April 10, 2024 – Committee of the Whole
April 15, 2024 – City Council

Subject:

PI No. 9767 - Downtown & Riverfront (DTRF) Project Phase 2 – East Block Site
Improvements

Recommendation:

1) Resolution accepting Comstock’s proposal for a Decorative steel fence **OR** Wooden split rail fencing.

Background/Key Points:

The Downtown & Riverfront (DTRF) Project Phase 2 will start up soon once weather conditions permit. Last fall concerns were brought forward about options to address potential safety barriers for splash pad users and the existing riverbank sloping. Although the code does not require a physical barrier and a green space separation between the splash pad and the riverbank top is proposed, I requested pricing for a fence along the top of the riverbank. Please refer to the attached exhibit for the proposed fence location.

Comstock provided three (3) options for the Council to consider as follows:

- 1) Decorative steel fence similar to the fence installed in Phase 1 (West block) at \$70,425.00 (\$263.77/LF)
- 2) Wooden cedar split rail fencing at \$22,9889.48 (\$86.10/LF)
- 3) Monitor use and decide at a later date.

For reference, Bid Alternate 2 consisted of a continuation of the riverfront trail and a plaza area south of the splash pad. This alternative included a fence, mounted on the trail, to further separate the project area from the riverbank. Due to budgetary constraints, Bid Alternate 2 was not selected for award, which eliminated the fence from the project scope.

Last fall during the initial presentation of these fencing options, Council members requested additional information regarding the overall budget. The attached memorandum provides detailed information about the projected final budget.

Budgetary Impact:

Budget projections indicate approximately \$219,100.00 remaining in construction contingency. Sufficient construction budget contingency to proceed with either option if the Council approves to proceed.

Originating Department:

Engineering Department

Respectfully Submitted:

Brian Yavarow, P.E. – City Engineer

Attachments:

Bolton & Menk Memorandum

Fence location Exhibit



Figure 1- Decorative Steel Fence



Figure 2 - Cedar Split Rail Fence



Real People. Real Solutions.

3168 41st Street South
Suite 2
Fargo, ND 58104

Ph: (701) 566-5339
Fax: (701) 566-5348
Bolton-Menk.com

MEMORANDUM

Date: March 5, 2024
To: Brian Yavarow, City Engineer
From: Kent Louwagie, PE, Principal Engineer
Grant J. Kuper, PE, CFM, Project Manager
Subject: Downtown Riverfront Improvements Phase 2
City of Fergus Falls, Minnesota
Project No.: OD1.125985

During the November 1st Committee of the Whole meeting, there was discussion about potentially adding a fence along the river on the south side of the project. During the initial conversation, council requested more information regarding the contingency usage to date. The following is a summary of the project costs to date.

Change order 1 was approved concurrent with the award of the project, which corrected a mis-typed unit price on the contractor's bid. This change order is not included in the contingency calculation as it was already accounted for with the award of the project.

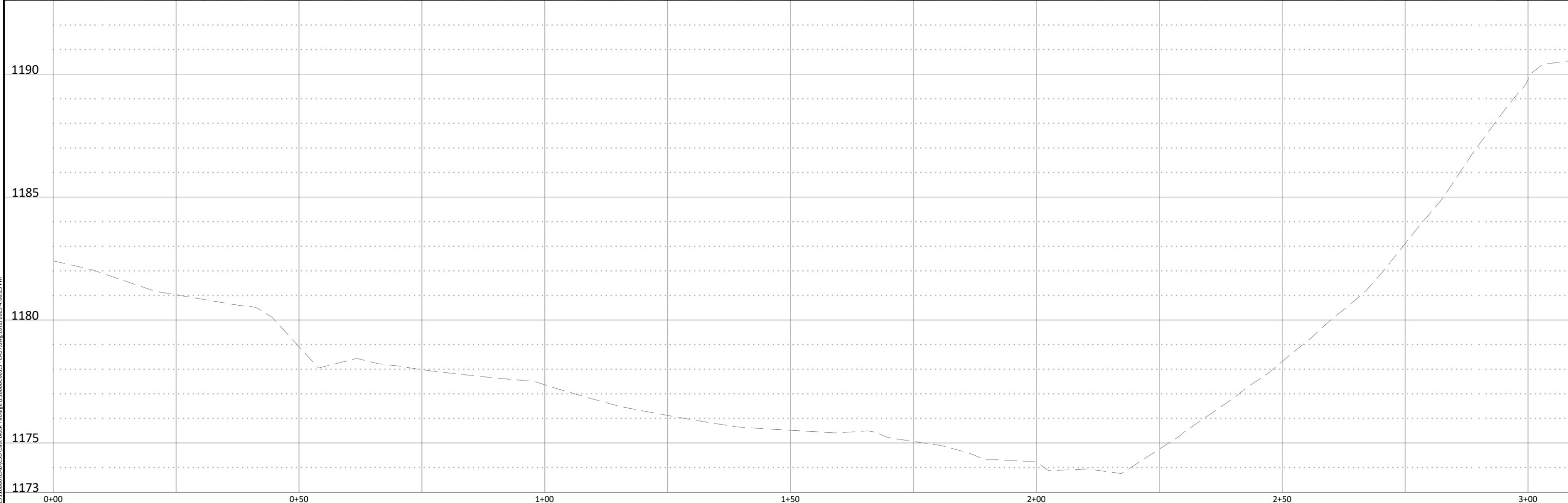
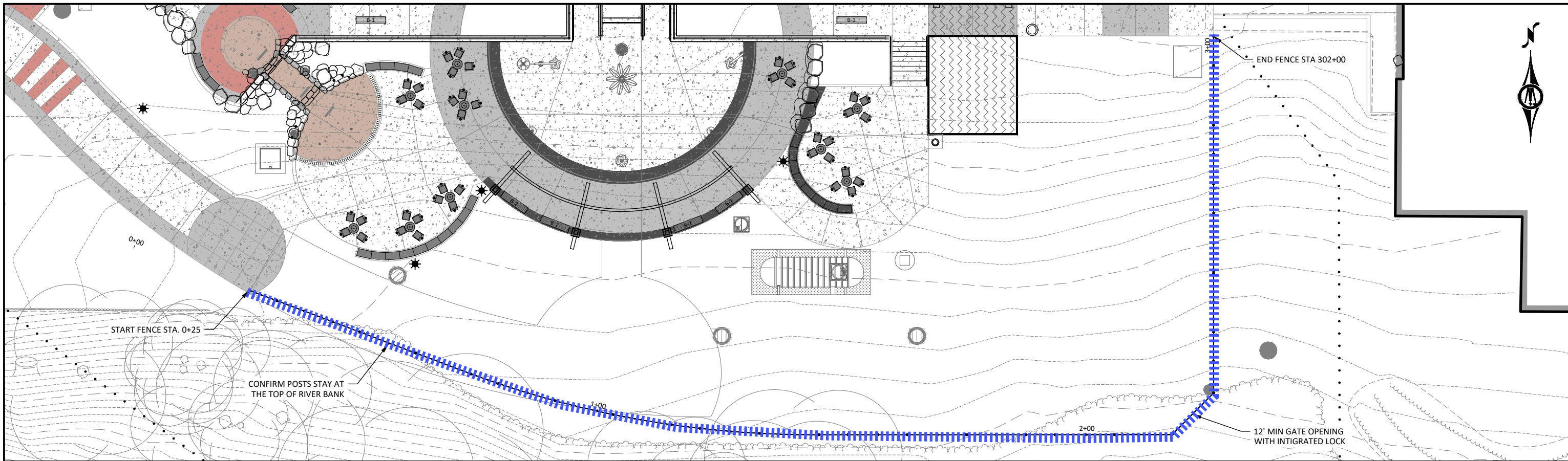
The value of the awarded contract, including Change Order 1, was \$3,591,292.24. Based on this amount, a 10% construction contingency of \$359,129.22 was included in the project budget.

Change order 2 was approved on July 17, 2023 and included the Federal Courthouse sidewalk addition, limestone seat wall and multilevel water feature revision, and donor plaque addition. The total amount for Change Order 2 was \$71,954.79, about 20% of the contingency.

Additional changes to date include necessary plumbing changes in the amount of \$1,980.30, and an anti-graffiti coating in both restrooms in the amount of \$1,575.00. These changes will be incorporated into a future change order.

