City of East Bethel
City Council Agenda

Regular Council Meeting – 7:30 p.m.
Date: October 3, 2012

	Item		
7:30 PM	**1.0**	**Call to Order**	
7:31 PM	**2.0**	**Pledge of Allegiance**	
7:32 PM	**3.0**	**Adopt Agenda**	
7:34 PM	**4.0**	**Public Hearings**	
Page 1	A.	Adopting of a Business Subsidy Policy and Criteria	
Page 2-3	B.	Proposed Establishment of Development District No. 1 and the Proposed Adoption of the Development Program Therefor; the Proposed Establishment of Tax Increment Financing District No. 1-1, and the Proposed Adoption of the Tax Increment Financing Plan Therefor; and the Proposed Granting of a Business Subsidy and the Proposed Adoption of the Development Agreement Therefor	
8:00 PM	**5.0**	**Public Forum**	
8:10 PM	**6.0**	**Consent Agenda**	
	Any item on the consent agenda may be removed for consideration by request of any one Council Member and put on the regular agenda for discussion and consideration		
Page 8-10	A.	Approve Bills	
Page 11-20	B.	Meeting Minutes, September 19, 2012, Regular Meeting	
Page 21-25	C.	Meeting Minutes, September 19, 2012, Work Meeting	
Page 26	D.	Appoint Election Judges – General Election November 6, 2012	
Page 27	E.	Res. 2012-58 Declaring Glass Crusher as Surplus	
Page 28	F.	Res. 2012-59 Declaring Recycling Trailer as Surplus	
	G.	Approve Purchase of Recycling Trailer	
	H.	Approve Purchase of Glass Crusher	
Page 29	I.	Pay Estimate #5 to Caldwell Tank, Inc. for Elevated Storage Tank No. 1	
Page 30-32	J.	Pay Estimate #7 to Municipal Builders, Inc. for Water Treatment Tank No. 1	
Page 33	K.	Res. 2012-60 Acceping Donation from CHOPS, Inc.	
Page 34-39	L.	Pay Estimate #16 to S.R. Weidema for Phase 1, Project 1, Utilites	
New Business			
	7.0	Commission, Association and Task Force Reports	
8:15 PM	A.	EDA Commission	
Page 40-59	1.	Res. 2012-61 Approving Business Subsidy Policy & Criteria	
Page 60-103	2.	Res. 2012-62 Approving TIF District and Development Program	
Page 140-146	3.	Res. 2012-63Approving Development Agreement & Awarding Sale & Issuance of the City's $225,000 Tax Increment Financing Note	
Page 147-150	4.	Res. 2012-64 Approving Interfund Loan	
	B.	Planning Commission	
	C.	Park Commission	
	D.	Road Commission	

	8.0	**Department Reports**	
8:40 PM		A.	Community Development
	Page 151-161	1.	Building Department Report
8:50 PM		B.	Engineer
	Page 162-163	1.	Municipal Utilities Project Update
		C.	Attorney
9:00 PM		D.	Finance
	Page 164-166	1.	2013 Budget
9:30 PM		E.	Public Works
	Page 167-174	1.	Coopers Lake Dock Ordinance
	Page 175-178	2.	Cemetery Regulations
		F.	Fire Department
9:45 PM		G.	City Administrator
	Page 179-189	1.	Building Official & Inspection Services Contract
	Page 190-191	2.	URRWMO Member Representative
	9.0	**Other**	
10:00 PM		A.	Council Reports
10:10 PM		B.	Other
10:15 PM	**10.0**	**Adjourn**	

City of East Bethel
City Council
Agenda Information

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Date:
October 3, 2012

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Agenda Item Number:
Item 4.0 A

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Agenda Item:
Public Hearing – Adopting a Business Subsidy Policy and Criteria

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Requested Action:
Council conduct a public hearing on adopting a Business Subsidy Policy and Criteria

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Background Information:
Stacie Kvilvang of Ehlers & Associates, the city's financial consultants will present some information on the Business Subsidy Policy Criteria.

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Fiscal Impact:

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Recommendation(s):
Council conduct a public hearing on adopting a Business Subsidy Policy and Criteria

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City Council Action

Motion by:_____ Second by:_____

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Vote Yes:_____ Vote No:_____

No Action Required:_____

City of East Bethel
City Council
Agenda Information

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Date:
October 3, 2012

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Agenda Item Number:
Item 4.0 B

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Agenda Item:
Public Hearing – Proposed Establishment of Development District No. 1 and the Proposed Adoption of the Development Program Therefor; the Proposed Establishment of Tax Increment Financing District No. 1-1, and the Proposed Adoption of the Tax Increment Financing Plan Therefor; and the Proposed Granting of a Business Subsidy and the Proposed Adoption of the Development Agreement Therefor

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Requested Action:
Council conduct a public hearing on the Proposed Establishment of Development District No. 1 and the Proposed Adoption of the Development Program Therefor; the Proposed Establishment of Tax Increment Financing District No. 1-1, and the Proposed Adoption of the Tax Increment Financing Plan Therefor; and the Proposed Granting of a Business Subsidy and the Proposed Adoption of the Development Agreement Therefor

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Background Information:
Stacie Kvilvang of Ehlers & Associates, the city's financial consultants will present some information on the Proposed Establishment of Development District No. 1 and the Proposed Adoption of the Development Program Therefor; the Proposed Establishment of Tax Increment Financing District No. 1-1, and the Proposed Adoption of the Tax Increment Financing Plan Therefor; and the Proposed Granting of a Business Subsidy and the Proposed Adoption of the Development Agreement Therefor

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Fiscal Impact:

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Recommendation(s):
Council conduct a public hearing on the Proposed Establishment of Development District No. 1 and the Proposed Adoption of the Development Program Therefor; the Proposed Establishment of Tax Increment Financing District No. 1-1, and the Proposed Adoption of the Tax Increment Financing Plan Therefor; and the Proposed Granting of a Business Subsidy and the Proposed Adoption of the Development Agreement Therefor

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City Council Action

Motion by:_____ Second by:_____

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Vote Yes:_____ Vote No:_____

No Action Required:_____

Payments for Council Approval October 3, 2012

Bills to be Approved for Payment	$34,868.09
Electronic Payments	$20,776.93
Payroll City Staff - September 27, 2012	$28,496.91

Total to be Approved for Payment	$84,141.93

City of East Bethel
October 3, 2012
Payment Summary

Department	Description	Invoice	Vendor	Fund	Dept	Amount
Arena Operations	Bldg/Facility Repair Supplies	383456	Ham Lake Hardware	615	49851	20.28
Arena Operations	Bldg/Facility Repair Supplies	4622	Menards Cambridge	615	49851	73.93
Arena Operations	Bldg/Facility Repair Supplies	50635-IN	R & R Specialities, Inc.	615	49851	896.00
Arena Operations	Bldg/Facility Repair Supplies	18875	Smith Bros. Decorating Co	615	49851	102.17
Arena Operations	Gas Utilities	340405107	Xcel Energy	615	49851	108.29
Arena Operations	Motor Fuels	1072529438	Ferrellgas	615	49851	332.61
Arena Operations	Repairs/Maint Machinery/Equip	028-370962	Batteries Plus	615	49851	357.26
Arena Operations	Repairs/Maint Machinery/Equip	50678-IN	R & R Specialities, Inc.	615	49851	374.35
Building Inspection	General Operating Supplies	092612	Minnesota's Bookstore	101	42410	167.79
Building Inspection	Office Supplies	625128841001	Office Depot	101	42410	3.12
Building Inspection	Telephone	332373310-130	Nextel Communications	101	42410	21.66
Central Services/Supplies	Office Equipment Rental	5896486-SP12	Pitney Bowes	101	48150	137.10
Central Services/Supplies	Office Supplies	624349781001	Office Depot	101	48150	70.00
Central Services/Supplies	Postage/Delivery	4995-01	Do-Good.Biz	101	48150	1,067.25
Central Services/Supplies	Printing and Duplicating	79545	Catalyst Graphics, Inc.	101	48150	625.00
Central Services/Supplies	Telephone	10104174	Integra Telecom	101	48150	225.62
City Administration	Telephone	332373310-130	Nextel Communications	101	41320	9.09
City Administration	Travel Expenses	092612	Jack Davis	101	41320	166.50
Economic Development Authority	Legal Fees	122038	Eckberg, Lammers, Briggs,	232	23200	2,277.00
Economic Development Authority	Accounts Receivable	3545212	Ehlers	232	23200	1,511.25
Economic Development Authority	Professional Services Fees	345213	Ehlers	232	23200	462.50
Fire Department	Gas Utilities	340405107	Xcel Energy	101	42210	78.86
Fire Department	Personnel Advertising	091812	The Courier	231	42210	138.00
Fire Department	Refuse Removal	175334	Walters Recycling, Inc.	101	42210	39.80
Fire Department	Telephone	10104174	Integra Telecom	101	42210	141.03
Fire Department	Telephone	332373310-130	Nextel Communications	101	42210	107.25
General Govt Buildings/Plant	Bldgs/Facilities Repair/Maint	470133872	Cintas Corporation #470	101	41940	22.02
General Govt Buildings/Plant	Gas Utilities	340405107	Xcel Energy	101	41940	48.39
General Govt Buildings/Plant	Refuse Removal	175334	Walters Recycling, Inc.	101	41940	29.77
Legal	Legal Fees	122038	Eckberg, Lammers, Briggs,	101	41610	4,829.03
Mayor/City Council	Travel Expenses	092412	Heidi Moegerle	101	41110	19.98
Park Maintenance	Bldgs/Facilities Repair/Maint	48616	North Metro Supplies Inc.	227	43201	2,079.79
Park Maintenance	Chemicals and Chem Products	H328699	Federated Co-ops	101	43201	96.17
Park Maintenance	Clothing & Personal Equipment	470130654	Cintas Corporation #470	101	43201	48.03
Park Maintenance	Equipment Parts	28814	Northern Dewatering, Inc.	101	43201	19.62
Park Maintenance	Other Equipment Rentals	58361	Jimmy's Johnnys, Inc.	101	43201	815.27
Park Maintenance	Repairs/Maint Machinery/Equip	19253	Scharber & Sons	101	43201	205.07
Park Maintenance	Telephone	10104174	Integra Telecom	101	43201	51.70
Park Maintenance	Telephone	332373310-130	Nextel Communications	101	43201	70.04
Payroll	Insurance Premiums	4946821	Delta Dental	101		855.20
Payroll	Insurance Premiums	10 2012	Fort Dearborn Life Insurance	101		1,027.55
Payroll	Insurance Premiums	C0028937408	Medica Health Plans	101		9,248.66
Payroll	Insurance Premiums	10 2012	NCPERS Minnesota	101		128.00
Planning and Zoning	Escrow Reimbursement	092612	Mike Jungbauer	913		524.00
Planning and Zoning	Filing Fees	122038	Eckberg, Lammers, Briggs,	101	41910	56.50
Planning and Zoning	Office Supplies	625128841001	Office Depot	101	41910	30.44
Planning and Zoning	Telephone	332373310-130	Nextel Communications	101	41910	17.51

City of East Bethel

October 3, 2012

Payment Summary

Department	Description	Invoice	Vendor	Fund	Dept	Amount
Recycling Operations	Gas Utilities	340405107	Xcel Energy	226	43235	26.72
Recycling Operations	Other Equipment Rentals	58361	Jimmy's Johnnys, Inc.	226	43235	52.87
Recycling Operations	Refuse Removal	175334	Walters Recycling, Inc.	226	43235	249.76
Recycling Operations	Small Tools and Minor Equip	3872	Menards Cambridge	226	43235	127.17
Street Maintenance	Bldg/Facility Repair Supplies	3954	Menards Cambridge	101	43220	78.93
Street Maintenance	Bldgs/Facilities Repair/Maint	470130654	Cintas Corporation #470	101	43220	27.06
Street Maintenance	Clothing & Personal Equipment	470130654	Cintas Corporation #470	101	43220	47.44
Street Maintenance	Electric Utilities	12-15493	Connexus Energy	101	43220	622.41
Street Maintenance	Gas Utilities	340405107	Xcel Energy	101	43220	21.38
Street Maintenance	General Operating Supplies	3871	Menards Cambridge	101	43220	23.21
Street Maintenance	Motor Vehicle Services (Lic d)	139389	Auto Nation SSC	101	43220	354.32
Street Maintenance	Motor Vehicles Parts	F-222640068	Allstate Peterbilt North	101	43220	57.61
Street Maintenance	Motor Vehicles Parts	3116494	Auto Nation SSC	101	43220	131.95
Street Maintenance	Motor Vehicles Parts	3116751	Auto Nation SSC	101	43220	279.53
Street Maintenance	Motor Vehicles Parts	3118592	Auto Nation SSC	101	43220	237.41
Street Maintenance	Motor Vehicles Parts	1539-171016	O'Reilly Auto Stores Inc.	101	43220	140.23
Street Maintenance	Motor Vehicles Parts	1539-171539	O'Reilly Auto Stores Inc.	101	43220	216.74
Street Maintenance	Motor Vehicles Parts	1403231-01	Rigid Hitch Inc.	101	43220	100.05
Street Maintenance	Office Supplies	625128841001	Office Depot	101	43220	34.97
Street Maintenance	Refuse Removal	175334	Walters Recycling, Inc.	101	43220	249.76
Street Maintenance	Repairs/Maint Machinery/Equip	139045	Auto Nation SSC	101	43220	191.25
Street Maintenance	Repairs/Maint Machinery/Equip	150006065	Pomp's Tire Service, Inc.	101	43220	216.03
Street Maintenance	Repairs/Maint Machinery/Equip	150006066	Pomp's Tire Service, Inc.	101	43220	125.00
Street Maintenance	Shop Supplies	1539-171242	O'Reilly Auto Stores Inc.	101	43220	8.00
Street Maintenance	Street Maint Materials	22370	Commercial Asphalt Co.	101	43220	74.81
Street Maintenance	Telephone	10104174	Integra Telecom	101	43220	51.70
Street Maintenance	Telephone	332373310-130	Nextel Communications	101	43220	142.73
Street Maintenance	Tires	1-25864	Steve's Tire Inc.	101	43220	295.78
Water Utility Capital Projects	Professional Services Fees	8064	Northern Technologies, Inc	433	49405	320.00
Water Utility Operations	Conferences/Meetings	92412	MN Dept of Health	601	49401	64.00
Water Utility Operations	Gas Utilities	92412	MN Rural Water Assoc	601	49401	550.00
Water Utility Operations	Gas Utilities	091712	CenterPoint Energy	601	49401	12.82
						$34,868.09