Finally, we have estimated the final quantities for the project and are projecting \$64,474.56 in costs above the original construction budget. These overruns include additional excavation required in the parking lot due to poor soil conditions, additional tree removal along the riverbank, and minor variations from the proposed plan to what was able to be constructed in the field. These construction over-runs are typical on a project of this nature, and can be covered within the construction contingency.

The summation of the above results in \$139,984.65 in construction costs over the original contract amount, which would use 39% of the construction contingency. This leaves an anticipated \$219,144.57 of the contingency remaining for a fence or other unforeseen construction items.



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 PL16886501.5 - EAST.dwg, 10/27/2023 4:08:25 PM



I HEREBY CERTIFY THAT THIS PLAN, SPECIFICATION, OR REPORT WAS PREPARED
 BY ME OR UNDER MY DIRECT SUPERVISION AND THAT I AM A DULY LICENSED
 PROFESSIONAL ENGINEER UNDER THE LAWS OF THE STATE OF MINNESOTA.

KENT M. LOUWAGIE
 LIC. NO. 44252 DATE 08/03/2022



3168 41ST STREET SOUTH, SUITE 2
 FARGO, NORTH DAKOTA 58104
 Phone: (701) 566-5339
 Email: Fargo@bolton-menk.com
 www.bolton-menk.com

DESIGNED	NO.	ISSUED FOR	DATE
JJD	1	CONST	10/19/2022
JJD	2	CO 1	09/21/2022
JJD	3	CO 2	03/31/2023
GJK / KML	3	FO 2	09/06/2023

CITY OF FERGUS FALLS, MINNESOTA
 DOWNTOWN RIVERFRONT IMPROVEMENTS PH. II
 RIVERFRONT PLAN
 RIVER EDGE FENCE

SHEET
 C6.09

RESOLUTION ALLOWING CLAIMS & ORDERING PAYMENT THEREOF

WHEREAS, THE CITY ADMINISTRATOR HAS AUDITED AND THE DEPARTMENTS HAVE APPROVED THE FOLLOWING CLAIMS AGAINST THE CITY OF FERGUS FALLS, AND HAVE CERTIFIED THAT SUCH CLAIMS ARE PROPERLY PAYABLE BY THE SAID CITY, AND THAT THE SAID CITY ADMINISTRATOR HAS VERIFIED SUCH CLAIMS TO BE PAID AND HAS SATISFIED HIMSELF THAT SUCH BILLS AND CLAIMS ARE PROPER CHARGES AGAINST THE CITY OF FERGUS FALLS;

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF FERGUS FALLS, MINNESOTA, THAT THE FOLLOWING BILLS AND CLAIMS BE AND THEREBY ARE, ORDERED PAID OUT OF THE FOLLOWING FUNDS:

General

A-1 LOCK & KEY LLC	MARCH SENIOR CENTER KEYS	117.90
AT&T MOBILITY	CELL PHONE DATA	89.50
AT&T MOBILITY	DATA PLANS/FIRE CHIEF	49.78
AT&T MOBILITY	DATA PLANS/PREVENTION CHIEF	44.75
AT&T MOBILITY	DATA PLANS/TRAINING CHIEF	49.78
ALEX AIR APPARATUS 2, LLC	APRIL ASR 155 RESCUE BOAT	3,477.08
ARAMARK UNIFORM SERVICES	MARCH LINEN SUPPLY	993.48
SEAN ANDERSON	MARCH CELL PHONE CASE	32.28
SEAN ANDERSON	MARCH PLUMBING PARTS	8.34
TYLER ARMSTRONG	15 BALES OF STRAW/HOUSE BURN	60.00
AUTO VALUE - FERGUS FALLS	APRIL SPRAY CAN	30.00
CSG JANITORIAL	CLEANING WEEKS OF 3/24-3/31	500.00
BEYER BODY SHOP, INC.	TOW AUDI/24009213	150.00
BEYER BODY SHOP, INC.	TOW CHEVY SILVERADO/24008853	100.00
CAPITAL IMPROVEMENT FUND	2023 FUND 403 INTEREST EXP	110,620.46
CHARTER COMMUNICATIONS	04/02-04/01/24 CABLE	55.97
CHARTER COMMUNICATIONS	04/04-05/03/24 CABLE	65.77
CLAY COUNTY PUBLIC HEALTH	SEASONAL PERMIT/FOOD STAND	260.00
COMMISSIONER OF REVENUE	2024 MARCH SALES TAX	60,295.00
COOPERS TECHNOLOGY GROUP	APR PEEL SEEL CATALOG ENVELOPE	61.80
COOPERS TECHNOLOGY GROUP	APRIL HANGING FOLDERS	15.00
COOPERS TECHNOLOGY GROUP	MAR CHAIR MAT,WASTE BASKET,	287.14
COOPERS TECHNOLOGY GROUP	MARCH FILE FOLDERS	47.07
COOPERS TECHNOLOGY GROUP	MARCH FLAGS	16.38
COOPERS TECHNOLOGY GROUP	MARCH STENO PADS, NOTE PADS	32.26
COSSETTE ELECTRIC LLC	APR REPAIR SOLAR CROSSWALK LIG	837.96
COSSETTE ELECTRIC LLC	APRIL EMERGENCY LIGHTS AT RINK	545.16
COSSETTE ELECTRIC LLC	APRIL EXTERIOR LIGHTS/BACK	203.21
COSSETTE ELECTRIC LLC	APRIL REPLACED LIGHTS	1,277.96
COSSETTE ELECTRIC LLC	MARCH AUTOMATIC DOOR OPENER	92.00
COSSETTE ELECTRIC LLC	MARCH FIRE ALARM MAINT/REPAIR	160.76

General

COSSETTE ELECTRIC LLC	MARCH STORAGE ROOM LIGHTS	741.91
DACOTAH PAPER CO	APRIL MAINTENANCE SUPPLIES	1,443.73
DACOTAH PAPER CO	APRIL MOP WET	22.61
DACOTAH PAPER CO	MAR CLOROX SPRAY,WIPES,DISINFE	576.36
DACOTAH PAPER CO	MARCH HI-D 40-45 GAL X-LINER	159.18
DAILY JOURNAL	APRIL BOARD OF EQUALIZATION	123.77
DAILY JOURNAL	APRIL BUSINESS SUBSIDY HEARING	127.60
DAILY JOURNAL	APRIL PUBLISH ORDINANCE #57	109.10
EMPLOYEES INSURANCE TRUST FUND	APR LIFE INSURANCE	2,823.52
EMPLOYEES INSURANCE TRUST FUND	APRIL HEALTH INSURANCE	101,305.73
EQUIPMENT FUND	MAR FUEL CHARGES #3002	76.58
EQUIPMENT FUND	MAR FUEL CHARGES #3004	23.26
EQUIPMENT FUND	MAR FUEL CHARGES #3006	32.32
EQUIPMENT FUND	MAR FUEL CHARGES #3009	31.54
EQUIPMENT FUND	MAR FUEL CHARGES #3041	29.30
EQUIPMENT FUND	MAR FUEL CHARGES #3042	26.31
EQUIPMENT FUND	MAR REPAIRS/SERVICE #3002	27.48
EQUIPMENT FUND	MAR REPAIRS/SERVICE #3006	86.52
4M FUND	MAR 2024 SERVICE CHARGE	57.56
FASTENAL COMPANY	APR MISC PARTS FOR BIKE RACKS	146.64
FASTENAL COMPANY	APR PARK SAFETY VENDING	9.74
FASTENAL COMPANY	APR STREET SAFETY VENDING	9.74
FASTENAL COMPANY	APR 14.5" CBL TIES (SIGNS)	25.87
FIRE-N-ICE HEATING & AIR COND	APRIL ROOTER MAINT OF SEWER	200.00
GALLS LLC	HABERER CREDIT ON UNIF PURCHAS	145.58-
GALLS LLC	HABERER UNIFORM PURCHASE	263.79
GENERAL FUND	MARCH COPIER USE	310.00
GENERAL FUND	MARCH POSTAGE USE	276.16
GENERAL FUND	TRANSFER MARCH COPIER USE	410.58-
GENERAL FUND	TRANSFER MARCH POSTAGE USE	537.42-
GENERAL FUND	11/27/23-02/27/24 COPY OVERAGE	.07-
GOODIN COMPANY	APRIL J-BEND,PLUG DRAIN,PVC	37.62
GOODIN COMPANY	MARCH 1 1/4"-2" 949 SERIES	286.20
GRANITE ELECTRONICS	106 RADIO REPAIR	278.61
GREAT PLAINS NATURAL GAS CO	MARCH NATURAL GAS EXPENSE	1,855.28
GREATER FERGUS FALLS CORP	2ND QTR 2024 BUDGET ALLOCATION	12,500.00
HIGH POINT NETWORKS LLC	AZURE ACTIVE DIRECTORY PREMIUM	1,008.00
HIGH POINT NETWORKS LLC	HPN MONTHLY M365/GSUITE BACKUP	336.00
HIGH POINT NETWORKS LLC	OFFICE 365 G3 GCC	2,576.00
HIGH POINT NETWORKS LLC	PROJECT PLAN 3 FOR GCC	30.00
HIGH POINT NETWORKS LLC	VISIO PLAN2 FOR GCC	45.00
HOME DEPOT CREDIT SERVICES	APR ROLLER,TRAY,PAINT,SHEDLESS	68.30
HOME DEPOT CREDIT SERVICES	MAR SAW FILES (PARK DEPT)	16.94