Electronic Payments

Payroll	PERA	$5,027.39
Payroll	Federal Withholding	$4,912.78
Payroll	Medicare Withholding	$1,252.68
Payroll	FICA Tax Withholding	$4,492.27
Payroll	State Withholding	$2,078.41
Payroll	MSRS	$3,013.40
		$20,776.93

City of East Bethel
City Council
Agenda Information

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Date:
October 3, 2012

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Agenda Item Number:
Item 6.0 A-L

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Agenda Item:
Consent Agenda

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Requested Action:
Consider approving Consent Agenda as presented

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Background Information:
Item A

Bills/Claims

Item B

Meeting Minutes, September 19, 2012 Regular City Council

Meeting minutes from the September 19, 2012 Regular City Council Meeting are attached for your review and approval.

Item C

Meeting Minutes, September 19, 2012 Work Meeting

Meeting minutes from the September 19, 2012 Work Meeting are attached for your review and approval.

Item D

Appoint Election Judges – General Election

Minnesota Statutes 204B.21, Subd. 2, Appointment of Election Judges, requires that the City Council appoint election judges. The appointments must be completed 25 days prior to the general election (MS 204B.21, subd.2) which is November 6th. We have attached a list of general election judges for your consideration. We have recruited election judges and have been provided the names of potential election judges from the respective political parties. Staff is recommending approval of the election judges identified on the roster. Emergency appointments will be done if needed.

Item E

Resolution 2012-58 Declaring the Prodeva Glass and Can Crusher Surplus Property

The Prodeva Glass and Can Crusher used at the East Bethel Recycling Center for processing recyclables has reached the end of its useful service life and requires frequent repairs that limit its productivity. Staff have researched possible disposal options including selling and trading it in and have found no interested parties for equipment this antiquated. The most cost effective method of disposal would be to salvage useful components and turn in the remaining material for

recycled metal. Staff is seeking direction to declare the Prodeva Glass and Can Crusher surplus and dispose of as recycled metal.

Item F

Resolution 2012-59 Declaring the 1984 Stoughton Recycling Trailer Surplus Property

The 1984 Stoughton Recycling trailer has been used by the City for storage and transport of cardboard and newspaper received at the East Bethel Recycling Center. The trailer has reached the end of its useful service life and is no longer a dependable piece of equipment for highway travel. Staff is seeking direction to declare the 1984 Stoughton trailer surplus and trade it in on a replacement trailer.

Item G

Purchase of Replacement Recycling Trailer

As part of the approved 2012 Recycling Enhancement Grant, the City has been awarded grant funds to purchase a replacement trailer for the storage and transport of cardboard and newspaper received at the East Bethel Recycling Center. The 2012 Recycling Enhancement Grant awarded the City a total of $29,210.00 of which $6,000.00 was planned for the replacement recycling trailer. Staff has received numerous quotes from different vendors for trailers that could fit the needs of the recycling program. The lowest bid that fit the requirements of the program was submitted by Mastell Brothers Trailer Service, Inc. for a 2000 53' trailer with air ride suspension for $5,500.00. They also provided the highest trade-in value for the existing 1984 Stoughton trailer at $1,500.00. Staff recommends accepting the quote from Mastell Brothers Trailer Service, Inc. and purchasing the 2000 trailer for $5,500.00 and trading in the existing trailer for $1,500.00 for a total price including tax and delivery of $4,388.75 to be funded by the 2012 Recycling Enhancement Grant.

Item H

Purchase of Prodeva 250 Glass and Can Crusher

As part of the approved 2012 Recycling Enhancement Grant, the City has been awarded grant funds to purchase a replacement glass and can crusher for the processing of recyclables at the East Bethel Recycling Center. The 2012 Recycling Enhancement Grant awarded the City a total of $29,210.00, of which $12,000.00 was planned for the replacement glass and can crusher. Staff has researched different models, manufactures, and distributors for equipment that will meet our recycling center needs. The new Prodeva 250 is a model similar to what is currently in use and the only model that will work with our existing conveyor setup. The new model can be put in place with very little modification. Ver-Tech, Inc. is the local distributor of this model and provided a quote of $12,875.00 plus an additional $2,120 for shipping and installation for a total price of $14,995.00. The additional $2,995.00 would be funded from the money saved on the recycling trailer and the small tool budget portion of the 2012 Recycling Enhancement Grant. Staff Recommends accepting the quote from VerTech, Inc. and purchasing the Prodeva 250 Glass and Can Crusher for $14,995.00 to be funded by the 2012 Recycling Enhancement Grant.

Item I

Pay Estimate #5 to Caldwell Tank, Inc. for Elevated Storage Tank No. 1

This item includes Pay Estimate #5 to Caldwell Tank, Inc. for the construction of Elevated Storage Tank No. 1. The major pay item for this pay request includes electrical installation. The Pay Estimate includes payment for work completed to date minus a five percent retainage. We recommend partial payment of $23,469.75. A summary of the recommended payment is as follows:

Total Work Completed to Date	$ 1,010,917.86
Less 5% Retainage	$ 50,545.89

Less Previous Payments	$ 936,902.22
Total payment	$ 23,469.75

Payment for this project will be financed from the bond proceeds. Funds, as noted above, are available and appropriate for this project. A copy of Pay Estimate #5 is attached.

Item J

Pay Estimate #7 to Municipal Builders, Inc. for Water Treatment Tank No. 1

This item includes Pay Estimate #7 to Municipal Builders, Inc. for the construction of Water Treatment Plant No. 1. This pay estimate includes payment for site grading, parking lot construction, electrical work, plumbing, painting and process piping and equipment. Staff recommends partial payment of $149,612.57. A summary of the recommended payment is as follows:

Total Work Completed to Date	$ 1,737,109.99
Less 5% Retainage	$ 86,855.50
Less Previous Payments	$ 1,500,641.92
Total payment	$ 149,612.57

Payment for this project will be financed from the bond proceeds. Funds, as noted above, are available and appropriate for this project. A copy of Pay Estimate #7 is attached.

Item K

Resolution 2012-60 Acknowledging the Donation from CHOPS, Inc.

The 4th Annual City of East Bethel Family Fun Night was held Friday, July 20, 2012. Family Fun Night is held in conjunction with the Booster Day Event, held on Saturday, July 21, 2012. Residents are invited to bring their families and friends, grab a picnic basket, blankets, lawn chairs and enjoy an evening in the park. This event includes several activities, a Kiddie Parade at 7:30 p.m. followed by a movie "Hugo".

The City of East Bethel has received a donation in the amount of $1,000.00 from CHOPS, Inc. that was used for the Family Fun Night on Friday, July 20, 2012.

Staff is recommending Council adopt Resolution 2012-60 Accepting the Donation from Chops, Inc.

Item L

Pay Estimate #16 for the Phase 1, Project 1 Utility Improvements

This item includes Pay Estimate #16 to S.R. Weidema for the construction of the Phase 1, Project 1 Utility Improvements. The pay items for this pay request include field office payment and theater parking lot striping. Two separate payments will be made. One payment will be to S.R. Weidema and the other will be to the escrow account established at TCF Bank. Staff recommends partial payment of $4,569.54. A summary of the recommended payment breakdown is as follows:

Contractor Payment Summary			
	Totals to Date	Less Previous Payments	Amount Due this Estimate
MCES	$5,009,145.92	$5,006,090.03	$3,055.89
City	$4,017,626.28	$4,016,341.09	$1,285.19
Total	$9,026,772.20	$9,022,431.13	$4,341.07

Escrow Payment Summary			
	Totals to Date	Less Previous Payments	Amount Due this Estimate
MCES	$263,639.26	$263,478.42	$160.84
City	$211,454.01	$211,386.37	$67.64
Total	$475,093.27	$474,864.80	$228.47

The payment includes $4,341.07 to S.R. Weidema and $228.47 to the escrow account for a total of $4,569.54. Payment for this project will be financed from the bond proceeds. Funds, as noted above, are available and appropriate for this project. A copy of the Pay Estimate is attached.

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EAST BETHEL CITY COUNCIL MEETING

September 19, 2012

The East Bethel City Council met on September 19, 2012 at 7:30 PM for their regular meeting at City Hall.

MEMBERS PRESENT: Bob DeRoche, Richard Lawrence, Heidi Moegerle, Steve Voss

MEMBERS EXCUSED: Bill Boyer

ALSO PRESENT: Jack Davis, City Administrator
Craig Jochum, City Engineer
Andrew Pratt, Acting City Attorney

Call to Order **The September 19, 2012 City Council meeting was called to order by Mayor Lawrence at 7:30 PM.**

Adopt Agenda **Moegerle made a motion to adopt the September 19, 2012 City Council agenda. Voss seconded. Lawrence made an amendment to the agenda Item G.3 2013 Budget – Ask staff to review the proposed budget and bring back a budget that has a levy with a zero increase. This report shall be brought back to Council by October 17th. We are looking for any fat trimming we can do to get that to zero.** Moegerle, "Isn't that our job?" Voss asked are you making a motion to add this to the agenda? Lawrence, "Yes, I am making a motion to add this to the agenda." **Moegerle seconded the amendment.** DeRoche, "I am curious as to why we would ask staff to reduce the budget? Wasn't that one of the options we had in our packet a week ago?" Moegerle, 'My point was the way G.3 is stated is to have the staff reduce the budget. I am just saying isn't that Council's job to determine what should be reduced? And so shouldn't we come with our list of what needs to be cut? That is the point I was making. But we can discuss that when we get there." **Vote on the amendment. DeRoche, Lawrence and Moegerle, aye; Voss, nay; motion carries. Lawrence call for the vote on the motion to adopt the agenda as amended; all in favor, motion carries.**

Sheriff's Report Lieutenant Orlando gave the August 2012 report as follows:

Fatal Accident: On August 18th at 4:32 a.m. deputies were called to the scene of a fatal motor vehicle/pedestrian crash on Viking Blvd at Vickers. The pedestrian had been laying on the roadway prior to being struck. The pedestrian was deceased at the scene. It is unknown at this time if alcohol was involved on the part of the pedestrian. The crash is under investigation by the Criminal Investigation Division as well as the State Patrol. Since then we have had a double fatal crash Viking at Rendova. That was a car versus motorcycle crash on Sunday. It did involve alcohol on the part of the driver of the car. I am not sure if alcohol was involved in the part of the motorcycle driver, I have not heard that. The driver of vehicle decided to do a u-turn abruptly in roadway and the motorcycle had nowhere to go and struck her. Earlier in May we had a fatality in the 2200 block of Viking. Which is not exactly the same area, but it is close. That one involved a driver of a vehicle that rear ended a semi that had pulled over on the side of the road. The question came up is there some road design flaw that is causing this. We also had one in April on Viking and Breezy Point Drive where a bicycle was struck by a car. However, I did go back several years and found one fatal crash. Other than normal property damage didn't find anything more. I don't think it is

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due to roadway design.

Accidents: Two accidents that occurred on Hwy 65 at the 21000 block. One accident involved a vehicle rear-ending another vehicle that was stopped in traffic. The driver of the rear ended vehicle got out and began to yell at the other driver, causing another accident from a male watching the drivers, to rear end another vehicle.

DWI Arrests: There were four DWI arrests for the month of August. Two of the arrests stemmed from being stopped for driving conduct. One arrest was the result of a roll over crash. The other arrest was the result of an intoxicated driver located sleeping in his vehicle, while parked upon the roadway. The male, upon being woken, thought he was in Mora. This male tested at a .28 BAC.

Burglaries: There were two reported burglaries for August. One involved items being taken out of a garage, unknown how entry was made. The second involved items and copper pipe missing from a shed.

Property Damage: There were five reports of damage to property. One report involved a domestic situation where property was damaged. One report involved vandalism to a jet ski. One report involved damage to the playground equipment at Norseland Manor community park, where the equipment had been spray painted and wood chips set on fire. One report involved damage to a vehicle that was parked in a driveway overnight. The final report involved damage to a vehicle that occurred at a bar as a result of a fight in the parking lot.