General

HOME DEPOT CREDIT SERVICES	MAR TILE ADHESIVE GOLF COURSE	31.87
HOME DEPOT CREDIT SERVICES	MARCH 3-SPEED PORTABLE BOX FAN	47.96
JK SPORTS	APRIL 12" SLOWPITCH SOFTBALLS	2,398.50
JK SPORTS	OFFICIAL LEAGUE GAME BASEBALLS	1,099.00
JK SPORTS	2024 SUMMER REC REPLICAS CAPS	3,878.43
JUST ADD WATER LANDSCAPE	BLAZIN 1" STRAIGHT CONNECTORS	21.36
JUST ADD WATER LANDSCAPE	10 FEET 1" POLY PIPE	10.00
LAKEWAY EXPRESS LLC	MARCH SMALL ENGINE FUEL	13.43
LEAGUE OF MINNESOTA CITIES	MARCH REGIONAL SAFETY TRAINING	97.35
LOCKBOX SERVICES 931054	10/01-12/31/23 INVESTMENT FEES	11,014.77
MARCO TECHNOLOGIES LLC	2960X SWITCH MAINTENANCE	486.40
MARCO TECHNOLOGIES LLC	3850 SWITCH 1 MAINTENANCE	1,434.12
MARCO TECHNOLOGIES LLC	3850 SWITCH 2 MAINTENANCE	1,434.12
MARCO TECHNOLOGIES LLC	4321 ROUTER MAINTENANCE	570.90
MARCO TECHNOLOGIES LLC	03/27-04/27/24 COPIER RENT	677.47
MARCO TECHNOLOGIES LLC	03/27-04/27/24 PRINTER RENT	107.04
MEDTOX LABORATORIES INC	MARCH PRE-EMPLOY DRUG SCREEN	33.40
MOTOROLA SOLUTIONS INC	8 RADIO CHARGER/MICS	1,752.16
ANDREW NELSON	2024 SAFETY BOOT REIMBURSEMENT	137.05
NEW HORIZONS ENERGY	MARCH PROPANE/MAIN TERMINAL	1,060.56
NORTH COUNTRY CHEVROLET	2024 CHEVY TAHOE UNIT #3049	49,690.36
NYCKLEMOE & ELLIG, P.A.	APRIL PROSECUTING SERVICES	9,758.33
OFFICE OF MNIT SERVICES	DECEMBER 2023 INTERNET USAGE	338.62
OFFICE OF MNIT SERVICES	OCTOBER 2023 INTERNET USAGE	338.62
OTTER TAIL CO. TREASURER'S OFC	1ST HALF 2024 PROPERTY TAXES	1,104.00
OTTER TAIL CO. TREASURER'S OFC	2024 PROPERTY TAXES	96.00
OTTER TAIL POWER COMPANY	MARCH ELECTRICITY EXPENSE	42,708.02
OTTER TAIL TELCOM	APRIL TELEPHONE EXPENSE	985.23
POLICE DEPT PETTY CASH	ESTEP TRAVEL MEAL	15.00
POLICE DEPT PETTY CASH	ESTEP/HEINEN JOB FAIR MEAL	19.70
PRINCIPAL CUSTODY SOLUTIONS	PURCHASE OF INVEST/MAR	1,540,571.88
PRINCIPAL CUSTODY SOLUTIONS	PURCHASE OF INVEST/3140NUCW7	262,629.03-
PRINCIPAL CUSTODY SOLUTIONS	PURCHASE OF INVEST/91282CJZ5	73,665.16-
PRINCIPAL CUSTODY SOLUTIONS	PURCHASE OF INVEST/91282CKA8	144,102.83-
PRINCIPAL CUSTODY SOLUTIONS	PURCHASE OF INVEST/91282CKD2	145,166.71-
PRINCIPAL CUSTODY SOLUTIONS	PURCHASE OF INVEST/91282CKE0	144,722.21-
REACH MEDIA NETWORK	PLAYER LICENSE RENEWAL	350.00
ROSENBAUER MINNESOTA LLC	MARCH E5 SIREN SWITCH	144.05
SHI INTERNATIONAL CORP	USB 2.0 DRIVE SUPPLIES	90.00
SKY CREW SERVICES, LLC	MAY MANAGEMENT FEES	3,500.00
STATE TREASURER	1ST QTR SURCHARGE	1,624.22
STATE TREASURER	1ST QTR SURCHARGE RETENTION	65.63-
TAG-UP	APRIL PLATE-SERTOMA	26.25

General

THRIFTY WHITE PHARMACY INC	MAR TWINRIX SUSP FOR INJECTION	333.78
T-MOBILE	TRUCK IPAD DATA PLANS	192.33
VERIZON WIRELESS	CELL/AIR CARDS 3/2-4/1	1,107.42
	F U N D T O T A L	1,216,535.54

P.A. General

ATLAS OUTDOOR SERVICES LLC	APRIL CBHH SNOW/LAWN CARE	1,000.00
EMPLOYEES INSURANCE TRUST FUND	APR LIFE INSURANCE	8.11
EMPLOYEES INSURANCE TRUST FUND	APRIL HEALTH INSURANCE	1,167.98
GENERAL FUND	MARCH COPIER USE	15.46
MARCO TECHNOLOGIES LLC	03/27-04/27/24 COPIER RENT	51.88
MARCO TECHNOLOGIES LLC	03/27-04/27/24 PRINTER RENT	22.02
OTTER TAIL CO. TREASURER'S OFC	ARMY RES BLDG 71003991432008	624.00
OTTER TAIL CO. TREASURER'S OFC	1ST HALF FARM 71003995001000	1,095.00
OTTER TAIL CO. TREASURER'S OFC	1ST HALF NORG 71002995001000	2,877.00
OTTER TAIL CO. TREASURER'S OFC	1ST HALF RACE 71003995007000	369.00
OTTER TAIL CO. TREASURER'S OFC	2024 CBHH 71004500023006	2,496.00
SUMMIT COMPANIES	MONTHLY MONITORING -APR	36.00
	F U N D T O T A L	9,762.45

Regional Treatment Center-City Operated

OTTER TAIL CO. TREASURER'S OFC	2024 PROPERTY TAXES	96.00
OTTER TAIL POWER COMPANY	MARCH ELECTRICITY EXPENSE	125.06
	F U N D T O T A L	221.06

Public Library

ARAMARK UNIFORM SERVICES	MARCH LINEN SUPPLY	56.32
BAKER & TAYLOR INC	BOOKS	4,601.43

Public Library

BAKER & TAYLOR INC	FREIGHT SURCHARGE	92.25
BAKER & TAYLOR INC	LOWE BOOKS	15.51
BAKER & TAYLOR INC	LOWES BOOKS	131.53
BAKER & TAYLOR INC	LOWES FREIGHT SURCHARGE	2.72
BAKER & TAYLOR INC	LOWES PROCESSING	12.70
BAKER & TAYLOR INC	PROCESSING	351.84
COOPERS TECHNOLOGY GROUP	TABLES & CHAIRS	2,203.86
DACOTAH PAPER CO	MAR CLOROX SPRAY,WIPES,DISINFE	288.18
EMPLOYEES INSURANCE TRUST FUND	APR LIFE INSURANCE	54.41
EMPLOYEES INSURANCE TRUST FUND	APRIL HEALTH INSURANCE	6,454.38
GREAT PLAINS NATURAL GAS CO	MARCH NATURAL GAS EXPENSE	67.79
HOOPLA	DIGITAL CONTENT	1,122.72
VICTOR LUNDEEN COMPANY	COPY PAPER	545.00
VICTOR LUNDEEN COMPANY	TAPE	17.96
OTTER TAIL CO. TREASURER'S OFC	1ST HALF 2024 PROPERTY TAXES	160.00
OTTER TAIL POWER COMPANY	MARCH ELECTRICITY EXPENSE	2,955.12
OTTER TAIL TELCOM	APRIL TELEPHONE EXPENSE	200.14
US BANK EQUIPMENT FINANCE	03/20-04/20/24 COPIER RENT	614.40
VIKING LIBRARY SYSTEM	BARCODES, IDCARDS,	337.00
VIKING LIBRARY SYSTEM	WIRELESS ACCESS SUPPLIES	455.30
	F U N D T O T A L	20,740.56

Bigwood Event Center

ARAMARK	APRIL LINEN SUPPLY	734.36
CARDCONNECT	MAR CREDIT CARD FEES	198.66
CLOVER	APR POS MONTHLY CHARGE	194.02
COMMISSIONER OF REVENUE	2024 MARCH SALES TAX	50.37
DACOTAH PAPER CO	MAR CLOROX SPRAY,WIPES,DISINFE	251.42
EMPLOYEES INSURANCE TRUST FUND	APR LIFE INSURANCE	7.44
EMPLOYEES INSURANCE TRUST FUND	APRIL HEALTH INSURANCE	862.44
OTTER TAIL CO. TREASURER'S OFC	1ST HALF 2024 PROPERTY TAXES	624.00
OTTER TAIL POWER COMPANY	MARCH ELECTRICITY EXPENSE	2,412.61
TWEETON REFRIGERATION	MARCH ICE MACHINE RENTAL	180.00
	F U N D T O T A L	5,515.32

IRP Revolving Loan

IRP Revolving Loan

GENERAL FUND	MARCH COPIER USE	4.94
	F U N D T O T A L	4.94

CDBG/HUD Revolving Loan

ADMINISTRATOR'S CONTINGENCY FD	MORTGAGE TAX/STELLA'S	138.00
ADMINISTRATOR'S CONTINGENCY FD	REGISTRATION TAX/STELLA'S	46.00
GENERAL FUND	MARCH COPIER USE	14.74
WEST CENTRAL ABSTRACTING	O&E REPORT -801 W STANTON AVE	85.00
	F U N D T O T A L	283.74

Capital Improvement

BRAUN INTERTEC CORPORATION	PROF SERV THROUGH 2/9/2024	750.00
BRAUN INTERTEC CORPORATION	PROF SERVICES THRU 3/22/2024	1,465.75
CAPITAL IMPROVEMENT FUND	2023 FUND 403 INTEREST EXP	188,981.30-
JOEL CARLSON INC.	2024 LEGISLATIVE SESSION	16,000.00
DAILY JOURNAL	APRIL PAVING/SHOREVIEW-PL	375.14
JLG ARCHITECTS	PROF SERV.ENDING 3/31/24	6,953.69
MOORE ENGINEERING INC	FRANCHISE FEES ANALYSIS	5,962.50
TAFT STETTINIUS HOLLISTER LLP	FEBRUARY 2024 CONTRACT MATTER	1,317.50
THE TRADESMEN CONSTRUCTION INC	PAY APP NO 3 AQUATIC	152,346.75
	F U N D T O T A L	3,809.97-

P.I.R. Projects

CAPITAL IMPROVEMENT FUND	2023 FUND 403 INTEREST EXP	59,327.87
	F U N D T O T A L	59,327.87

Liquor Store

A-1 LOCK & KEY LLC	MARCH LIQUOR STORE KEY	121.60
THE AMERICAN BOTTLING COMPANY	APRIL/MIX	297.21
THE AMERICAN BOTTLING COMPANY	MARCH/MIX	187.70
ARAMARK UNIFORM SERVICES	MARCH LINEN SUPPLY	464.38
ARTISAN BEER COMPANY	APRIL/BEER	2,795.90
BELLBOY CORPORATION	MARCH/FREIGHT	51.11
BELLBOY CORPORATION	MARCH/LIQUOR	2,827.09
BELLBOY CORPORATION	MARCH/MIX	503.65
BEVERAGE WHOLESALERS INC	APRIL/BEER	30,717.22
BEVERAGE WHOLESALERS INC	APRIL/MIX	249.95
BEVERAGE WHOLESALERS INC	MARCH/BEER	20,248.14
BEVERAGE WHOLESALERS INC	MARCH/MIX	62.80
BRAUN VENDING INC	APRIL WATER COOLER RENT	9.00
BREAKTHRU BEVERAGE MINNESOTA	APRIL/BEER	1,190.50
BREAKTHRU BEVERAGE MINNESOTA	APRIL/FREIGHT	152.97
BREAKTHRU BEVERAGE MINNESOTA	APRIL/LIQUOR	6,625.17
BREAKTHRU BEVERAGE MINNESOTA	APRIL/MIX	188.25
BREAKTHRU BEVERAGE MINNESOTA	APRIL/WINE	880.00
BREAKTHRU BEVERAGE MINNESOTA	MARCH/FREIGHT	20.30
BREAKTHRU BEVERAGE MINNESOTA	MARCH/LIQUOR	2,291.49
BREAKTHRU BEVERAGE MINNESOTA	MARCH/WINE	272.00-
CAYAN	MARCH 2024 CR CD FEES	13,138.83
VIKING COCA-COLA BOTTLING CO	APRIL/MIX	1,020.50
VIKING COCA-COLA BOTTLING CO	MARCH/MIX	151.92
COMMISSIONER OF REVENUE	2024 MARCH SALES TAX	11.45
COSSETTE ELECTRIC LLC	APRIL GAS LEAK REPAIRS	460.00
D-S BEVERAGES, INC.	APRIL/BEER	42,263.65
D-S BEVERAGES, INC.	APRIL/LIQUOR	512.50
D-S BEVERAGES, INC.	APRIL/MIX	573.00
D-S BEVERAGES, INC.	APRIL/WINE	67.00
D-S BEVERAGES, INC.	MARCH/BEER	2,204.20
D-S BEVERAGES, INC.	MARCH/LIQUOR	121.42
D-S BEVERAGES, INC.	MARCH/MIX	58.95
DACOTAH PAPER CO	APRIL SUPPLIES-BAGS	145.88
DACOTAH PAPER CO	APRIL CAN LINERS, CLEANERS	188.93
DACOTAH PAPER CO	MARCH CLOROX SPRAY	123.14
DAILY JOURNAL	2023 LIQUOR STORE FINANCIALS	331.76
EMPLOYEES INSURANCE TRUST FUND	APR LIFE INSURANCE	22.65
EMPLOYEES INSURANCE TRUST FUND	APRIL HEALTH INSURANCE	7,520.84
FERGUS BREWING COMPANY LLC	APRIL/BEER	208.00
GREAT PLAINS NATURAL GAS CO	MARCH NATURAL GAS EXPENSE	339.29
THE HOME CITY ICE COMPANY	APRIL/FREIGHT #7473240070	15.00
THE HOME CITY ICE COMPANY	APRIL/ICE #7473240070	73.44