Thefts: There were 22 theft reports taken in August. Eight reports involved thefts of items from vehicles parked in driveways. One male had his ignition interlock breath testing machine stolen. There were two reports of thefts of gas from a gas tank located on a farm on two different days. One report involved the theft of outgoing mail from a mailbox. One report involved a credit card theft. There were two reports of gas no-pays. One theft report that was very interesting involved a female who was selling her father's vehicle and was contacted on Facebook by a male who was interested in buying it. The male came and took the vehicle for a test drive, but did not return in 15 minutes as he said he would. The female called him and he advised that he no longer had the vehicle and had sold it to another male. The female was given the phone number of the second male and she contacted him. He advised that the male had given him the vehicle for $500 in marijuana and he refused to meet with the female unless she paid the $500 to him. The vehicle was entered as stolen. A few days later, while the female was in Minneapolis, she sees her vehicle. She goes and takes it back home. She then is contacted by the Facebook male, saying he now has the money and wants to still buy the vehicle. The female, wisely, chooses to tell him she is not interested in any sale to him.

Lawrence, "Do we have any reason why the person was laying on the road?" Lt. Orlando "No." Moegerle, "But he had a history of that, didn't he?" Lt. Orlando, "there had been two other incidents where he had been found lying in the road." DeRoche, "I have been driving Viking for 30+ years. I would agree that it is not a design flaw in the road. Most of these accidents have been due to speed. There are patrols going up and down there." Lt. Orlando, "It is a highly traveled road. It is a very nice road to get from point A to point B." DeRoche, "Are you driving through Fatboys and making sure no one is in there that shouldn't be?" Lt. Orlando, "Yes we are."

Public Forum Lawrence opened the Public Forum for any comments or concerns that were not listed on the

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agenda. There were no comments so the Public Forum was closed.

Consent Agenda

Voss motion to approve the Consent Agenda including: A) Approve Bills; B) Meeting Minutes, September 5, 2012, Regular Meeting: C.) Meeting Minutes, September 5, 2012, Work Meeting; ~~D) Approve Liquor Licenses for Smokey's Pub & Grill (formerly Coon Lake Tap & Grill dba: Purple Reign);~~ E) Resolution 2012-56 Setting Public Hearing Date – Delinquent Accounts; F) Award Insurance Agent Services Contract; G) Pay Estimate #1 to North Valley, Inc. for the Coon Lake Beach and Miscellaneous Overlay Projects; H) Acceptance of SCBA Compressor Bid; ~~I) Finishing Touch – Letter of Credit (LOC) #5465~~. DeRoche would like to pull Item D) Approve Liquor Licenses for Smokey's Pub & Grill (formerly Coon Lake Tap & Grill dba: Purple Reign). Moegerle would like to pull Item I) Finishing Touch –Letter of Credit (LOC) #5465. **Moegerle seconded; all in favor, motion carries**.

Item – D) Approve Liquor Licenses for Smokey's Pub & Grill

Item – D) Approve Liquor Licenses for Smokey's Pub & Grill - Davis explained that there is one item that still needs to be submitted for this license and that is the submission of a pumpers report for the septic system. Staff recommends approval of this contingent on that submission. DeRoche, "These three gentlemen have purchased the bar, or are going to purchase it, correct? I have a couple questions and one does relate to the septic. For well over a year there was urine coming up through the floor in the men's room and I don't know if that issue has been addressed? Personally, I find that to be unhealthy. I am also curious what the new owner's plans for the place are?"

Chris Liebel of 1999 Eugene Street, White Bear Lake, "We currently own a catering company. So we plan on opening the kitchen back up and brining good food back into the community. We have looked at quite a few places and we like the community there. We have heard of issues with the septic. It will be inspected, have a really good inspection. And part of our contingency of purchasing is passing the inspections. We will sit down with the current owner and something like this I think we would ask to have fixed and brought into compliance." DeRoche, "How about the well?" Liebel, "He had work done last week on the well." DeRoche, "Has it been tested?" Liebel, "We just paid for the test. We are having that done ourselves." DeRoche, "Because I know the water in there has a really nasty taste." Liebel, "I have talked to the County Health Inspector and he is going to go out there with us next week." DeRoche, "I am not trying to move you away from that bar. Good food is something they really need. They had it years back and when they did, it was a booming business. Then as soon as it changed owners, everything changed." Moegerle, "And we are also very interested in septic system compliance, so that is part of the pumping. But we also want to make sure the system is functional." Liebel, "As do we."

DeRoche made a motion to approve Item D) Approve Liquor Licenses for Smokey's Pub & Grill (formerly known as Coon Lake Tap & Grill) contingent on the proper submission of reports on the septic system and submission of certificate of coverage for insurance. Moegerle seconded; all in favor, motion carries.

Jack Raymond, 2370 Taylor Avenue, White Bear Township, "How do we get that information to you?" Davis, "You will have to get that from the Anoka County Health Department; they are the ones that did the last inspection on that. And there were letters sent out last November and December indicating this system hadn't been pumped for seven years. The City required that to be done. We never received a copy of the pumpers report." DeRoche, "I don't recall that it was done. I thought we gave them until the spring." Davis, "That was the schedule. But there was someone that said it was pumped. And they had a

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receipt, but we don't have the receipt and we don't accept receipts as proof. We have to have the pumpers report. When the county inspected this, they listed a few issues with the well, and the septic needed to be pumped. But because of the timing they were given until spring to comply with the pumping directive. So contact the gentleman at the county that you are working with on the well, and he should have a copy of the pumping report and should be able to get that to us. Otherwise, you will have to get a pumper to come out there, pump the system, check it and give us the pumpers report."

Item I) Finishing Touch –Letter of Credit (LOC) #5465

Item I) Finishing Touch –Letter of Credit (LOC) #5465 - Davis explained that this involves a Letter of Credit for Finishing Touch's landscape which is located north on Hwy 65 between 233rd and 237th Avenues. There are items they haven't completed and they were supposed to have been completed in 2011. In 2011, we did grant them an extension on of the Letter of Credit to complete the landscaping items. With the staff inspection that was done approximately two weeks ago it was indicated that these items are still not completed. We sent a letter at that time that the items needed to be completed by September 21st or the city would draw down on the Letter of Credit to complete these items. One of the owners did approach us this morning and indicated that they would have this completed by this Friday. However, we are still recommending that the Letter of Credit be extended another year and they give us proof of that so that we will have at least a growing season (if they have everything planted by Friday) to make sure that everything is survives. This is part of the conditions of the original Letter of Credit also.

DeRoche, "Why don't we give them an extension until spring, when it is better to plant?" Moegerle, "Because we have to have one growing season to make sure they are going to survive. So, she said she would get the planting done by the end of week. And the original requirements were a full growing season." DeRoche, "Right, so if it all dies?" Davis, "Also, their existing Letter of Credit expires the beginning of October." Voss asked so staff is recommending to extend it if they do the planting? Davis, "If they do the planting. If they don't do the planting, we draw down on the letter of credit."

Moegerle made a motion to extend the Letter of Credit (LOC) #5465 for Finishing Touch to October 1, 2013 if the landscaping is completed by Monday, September 24, 2012. If the landscaping is not completed, staff is authorized to draw down on the Letter of Credit (LOC) #5465 to complete the landscaping plan at Finishing Touch. DeRoche seconded; all in favor, motion carries.