Liquor Store

HOME DEPOT CREDIT SERVICES	APRIL BALLCOCK, ROUND ROD ALUM	21.44
HOME DEPOT CREDIT SERVICES	MAR MISC PLUMBING PARTS	33.02
HOME DEPOT CREDIT SERVICES	MAR TAPCON/1" NIPPLE EAST LIQU	45.98
JOHNSON BROTHERS LIQUOR CO	APRIL/FREIGHT	449.11
JOHNSON BROTHERS LIQUOR CO	APRIL/LIQUOR	10,850.97
JOHNSON BROTHERS LIQUOR CO	APRIL/MIX	241.30
JOHNSON BROTHERS LIQUOR CO	APRIL/WINE	11,201.87
JOHNSON BROTHERS LIQUOR CO	MARCH/FREIGHT	101.84
JOHNSON BROTHERS LIQUOR CO	MARCH/LIQUOR	2,950.60
JOHNSON BROTHERS LIQUOR CO	MARCH/MIX	37.00
JOHNSON BROTHERS LIQUOR CO	MARCH/WINE	3,915.54
LEAGUE OF MINNESOTA CITIES	MARCH REGIONAL SAFETY TRAINING	97.35
LIQUOR STORE	RECEIPT APRIL RENT	358.00-
MARCO TECHNOLOGIES LLC	03/27-04/27/24 PRINTER RENT	125.90
OTTER TAIL CO. TREASURER'S OFC	1ST HALF 2024 PROPERTY TAXES	544.00
OTTER TAIL POWER COMPANY	MARCH ELECTRICITY EXPENSE	3,038.29
OTTER TAIL TELCOM	APRIL TELEPHONE EXPENSE	358.51
PAUSTIS WINE COMPANY	MARCH/FREIGHT	45.00
PAUSTIS WINE COMPANY	MARCH/WINE	2,632.50
PHILLIPS WINE & SPIRITS CO	APRIL/FREIGHT	170.15
PHILLIPS WINE & SPIRITS CO	APRIL/LIQUOR	4,363.37
PHILLIPS WINE & SPIRITS CO	APRIL/MIX	28.05
PHILLIPS WINE & SPIRITS CO	APRIL/WINE	2,915.30
PHILLIPS WINE & SPIRITS CO	MARCH/FREIGHT	973.57
PHILLIPS WINE & SPIRITS CO	MARCH/LIQUOR	40,714.87
PHILLIPS WINE & SPIRITS CO	MARCH/MIX	139.00
PHILLIPS WINE & SPIRITS CO	MARCH/WINE	2,586.50
SIGNATURE HOME TECHNOLOGIES	APRIL,MAY,JUNE MONITOR SERVICE	73.74
SOUTHERN GLAZER'S OF MN	APRIL/FREIGHT	160.95
SOUTHERN GLAZER'S OF MN	APRIL/LIQUOR	4,478.46
SOUTHERN GLAZER'S OF MN	APRIL/MIX	136.00
SOUTHERN GLAZER'S OF MN	APRIL/WINE	1,945.56
SOUTHERN GLAZER'S OF MN	MARCH/FREIGHT	88.80
SOUTHERN GLAZER'S OF MN	MARCH/LIQUOR	4,486.13
SOUTHERN GLAZER'S OF MN	MARCH/WINE	239.36
SUMMIT COMPANIES	04/01/24-03/31/25 SECURITY MON	358.00
TALKING WATERS BREWING CO LLC	APRIL/BEER	155.00
VINOPIA INC	APRIL/FREIGHT	18.00
VINOPIA INC	APRIL/LIQUOR	1,271.00
VINOPIA INC	APRIL/WINE	280.00
WINE MERCHANTS INC	APRIL/FREIGHT	6.02
WINE MERCHANTS INC	APRIL/WINE	408.00
	F U N D T O T A L	241,492.83

Refuse Disposal

ARAMARK UNIFORM SERVICES	MARCH LINEN SUPPLY	336.83
AUTO VALUE - FERGUS FALLS	APR 11" BLACK ZIP TIES (JR)	8.49
CAPITAL IMPROVEMENT FUND	2023 FUND 403 INTEREST EXP	920.08
COMMISSIONER OF REVENUE	2024 MARCH SALES TAX	27.24
COMMISSIONER OF REVENUE	2024 MARCH SWMT	29,466.00
WASTE MANAGEMENT	03/16-03/31/24 PRO SERVICES	1,221.33
EMPLOYEES INSURANCE TRUST FUND	APR LIFE INSURANCE	64.22
EMPLOYEES INSURANCE TRUST FUND	APRIL HEALTH INSURANCE	14,417.70
FASTENAL COMPANY	APR REFUSE SAFETY VENDING	9.74
GENERAL FUND	11/27/23-02/27/24 COPY OVERAGE	3.62-
LEAGUE OF MINNESOTA CITIES	MARCH REGIONAL SAFETY TRAINING	97.35
MARCO TECHNOLOGIES LLC	03/27-04/27/24 COPIER RENT	199.89
MARCO TECHNOLOGIES LLC	03/27-04/27/24 PRINTER RENT	87.96
OTTER TAIL CO. TREASURER'S OFC	2024 PROPERTY TAXES	80.00
OTTER TAIL COUNTY TREASURER	MARCH TIPPING FEES	75,491.59
OTTER TAIL POWER COMPANY	MARCH ELECTRICITY EXPENSE	233.57
OTTER TAIL TELCOM	APRIL TELEPHONE EXPENSE	153.28
RECYCLE TECHNOLOGIES INC	MARCH BULBS	1,375.55
REVTRAK INC	MARCH 2024 CR CD FEES	3,517.96
WASTEWATER TREATMENT FUND	MARCH ASH CELL LEACHATE	546.00
WASTEWATER TREATMENT FUND	MARCH DEMO CELL 10.000 GAL	500.00
	F U N D T O T A L	128,751.16

Sewage Treatment

ARAMARK UNIFORM SERVICES	MARCH LINEN SUPPLY	240.34
CAPITAL IMPROVEMENT FUND	2023 FUND 403 INTEREST EXP	5,812.99
COSSETTE ELECTRIC LLC	APR PHAS LOST MONITOR SHOREVIE	207.00
COSSETTE ELECTRIC LLC	APR SITE WORK HOOT LAKE LIFT S	394.06
COSSETTE ELECTRIC LLC	APR UNHOOK BAD PUMP CHANNING	276.00
COSSETTE ELECTRIC LLC	APRIL NEW POWER SUPPLY	138.00
EMPLOYEES INSURANCE TRUST FUND	APR LIFE INSURANCE	37.18
EMPLOYEES INSURANCE TRUST FUND	APRIL HEALTH INSURANCE	8,009.70
FASTENAL COMPANY	APR SEWER SAFETY VENDING	9.74
FERGUSON WATERWORKS #1657	APR 24" MAN HOLE LIDS W/GSKT	1,511.18
GENERAL FUND	11/27/23-02/27/24 COPY OVERAGE	3.63-
GENERAL REPAIR SERVICE	MARCH REPAIR WILO MIXER	2,719.82
NAPA AUTO PARTS - FERGUS FALLS	APRIL PREM START FL 11OZ	17.26
GOPHER STATE ONE CALL	MARCH BILLABLE TICKETS	19.80

Sewage Treatment

GRAINGER INC	APR MULTI GAS DETECTOR 25%	551.20
GRAINGER INC	APR SENSIT CONFINED SPACE TUBE	23.87
HAWKINS INC	MARCH ALUMINUM SULFATE LIQUID	7,099.14
LEAGUE OF MINNESOTA CITIES	MARCH REGIONAL SAFETY TRAINING	97.35
LOCATORS & SUPPLIES INC	APR CLASS 3 RAIN JACKET (TIM)	34.95
MARCO TECHNOLOGIES LLC	03/27-04/27/24 COPIER RENT	199.87
MARCO TECHNOLOGIES LLC	03/27-04/27/24 PRINTER RENT	72.57
MCMASTER-CARR SUPPLY CO	APRIL STEEL/LOCKNUT/WASHER	326.57
MUNICIPAL SERVICE CO INC	APRIL IRON PIPE GROOVE	8,460.00
N.D. SEWAGE PUMP & LIFT STAT.	APR 30' ROTO LIFT STATION FLOA	63.28
OTTER TAIL CO. TREASURER'S OFC	1ST HALF 2024 PROPERTY TAXES	160.00
OTTER TAIL POWER COMPANY	MARCH ELECTRICITY EXPENSE	8,105.25
OTTER TAIL TELCOM	APRIL TELEPHONE EXPENSE	179.10
RMB ENVIRONMENTAL LABORATORIES	APRIL ANALYSIS	544.24
RMB ENVIRONMENTAL LABORATORIES	FEB ANALYSIS	147.14
RMB ENVIRONMENTAL LABORATORIES	MARCH ANALYSIS	334.40
RMB ENVIRONMENTAL LABORATORIES	MARCH ANAYLSIS	147.14
RAILROAD MANAGEMENT CO III,LLC	24 INTERCEPTOR SEWER @ BUSE	822.33
REVTRAK INC	MARCH 2024 CR CD FEES	3,517.97
SPEE*DEE DELIVERY SERVICE INC	MARCH SHIPMENT	71.37
USA BLUEBOOK	MARCH SEWAGE PUMP	3,593.24
WASTEWATER TREATMENT FUND	RECEIPT TO MARCH LEACHATE	1,046.00-
	F U N D T O T A L	52,894.42

Water

ADMINISTRATOR'S CONTINGENCY FD	APRIL LICENSE RENEWAL/DAVIS	23.00
ADMINISTRATOR'S CONTINGENCY FD	APRIL LICENSE RENEWAL/HAGE	23.00
ADMINISTRATOR'S CONTINGENCY FD	APRIL UTILITIES REFUND	4.28
AL'S REFRIGERATION, INC.	FEB CONDENSOR FAN MOTOR	285.00
ARAMARK UNIFORM SERVICES	MARCH LINEN SUPPLY	211.59
CAPITAL IMPROVEMENT FUND	2023 FUND 403 INTEREST EXP	9,828.88
EMPLOYEES INSURANCE TRUST FUND	APR LIFE INSURANCE	70.98
EMPLOYEES INSURANCE TRUST FUND	APRIL HEALTH INSURANCE	9,391.37
FASTENAL COMPANY	APR WATER SAFETY VENDING	9.74
FERGUSON WATERWORKS #1657	APR 2" MACH10 R900I 15.25" USG	1,195.43
GENERAL FUND	MARCH COPIER USE	65.44
GENERAL FUND	MARCH POSTAGE USE	257.52
GENERAL FUND	11/27/23-02/27/24 COPY OVERAGE	4.75

Water

GOIN' POSTAL FERGUS FALLS	WATER PLANT APRIL DELIVERY	45.20
GOPHER STATE ONE CALL	MARCH BILLABLE TICKETS	19.80
GRAINGER INC	APR MULTI GAS DETECTOR 25%	1,102.41
HOME DEPOT CREDIT SERVICES	APR GREAT STUFF (UTLITIES)	21.52
HOME DEPOT CREDIT SERVICES	APR MISC SUPPLIES CHAD WTP	118.00
HOME DEPOT CREDIT SERVICES	MAR TOOL CHEST UNIT 77	99.00
LEAGUE OF MINNESOTA CITIES	MARCH REGIONAL SAFETY TRAINING	97.35
MARCO TECHNOLOGIES LLC	03/27-04/27/24 COPIER RENT	280.23
MARCO TECHNOLOGIES LLC	03/27-04/27/24 PRINTER RENT	13.93
MIDWEST PRINTING COMPANY	MARCH WATER OFFICE SUPPLIES	190.00
OTTER TAIL CO. TREASURER'S OFC	1ST HALF 2024 PROPERTY TAXES	160.00
OTTER TAIL POWER COMPANY	MARCH ELECTRICITY EXPENSE	4,107.34
OTTER TAIL TELCOM	APRIL TELEPHONE EXPENSE	172.33
RMB ENVIRONMENTAL LABORATORIES	APRIL 1ST HALF BACT MONITORING	214.23
REVTRAK INC	MARCH 2024 CR CD FEES	3,517.97
	F U N D T O T A L	31,530.29

Storm Water

CAPITAL IMPROVEMENT FUND	2023 FUND 403 INTEREST EXP	2,471.02
EMPLOYEES INSURANCE TRUST FUND	APR LIFE INSURANCE	2.70
EMPLOYEES INSURANCE TRUST FUND	APRIL HEALTH INSURANCE	327.15
GOPHER STATE ONE CALL	MARCH BILLABLE TICKETS	19.80
GRAINGER INC	APR MULTI GAS DETECTOR 25%	551.21
OTTER TAIL POWER COMPANY	MARCH ELECTRICITY EXPENSE	220.71
	F U N D T O T A L	3,592.59

Equipment

ARAMARK UNIFORM SERVICES	MARCH LINEN SUPPLY	380.76
AMERICAN WELDING & GAS, INC	APR FORKLIFT PROPANE CYLINDERS	183.15
AUTO VALUE - FERGUS FALLS	APR BELT FOR UNLEADED PUMP	15.99
AUTO VALUE - FERGUS FALLS	APR BRAKE SHOES (STK)	94.99
AUTO VALUE - FERGUS FALLS	APR CREDIT RETURNED PARTS	56.98-
AUTO VALUE - FERGUS FALLS	APR FUEL TANK CAP U-77	19.69

Equipment

AUTO VALUE - FERGUS FALLS	APR FUL-BASE-BC-MIX U-498	57.00
AUTO VALUE - FERGUS FALLS	APR HUB/BEARING UNIT 487	177.35
AUTO VALUE - FERGUS FALLS	APR LEVER ACTION GREASE	45.99
AUTO VALUE - FERGUS FALLS	APR MALE PIPE SWIVEL HYD FITTI	19.69
AUTO VALUE - FERGUS FALLS	APR PARTS ORDER UNIT 496	26.95
AUTO VALUE - FERGUS FALLS	APR RELAY FOR UNIT 241	15.99
AUTO VALUE - FERGUS FALLS	APR STOCK FITTINGS (CITY SHOP)	38.68
AUTO VALUE - FERGUS FALLS	APR STOCK PARTS ORDER	577.33
AUTO VALUE - FERGUS FALLS	APR STOCK 22" WIPER BLADES	69.95
AUTO VALUE - FERGUS FALLS	APR TRUCK BED COATING U-498	32.99
AUTO VALUE - FERGUS FALLS	APR VALVE COVER GASKET U-251	21.99
AUTO VALUE - FERGUS FALLS	APR 1.25" SNAP-IN VALVE (STK)	15.99
AUTO VALUE - FERGUS FALLS	APR 4 GA 3/8" TBL RING U-242	6.98
AUTO VALUE - FERGUS FALLS	MARCH STARTING FLUID	4.25-
COMMISSIONER OF REVENUE	MARCH SPECIAL FUEL TAX	731.60
COMMISSIONER OF REVENUE	2024 MARCH SALES TAX	62.94
COSSETTE ELECTRIC LLC	MARCH NEW HEATER/WATER ROOM	1,898.27
COSSETTE ELECTRIC LLC	MARCH OVERHEAD DOOR	388.22
CRYTEEL TRUCK EQUIPMENT INC	APR MAC SOL VALVE (STOCK)	120.85
DACOTAH PAPER CO	APR TOWELS/TOILET BRUSHES	67.60
EMPLOYEES INSURANCE TRUST FUND	APR LIFE INSURANCE	20.28
EMPLOYEES INSURANCE TRUST FUND	APRIL HEALTH INSURANCE	4,652.21
EQUIPMENT FUND	MAR FUEL USAGE	219.31-
EQUIPMENT FUND	MAR REPAIRS/SERVICE	114.00-
FARGO FREIGHTLINER	APR BRAKE DRUMS UNIT 3040	248.10
FARGO FREIGHTLINER	APR BRAKE SHOE HRDWR KITS	189.28
FARGO FREIGHTLINER	APR CREDIT PARTS RETURN U-228	78.00-
FARGO FREIGHTLINER	APR CREDIT RETURNED BRAKE VALV	234.61-
FARGO FREIGHTLINER	APR CREDIT RETURNED SLACK ADJ	117.59-
FARGO FREIGHTLINER	APR FRONT SPRING ASSY UNIT 225	1,979.98
FARGO FREIGHTLINER	APR FRONT SUSPENSION PART U215	850.17
FARGO FREIGHTLINER	APR REFUSE BRAKE SHOES	704.98
FARGO FREIGHTLINER	APR SPRING WEARPLATE/U-BOLT	44.69
JOHN DEERE FINANCIAL	APR PARTS ORDER UNIT 949	905.88
FASTENAL COMPANY	APR SHOP SUPPLY VENDING	23.86
FASTENAL COMPANY	APR STOCK O-RINGS (SHOP)	15.24
FORCE AMERICA	APR PRESSURE SWITCH UNIT 215	159.42
GENERAL FUND	11/27/23-02/27/24 COPY OVERAGE	2.57
NAPA AUTO PARTS - FERGUS FALLS	APR BRAKE SHOE KIT UNIT 3040	207.34
NAPA AUTO PARTS - FERGUS FALLS	MAR HYD HOSE FITTING (STK)	53.87
GREAT PLAINS NATURAL GAS CO	MARCH NATURAL GAS EXPENSE	1,633.23
GROWMARK INC	APR ISO46/ISO68 FLUID 55 GAL D	1,144.00
INLAND TRUCK PARTS COMPANY	APR BRAKE SHOES UNIT 3040	1,153.98