Administrative Subdivision – Lot Line Adjustment for Charles Mossefin, Village Green Mobile Home Park

Davis explained that East Bethel City Code Chapter 66, Subdivisions, allows lot boundary line adjustments where the division is to permit the adding of a parcel of land to an abutting lot. Administrative subdivisions do not require a public hearing; therefore, City Council is the only review body for the land use request.

The parcel that Village Green is requesting is an addition to approximately 9.0 acres in size. They are requesting an adjustment of the northern property line by adding a portion of land (approx. 3.59 acres) from the south property line of the land owned by T & G Land, Inc. The additional property is shown on Attachment #3 as Parcel B. After the lot line adjustment Village Green's parcel will then be approximately 12.59 acres in size.

The review comments from the City Attorney and City Engineer are included as Attachment #4 and Attachment #5.

The administrative subdivision meets the requirements set forth in city code and meets the

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policies adopted as part of the East Bethel Comprehensive Plan; therefore, staff suggests City Council consider approving the subdivision.

City Staff is recommending approval of the Administrative Subdivision that would allow a lot line adjustment for the properties known as Village Green, PIN 32-33-23-34-0004, and T & G Land, Inc., PIN 32-33-23-31-0002. The parcel known as PIN 32-33-23-34-0004, East Bethel, will increase in size from 9.0 acres to 12.59 acres. The parcel known as PIN 32-33-23-31-0002, East Bethel, will decrease in size from 40.93 acres to 37.31 acres. The approval shall be contingent on the following:

1. Submit an ownership and encumbrance report identifying fee owners, lien holders and easements, prepared as to each existing lot of record. This information can be identified on the existing survey.
2. Certification from the surveyor must be submitted stating that all lot corners have been set.
3. New property description must be reviewed and approved by City Engineer prior to the signing of the parcel deeds.
4. Deeds and survey shall be recorded at the Office of the County Registrar of Titles no later than December 8, 2012. Failure to promptly record this transaction will void the administrative subdivision.
5. All review comments from the City Attorney shall be addressed to his satisfaction.
6. All review comments from the City Engineer shall be addressed to his satisfaction.

Lawrence made a motion to recommending approval of the Administrative Subdivision that would allow a lot line adjustment for the properties known as Village Green, PIN 32-33-23-34-0004, and T & G Land, Inc., PIN 32-33-23-31-0002. The parcel known as PIN 32-33-23-34-0004, East Bethel, will increase in size from 9.0 acres to 12.59 acres. The parcel known as PIN 32-33-23-31-0002, East Bethel, will decrease in size from 40.93 acres to 37.31 acres. The approval shall be contingent on the following: 1) Submit an ownership and encumbrance report identifying fee owners, lien holders and easements, prepared as to each existing lot of record. This information can be identified on the existing survey; 2) Certification from the surveyor must be submitted stating that all lot corners have been set; 3) New property description must be reviewed and approved by City Engineer prior to the signing of the parcel deeds; 4) Deeds and survey shall be recorded at the Office of the County Registrar of Titles no later than December 8, 2012. Failure to promptly record this transaction will void the administrative subdivision; 5) All review comments from the City Attorney shall be addressed to his satisfaction; 6) All review comments from the City Engineer shall be addressed to his satisfaction. Voss seconded.

Moegerle, "I saw on page 42, that parcel B is for storage and a recreation area?" Charles Mossefin, Village Green, 1043 Verdin Circle, Coon Rapids, "Yes it is. It has been our traditional storage and recreational area for the last thirty years. Playground equipment, baseball field and a hoop, but until we actually own the property we didn't want to do any improvements in terms of upgrading the equipment. We would like to do that in the future. We are going to finally own the parcel and can do that for our tenants." Moegerle, "Excellent. So there will not be any change in the use, you will just finally own it?" Mossefin, "Yes, we are just going to finally own it and the use will be the same as in the last thirty years." **All in favor, motion carries.**

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Fire Dept. Report

Davis explained that the Fire Department reports are included for your review and information. Lawrence, "Is it more than usual, or not much change?" Davis, "Not much change." DeRoche, "A lot of medicals." Davis, "Yes, medicals are about 70% of our calls." DeRoche, "Have we had any fires during this drought?" Davis, "We have not had any fires of significance during this period of drought and high winds. A few small ones."

Electronic Reader Board

Davis explained that at the June 6, 2012 City Council meeting, direction was given to staff to seek proposals for replacing the storm damaged City Billboard located at the intersection of Viking Boulevard and Hwy. 65. This item was presented to City Council on July 18, 2012 for consideration. At that time the request to bid this project was tabled until the 2013 City Budget discussions had been concluded. As there was no change in the proposed 2013 EDA budget, the source of funding for this project, the preliminary budget deliberations this matter is proposed for reconsideration by Council.

The overall sign dimensions would be 10'H by 16'W and placed on the existing poles and footings on site. The lower portion of the sign would contain the 5'6"H by 15'W electronic reader board and the upper portion would be reserved for the "City of East Bethel" nameplate. The base bid would include individual LED backlit green letters. The reader board would have the ability to display numerous types of fonts, letter sizes, and animations. The minimum legible letter size the sign has the ability to display would be four lines (16-19 letters per line) of 12" letters. The sign could display images, animations, and text in many different shades of amber. At a minimum, the support poles would be wrapped in aluminum to match the upper portion of the sign and the existing footings and electrical service would remain. Staff could program the sign either cellular or by radio transmission and would have the ability to provide updates in real time.

As in all bids, contractors would be required to furnish all required insurances, license certificates, workman's compensation coverage and bonding if applicable.

The previous billboard was able to display four lines of 9" letters with 18 letters on each line. This proposal to Council is to bid this project with the award of any bid would subject to Council approval.

The estimated costs of an electronic reader board under the base bid amount range between $60,000 and $85,000. There is currently $50,000 in the 2012 EDA budget and a preliminary approval of $45,000 for 2013 EDA budget for a reader board sign. The East Bethel Seniors have provided a donation of $5,000 toward the sign and the City has received $2,800 as a damage claim payment, bringing the total available funds for the project to $57,800 for 2012.

If approval is granted by City Council to replace the existing sign with a new reader board that would be completed prior to December 2012, an intra-fund no interest loan could be extended from our HRA account to cover those costs of the sign above $57,800. The loan could be repaid to the HRA from the 2013 EDA budget. If the sign is approved and not completed until 2013, there would be no need for the loan, as funds would be available to cover the cost of the project.

Staff is requesting Council approval to solicit bids for a new electronic reader board using the base bid specifications and include the upgrades as alternate bids.