Equipment

INTERSTATE BATTERY SYSTEM	APR UNIT 1177 BATT/STK 31-MHD	1,249.70
LAWSON PRODUCTS INC	APR SHOP SUPPLY ORDER	317.95
LOCATORS & SUPPLIES INC	APR HARD HAT SWEATBANDS	14.95
MARCO TECHNOLOGIES LLC	03/27-04/27/24 COPIER RENT	77.32
MCNEILUS TRUCK & MFG CO	APR REEVING CABLE (REAR LOADS)	582.93
MINNESOTA MOTOR COMPANY	MARCH CAR WASH	9.00
MINNESOTA MOTOR COMPANY	MARCH CAR WASHES	30.00
NELSON INTERNATIONAL	APR P/S RESERVOIR UNIT 241	263.53
NELSON INTERNATIONAL	APR WHEEL SPEED SENSOR U-241	166.42
NORTHWEST TIRE INC	2093 NEW TIRES	678.39
NORTHWEST TIRE INC	2103 TIRE REPAIR	34.06
OLSON OIL COMPANY INC	APR UNLEADED FUEL UNIT 77	70.00
O'REILLY AUTOMOTIVE INC	APR TBI GASKET UNIT 251	5.35
OTTER TAIL CO. TREASURER'S OFC	1ST HALF 2024 PROPERTY TAXES	440.00
OTTER TAIL POWER COMPANY	MARCH ELECTRICITY EXPENSE	1,723.78
OTTER TAIL TELCOM	APRIL TELEPHONE EXPENSE	54.65
POLICE DEPT CONTINGENCY FUND	2073 TABS-CK#3933	14.50
PRODUCTIVITY PLUS ACCOUNT	APR DECAL KIT UNIT 498	239.55
PUMP AND METER SERVICE INC	APR FUEL MASTER LEGACY UPGRADE	6,487.00
R & R SPECIALTIES, INC.	APR PLASTIC VENT (ZAMBONI'S)	234.65
SIGELMAN STEEL & SALVAGE CO	APR 1/4" PLATE/1/2" FLAT STEEL	326.55
SWANSTON EQUIPMENT CO	APR PULL CABLE UNIT 239	216.24
SWANSTON EQUIPMENT CO	APR REPAIR UNIT 477 AFTER FIRE	7,077.35
WALLWORK TRUCK CENTER F.F.	APR STOCK RADIATOR (FREIGHTLI)	593.15
	F U N D T O T A L	39,142.30

Employees Insurance

EMPLOYEES INSURANCE TRUST FUND	RECEIPT APR HEALTH INSURANCE	154,109.50-
EMPLOYEES INSURANCE TRUST FUND	RECEIPT FOR APR LIFE INSURANCE	3,111.49-
	F U N D T O T A L	157,220.99-

Flexible Benefit Agency

WEX	2024 FLEX PLAN REIMB	3,779.68
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4/15/2024

R E S O L U T I O N R E C O R D

Flexible Benefit Agency

F U N D T O T A L 3,779.68

PEG Access

A-1 LOCK & KEY LLC	MARCH PEG ACCESS KEY	60.80
LIQUOR STORE	APRIL RENT	358.00
MINNESOTA UC FUND	1ST QTR UNEMPLOY TAX PEG	20.00
OTTER TAIL POWER COMPANY	MARCH ELECTRICITY EXPENSE	97.81
OTTER TAIL TELCOM	APRIL TELEPHONE EXPENSE	227.56
	F U N D T O T A L	764.17

Fergus Falls Convention and Visitor's Bureau, Inc.

GENERAL FUND	MARCH POSTAGE USE	3.74
MINNESOTA UC FUND	1ST QTR UMEMPLOY TAX CVB	26.00
RICHES PROPERTIES LLC	MAY RENT	525.00
VERIZON WIRELESS	MARCH CELL PHONE EXPESNE	112.67
	F U N D T O T A L	667.41

T O T A L A L L F U N D S 1,653,975.37

BE IT FURTHER RESOLVED, THAT THE CITY ADMINISTRATOR BE, AND HE HEREBY IS AUTHORIZED AND DIRECTED TO DRAW WARRANTS FOR THE ABOVE CLAIMS FROM THE RESPECTIVE FUNDS AS HEREIN INDICATED, AND THAT THE MAYOR AND CITY ADMINISTRATOR BE, AND THEY HEREBY ARE, AUTHORIZED TO EXECUTE AND DELIVER SUCH WARRANTS.

THE ABOVE AND FOREGOING RESOLUTION WAS OFFERED AT A REGULAR MEETING OF THE CITY COUNCIL HELD ON THE 15 DAY OF APRIL BY ALDERMAN WHO MOVED ITS ADOPTION, WAS SECONDED BY ALDERMAN AND ADOPTED BY THE FOLLOWING VOTE:

AYES:

NAYS:

ABSTAIN:

ABSENT:

WHEREUPON THE ABOVE RESOLUTION WAS DULY DECLARED ADOPTED.

ATTEST:

APPROVED:

CITY ADMINISTRATOR

MAYOR

4/15/2024

R E S O L U T I O N R E C O R D

COMMISSIONER OF REVENUE	90,644.60
4M FUND	57.56
MINNESOTA UC FUND	46.00
OTTER TAIL CO. TREASURER'S OFC	10,925.00
OTTER TAIL COUNTY TREASURER	75,491.59
STATE TREASURER	1,558.59
A-1 LOCK & KEY LLC	300.30
AT&T MOBILITY	233.81
ADMINISTRATOR'S CONTINGENCY FD	234.28
ALEX AIR APPARATUS 2, LLC	3,477.08
AL'S REFRIGERATION, INC.	285.00
THE AMERICAN BOTTLING COMPANY	484.91
ARAMARK UNIFORM SERVICES	2,683.70
ARAMARK	734.36
AMERICAN WELDING & GAS, INC	183.15
SEAN ANDERSON	40.62
TYLER ARMSTRONG	60.00
ARTISAN BEER COMPANY	2,795.90
ATLAS OUTDOOR SERVICES LLC	1,000.00
AUTO VALUE - FERGUS FALLS	1,214.81
BAKER & TAYLOR INC	5,207.98
BELLBOY CORPORATION	3,381.85
CSG JANITORIAL	500.00
BEVERAGE WHOLESALERS INC	51,278.11
BEYER BODY SHOP, INC.	250.00
BRAUN VENDING INC	9.00
BRAUN INTERTEC CORPORATION	2,215.75
BREAKTHRU BEVERAGE MINNESOTA	11,076.68
CARDCONNECT	198.66
JOEL CARLSON INC.	16,000.00
CAYAN	13,138.83
CHARTER COMMUNICATIONS	121.74
CLAY COUNTY PUBLIC HEALTH	260.00
CLOVER	194.02
VIKING COCA-COLA BOTTLING CO	1,172.42
COOPERS TECHNOLOGY GROUP	2,663.51
COSSETTE ELECTRIC LLC	7,620.51
CRYTEEL TRUCK EQUIPMENT INC	120.85
D-S BEVERAGES, INC.	45,800.72
DACOTAH PAPER CO	3,267.03
DAILY JOURNAL	1,067.37
WASTE MANAGEMENT	1,221.33
FARGO FREIGHTLINER	3,587.00
JOHN DEERE FINANCIAL	905.88
FASTENAL COMPANY	260.31
FERGUS BREWING COMPANY LLC	208.00
FERGUSON WATERWORKS #1657	2,706.61

4/15/2024

R E S O L U T I O N R E C O R D

FIRE-N-ICE HEATING & AIR COND	200.00
FORCE AMERICA	159.42
GALLS LLC	118.21
GENERAL REPAIR SERVICE	2,719.82
NAPA AUTO PARTS - FERGUS FALLS	278.47
GOIN' POSTAL FERGUS FALLS	45.20
GOODIN COMPANY	323.82
GOPHER STATE ONE CALL	59.40
GRAINGER INC	2,228.69
GRANITE ELECTRONICS	278.61
GREAT PLAINS NATURAL GAS CO	3,895.59
GREATER FERGUS FALLS CORP	12,500.00
GROWMARK INC	1,144.00
HAWKINS INC	7,099.14
HIGH POINT NETWORKS LLC	3,995.00
THE HOME CITY ICE COMPANY	88.44
HOME DEPOT CREDIT SERVICES	504.03
HOOPLA	1,122.72
INLAND TRUCK PARTS COMPANY	1,153.98
INTERSTATE BATTERY SYSTEM	1,249.70
JK SPORTS	7,375.93
JLG ARCHITECTS	6,953.69
JOHNSON BROTHERS LIQUOR CO	29,748.23
JUST ADD WATER LANDSCAPE	31.36
LAKEWAY EXPRESS LLC	13.43
LAWSON PRODUCTS INC	317.95
LEAGUE OF MINNESOTA CITIES	486.75
LOCATORS & SUPPLIES INC	49.90
LOCKBOX SERVICES 931054	11,014.77
VICTOR LUNDEEN COMPANY	562.96
MARCO TECHNOLOGIES LLC	5,841.62
MCMASTER-CARR SUPPLY CO	326.57
MCNEILUS TRUCK & MFG CO	582.93
MEDTOX LABORATORIES INC	33.40
MIDWEST PRINTING COMPANY	190.00
MINNESOTA MOTOR COMPANY	39.00
MOORE ENGINEERING INC	5,962.50
MOTOROLA SOLUTIONS INC	1,752.16
MUNICIPAL SERVICE CO INC	8,460.00
ANDREW NELSON	137.05
NELSON INTERNATIONAL	429.95
NEW HORIZONS ENERGY	1,060.56
NORTH COUNTRY CHEVROLET	49,690.36
N.D. SEWAGE PUMP & LIFT STAT.	63.28
NORTHWEST TIRE INC	712.45
NYCKLEMOE & ELLIG, P.A.	9,758.33
OFFICE OF MNIT SERVICES	677.24

4/15/2024

R E S O L U T I O N R E C O R D

OLSON OIL COMPANY INC	70.00
O'REILLY AUTOMOTIVE INC	5.35
OTTER TAIL POWER COMPANY	65,727.56
OTTER TAIL TELCOM	2,330.80
PAUSTIS WINE COMPANY	2,677.50
PHILLIPS WINE & SPIRITS CO	51,890.81
POLICE DEPT CONTINGENCY FUND	14.50
POLICE DEPT PETTY CASH	34.70
PRINCIPAL CUSTODY SOLUTIONS	770,285.94
PRODUCTIVITY PLUS ACCOUNT	239.55
PUMP AND METER SERVICE INC	6,487.00
RMB ENVIRONMENTAL LABORATORIES	1,387.15
R & R SPECIALTIES, INC.	234.65
RAILROAD MANAGEMENT CO III,LLC	822.33
REACH MEDIA NETWORK	350.00
RECYCLE TECHNOLOGIES INC	1,375.55
REVTRAK INC	10,553.90
RICHES PROPERTIES LLC	525.00
ROSENBAUER MINNESOTA LLC	144.05
SHI INTERNATIONAL CORP	90.00
SIGELMAN STEEL & SALVAGE CO	326.55
SIGNATURE HOME TECHNOLOGIES	73.74
SKY CREW SERVICES, LLC	3,500.00
SOUTHERN GLAZER'S OF MN	11,535.26
SPEE*DEE DELIVERY SERVICE INC	71.37
SUMMIT COMPANIES	394.00
SWANSTON EQUIPMENT CO	7,293.59
TWEETON REFRIGERATION	180.00
TAFT STETTINIUS HOLLISTER LLP	1,317.50
TAG-UP	26.25
TALKING WATERS BREWING CO LLC	155.00
THRIFTY WHITE PHARMACY INC	333.78
T-MOBILE	192.33
THE TRADESMEN CONSTRUCTION INC	152,346.75
USA BLUEBOOK	3,593.24
US BANK EQUIPMENT FINANCE	614.40
VERIZON WIRELESS	1,220.09
VIKING LIBRARY SYSTEM	792.30
VINOCOPIA INC	1,569.00
WALLWORK TRUCK CENTER F.F.	593.15
WEST CENTRAL ABSTRACTING	85.00
WEX	3,779.68
TOTAL OTHER GOVERNMENT	178,723.34
TOTAL OTHER VENDORS	1,475,252.03

4/15/2024

R E S O L U T I O N R E C O R D

TOTAL ALL VENDORS

1,653,975.37



Council Action Recommendation

Page 1 of 2

Meeting Date:

4/15/24 City Council

Subject:

Franchise Fees

Recommendation:

Motion directing the City Attorney to draft an ordinance implementing Franchise Fees

Background/Key Points:

The city has been discussing the prospect of franchise fees for street funding over the past year. In December, the city contracted with Moore Engineering to provide additional analysis and a neutral party review of street funding strategies and how franchise fees would impact Fergus Falls. They also assisted in utility rate analysis and the development of a “fast track” capital improvement plan that could be associated with franchise fees.

Moore has presented their work to the City Council. They also recently held an open house to present information and answer questions from the public. The open house was held on March 21st and the survey that was created was available on the City’s website for the following week.

Moore will present the feedback and findings at the April 15th City Council meeting. Once those findings are presented, the Council will need to determine the next steps. If the Council wishes to proceed towards implementation of franchise fees, they should pass a motion directing the City Attorney to draft an ordinance for their consideration. If that motion is passed, an ordinance will come before the Council for consideration. To approve an ordinance, there needs to be a first and second reading held at two separate meetings.

The Council is in full control of the timeline, but a reasonable expectation would be to consider a first reading on May 6 and then a second reading on May 20. If approved, staff anticipates about 90 days before implementation or collection of fees after the effective date of the ordinance.

The proposal that is being discussed is for a 5% franchise fee on gas and electric bills. It is anticipated that this franchise fee would collect around \$1.3 million annually and the revenue would be dedicated to street funding.

If the Council does not wish to proceed, they should simply defeat the motion directing the City Attorney to draft this ordinance and there will be no further action to take.

Budgetary Impact:

None

Originating Department:

Administration

Respectfully Submitted:

Andrew Bremseth, City Administrator

Attachments:

Charter Commission Members: Mark “Sparky” Hovland (Chair), Chuck Hanson (Vice Chair), Tim Brennan (Secretary), Gary Nelson, JoEllen Thacker, MaryJo Igelstad, Kris Svingen, Dave Prazak, Sarah Duffy, Dick Felstul, Desta Hunt, Duane Henry, Eric Shelstad, Al Frank

Statement from the Charter Commission to the Fergus Falls City Council

April 9, 2024

The Charter Commission was asked to review the Charter and to give an opinion on whether there may have been a violation of Charter Section 2.04 during a meeting of the City Council on March 4, 2024.

On that date Council Member Al Kreimeier left his seat on the council dais and spoke from the podium on the chamber floor during the open forum segment of the city council meeting.

An assertion was made that such an action constituted a vacancy on the city council per Charter Section 2.04.

The consensus of the members present at the Charter Commission meeting on April 9, 2024 was that Council Member Kreimeier’s actions did not meet the requirements for a vacancy on the council, per the City Charter.

Sincerely,
Mark Hovland
Charter Commission Chair

City of Fergus Falls Open Forum Policy

1. The City of Fergus Falls offers an open forum at 5:15 pm on the dates the City Council holds their regular City Council meetings. The open forum is an opportunity to address the Fergus Falls City Council regarding a city business item that is not on the agenda of a regular meeting to talk about a city issue. It is not intended as a time for presentations. ~~The open forum is not televised, broadcast, or streamed.~~
2. When addressing the council, participants shall address the Council from the podium and speak into the microphone. Each participant shall begin by stating their name and if they are a resident of the city. Participants are asked to provide their name and contact information to ensure the correct spelling of names and the best way to respond to the speaker.
3. Speakers will be limited to a maximum of THREE minutes, unless additional time is granted by the Mayor.
4. All remarks should be directed to the City Council. The Mayor may limit the number of individuals on any issue to accommodate time set aside for the open forum session.
5. Open forum comments may be limited if they become redundant, repetitive, irrelevant, argumentative, disrespectful, disparaging, harassing, abusive, discriminatory, or do not relate to official city business. Participants shall conduct themselves in a professional, courteous manner and refrain from the use of profanity.
6. The open forum must not be used to make personal attacks on the Mayor, Council, city staff, members of the public, or any business.
7. It is inappropriate to use the open forum to make political endorsements, political speeches or for any political campaign purposes.
8. The council will generally not engage in debate or dialogue with speakers during the open forum session. The City Council may refer the issue to staff or ask that it be scheduled on a future agenda, if necessary. If information is available, staff will provide a recap of the mayor to read at the next City Council meeting.
9. Speakers will not be permitted on the same subject more than 2 times within a 12-month period.
10. The use of city technology may be allowed with advance notice and availability.

*This open forum policy was adopted on April 1, 2024
Resolution #68-2024*