Moegerle made a motion to approve solicitations for bids for a new electronic reader

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board using the base bid specifications and include the upgrades as alternate bids. Voss seconded. DeRoche, "Can we get samples of what they would look like?" Davis, "We can request that. And, as part of the bid, we could require each bidder to submit an architectural rendering of their sign. We could also get color samples to add to bid requirements." **All in favor, motion carries.**

MnDOT Traffic Control Agreement

Davis explained that as part of the Joint Powers Agreement (JPA) that the City approved on November 16, 2011 for the 221st Avenue and Hwy. 65 Signalization Project, the City is responsible for the installation of an adequate electrical power source to service cabinet for the County Road 74/TH 65 traffic control signal system, maintenance of street lights and cost of electrical power for the street lights.

At the time of the JPA approval, a separate agreement was to be prepared by MnDOT to finalize the responsibilities between the City, the County, and MnDOT. Attached is the final agreement and Resolution 2012-57 approving the cost and maintenance responsibilities of the City.

This is a standard MnDOT agreement and is similar to the other agreements that the City has executed with MnDOT for the signals at Viking Boulevard, Sims Road and 237th Ave. on Hwy. 65.

The annual electrical cost for the signals and luminaires averages approximately $3,000. This cost is included in City Roads Budget.

Staff recommends approval of Agreement No. 01242M between the State of Minnesota, Department of Transportation, the County of Anoka and the City of East Bethel. Further staff recommends that Council adopt Resolution 2012-57 Authorizing the City of East Bethel to enter into the agreement and the Mayor and City Administrator to execute the agreement.

Voss made a motion to approve Agreement No. 01242M between the State of Minnesota Department of Transportation, the County of Anoka and the City of East Bethel. Lawrence seconded.

DeRoche, "It was my understanding when we first talked about this that East Bethel was going to be responsible for the street lights. And that MnDOT or whoever was going to take care of the maintenance, and the electrical bill and everything else with the traffic lights. I specifically remember asking that. Now we are going to pay for the electrical, maintenance, the emergency light on the top, and the wireless system, correct?" Davis, "The EDP, that is correct. That was part of the original agreement. The City is responsible for the EDP light and the street lights and the cost of providing power to those. That is the same agreement we have signed with MnDOT for all the intersections that are signalized in the City."

DeRoche, "This says something different on the first page." Davis, "The maintenance of the traffic control is Anoka County. All we are responsible for is the maintenance of the streetlight and the EDP lamp. And we are responsible for the electrical costs. This is a three party agreement. On page 59 it is all broken down, all the responsibilities. Once we sign off on this, they will sign off on it." Moegerle, "It is also in the minutes on page 6 of December 7, 2011." **All in favor, motion carries.**

Voss made a motion to adopt Resolution 2012-57 Authorizing the City of East Bethel to

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enter into the agreement and the Mayor and City Administrator to execute the agreement. Lawrence seconded; all in favor, motion carries.

2013 Budget – Zero Increase

Davis – Item G.3 request staff to bring their current budgets to zero tax levy increase and to be submitted to Council for review by October 17th. Staff will work at whatever direction the Council wishes to proceed.

Lawrence, "The reason I requested this is I know there are some things in the budget that aren't being used. And we could quit funding things that we aren't using." DeRoche, "Such as?" Lawrence, "Laser Fiche, we are paying for and not using. Staff knows what we are spending on, more than Council does. It is a very minimal amount we need to get to zero and I would like staff to look and see if we can get there." Moegerle, "In response to that, I think that staff did an excellent job of pointing out things that were extra, that could be eliminated. And I think to delegate our job, we were elected to point those things out and make that decision. If staff has time to do that, fine, as a courtesy to us. But, I think it is our job to point out what we want eliminated. It is our job to do." Voss said and I agree. And isn't that what we were doing the past few meetings. Lawrence, "But what I have found out is there are things in the budget you look at and you have no clue what it really is. I am just saying there is no reason to spend money where we are not using it." Voss said then bring suggestions to the next meeting. We used to have budget on the agenda for every meeting until December. Voss said have it on the agenda for a budget review.

Lawrence, "This is just a simple request to staff because they would know where the expenditures are going more than we do." Voss said we have been working the last few months and going through in excruciating detail and last meeting we approved the budget. The last thing you want to do is say, let's reopen the budget again. Lawrence, "You all approved that budget. I did not approve that budget at the last meeting." Voss said you voted for the budget last meeting. DeRoche, "The levy didn't pass." Voss said both of them passed. I sure hope you read the minutes before you approve them, because the budget passed 3 to 1 and the levy passed 4-0. Davis, "Are you talking about the proposal to levy for bond payments?" Voss said because we are talking budget. We are not talking the bond, it failed. Davis, "That is correct. The budget passed 3 to 1, the levy which we send to the county for certification passed 4 to 0 and the discussion on levying for bond payments failed because it was a 2 to 2 vote (a tie)." Moegerle read the motion from the minutes from the September 5, 2012 meeting. Lawrence, "I was not in favor, I did not vote for it." Voss said you just approved the minutes that said you approved it. Lawrence, "After the meeting I discussed this with Davis, I couldn't tell how the vote was. I never said pass or fail." Moegerle, "We passed a preliminary levy, not a final levy. Why are we fighting over that? Let's talk about some substance and let's put the budget back on the agenda at the next meeting and we will bring a list of the things we need to reduce." Voss said that is why I suggested that the budget be on the agenda, and not added at the last minute.

Moegerle made a motion to have the 2013 Budget on the City Council meeting agendas until we approve the final levy. DeRoche seconded. Voss said but it needs to be things you want to discuss. To make a blanket statement that staff should go back and go squeeze some more out of this, is wrong. Lawrence, "All I am saying is if they know of things that aren't being used in the budget." Voss said I think that is a slight what you just did to staff. To make a blanket statement that you think there is something else here is wrong. **All in favor, motion carries.**

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Adjourn

Moegerle made a motion to adjourn at 8:40 p.m. Voss seconded. DeRoche, Moegerle and Lawrence, nay; Voss, aye; motion fails.

Council Member Report – DeRoche

DeRoche, "They have been working on the roads at Coon Lake Beach. Jochum, are you going to take a look at them?" Jochum, "For the most part they are done. We will do a final punch list." DeRoche, "Weather is changing. Everyone is taking their stuff out of the lake so we shouldn't have too many more theft problems. It is good to hear that someone is coming in and bought the restaurant. At one point that had really good food. We had a meeting at Route 65 Pub & Grub. Heidi, I, Jack, Richard, Nate, EDA Members, Planning Members, it was pretty fruitful. They had a lot of questions. Some things were straightened out in people's minds. Some people needed to vent. Had to put out the facts. If you want to bring information up, this is what we are doing. Thought it went really well."

Council Member Report – Moegerle

Moegerle, "After our last meeting, there was the first meeting of Met Council's Thrive 2040 in Coon Rapids. Our representative was there and representatives that cover the Anoka area. They talked about "What is the plan for 2040?" There seems to be change in the mindset of the appointed council compared to some things we have heard in the past. After the meeting two gentlemen came and talked to me about the SAC charges. One gentleman said to us that we need to take that further with the council as opposed to staff. Because there was a thought of some staff that Met Council should have the charges be a flat fee and be regional. There was also a gentleman there that indicated that Met Council is interested in funding regional trail systems. So that gentleman will be invited to the next Sandhill Crane meeting.

Another issue is the light at the street here when we turn into City Hall. Those solar lights are not going to be enough in winter. Can we look into getting something else out there? We had a webinar with Civic Plus today about the website; about possibilities to have buttons on the website to report potholes. Another that is almost a blog. There will be another meeting about design. And finally, there will be a meeting next Monday with Jeff Corney from Cedar Creek Science Reserve about reviewing the Memorandum of Understanding with them, what their development plans are, and how we can develop in a way that would be constructive and beneficial to both parties.

Council Member Report – Voss

Voss asked do we have any progress in terms of Met Council and the agreement? Davis, "They have come back and made a preliminary proposal to the City to reduce the ERU goals in half that they are requiring the City to have. They have also offered to exempt our repayment for extra capacity of the line. It was to be paid in 20 years and they have agreed to extend it to 30 years with no payments for 10 years except interest. They are also considering letting the City purchase the Village Green treatment plant. These are things they are offering to give us some breathing room on the front end of project. The total numbers don't change."

Voss asked what is the next step on that. Davis, "We need to follow through with them. And I would like to talk to them about getting our SAC charge down to the same as they charge in Blaine and everywhere else. Uniform. We are currently scheduled to pay a higher SAC charge because they say this is a standalone system and has different costs, but I think we can make a case or at least advance the argument that we should be treated the same. And the same as the flow charges."

Mayor Report - Lawrence

Lawrence, "I too was at the Pub & Grub. We had a good conversation going on there. The Chamber of Commerce seems to really be sparking off there."

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Adjourn **Lawrence made a motion to adjourn at 8:54 PM. Moegerle seconded; all in favor, motion carries.**

Attest:

Wendy Warren
Deputy City Clerk

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EAST BETHEL CITY COUNCIL WORK MEETING
September 19, 2012

The East Bethel City Council met on September 19, 2012 at 6:00 PM for a work meeting at City Hall.

MEMBERS PRESENT: Bob DeRoche Richard Lawrence Heidi Moegerle Steve Voss

MEMBERS ABSENT: Bill Boyer

ALSO PRESENT: Jack Davis, City Administrator

Call to Order **The September 19, 2012 City Council work meeting was called to order by Mayor Lawrence at 6:00 PM.**

Adopt Agenda **Lawrence made a motion to adopt the September 19, 2012 City Council work meeting agenda. Voss seconded; all in favor, motion carries.**

Stacie Kvilvang with Ehlers and Associates, your newly hired financial advisors, "There are few documents before you that, as we move forward with Aggressive Hydraulics project, that is going to be before you for final approval. And since you have never created a Tax Increment District there is a lot of stuff that you need to do. We are going to walk you through these documents and answer any questions to get you ready for the public hearings on October 3rd.

The three documents we are going to be reviewing are the Development Program, the Business Subsidy Policy, the TIF Plan and I am going to go over the detailed points which will be in the development agreement which will be a fourth document which you have not yet received. This will be drafted by your city attorney. Essentially the first three documents are pretty perfunctory, pretty standard. The majority of the language in there is statutorily required. There are some things we can modify and I will try and highlight those for you.

We will start with the Development Program. This is the document that is required for you to have to create or to provide any assistance programs in your community. So you are really setting the boundaries of where you want to promote development and redevelopment within your community. It states the following: Public Purpose; Objectives (this is where you have some flexibility to add things you may want to specifically do over time) it is about proving employment, streets and roadways, etc.; Funding of Projects and probably the other big one is Relocation Requirements (which typically doesn't come into play that often). Essentially those are the high points. The big one is defining those development boundaries. In your packet initially or the proposed boundaries are a ¾ mile each side along Hwy. 65 from 181st to 245th Avenue. Again, this is just your preliminary boundaries that you have and, sitting down with staff and looking to see what is going to be happening in the next five years, where you think development would be coming in is where you want to have that opportunity, if in fact any form of assistance was needed in order for those projects to move forward. So this is the recommendation that staff has come up with.

You can modify those boundaries, and many cities do modify those boundaries over time. We try to have them be a little bit bigger because you hate to have to come back and spend the money. It can cost anywhere from $2,500 to $5,000 to do that. So again, we just try to make it larger in that context. The secondary thing is, as you move forward, you can continue to expand that. Many communities do it one of two ways. Some do it that their development district is contagious with their corporate boundaries. There are other cities that are growth communities, like you, that may have older parts of the city. And if they have managed growth plans, they

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may include portions of that. Moegerle, "Would we have to change our comprehensive plan to reflect that this is our development area?" Kvilvang, "I don't believe you would have to do an update in your comprehensive plan." Moegerle, "We haven't done our annual update to our comprehensive plan yet." Davis, "We wouldn't need to update our comprehensive plan with this. It may be something you want to incorporate in there once this is adopted."

Voss asked why such a large area? Davis, "This is what we discussed as a staff and to do this all at one time. Really, this is an overlay of the proposed sewer area. Then if a project comes up on the northern side, we don't need to do this again. It will save any expenses of doing it again." Voss said if this was started off smaller. In the future if we wanted to expand it, what is involved in expanding the area? Kvilvang, "It is going through the same process as establishing it. A full public hearing process and amendment and changes to your development program." Voss said which isn't necessarily bad. Kvilvang, "Not necessarily bad. But like anything that you are trying to project in the next five years, try to incorporate the areas that you see within that. That being said, just because you have that development program area, does not mean that you have to provide assistance to everyone that comes in and wants to go there. That is still a Council decision. But it provides Council the flexibility if something comes in that you don't have the additional expense for enlargements."

DeRoche, "Once these boundaries are set as a TIF District, that is what it is. I can see some problems if we let one in and not another." Voss said it is not a matter of letting them in. We came up with this approach to deal with the matter of Aggressive Hydraulics. Defining this broad area sends a message rather than defining a smaller area. Voss said if you start with one, then do you do every one. That is why a public hearing isn't necessarily a bad thing. DeRoche, "Public hearings aren't necessarily a bad thing. My understanding the TIF District was going to be for Aggressive Hydraulics." Moegerle, "I also agree this sends a message. That it is just 3/4 of a mile on each side of Hwy. 65. Residents want to know that. It says this is the limit, and valuable for our residents to know." Voss said it is not a limit, our comp plan does that. Moegerle, "I think they go hand in hand."

DeRoche, "But we already told people that we were doing the TIF District just for Aggressive Hydraulics." Kvilvang, "When we are talking about the Development District Area, that is a larger area in which you can create one or multiple TIF Districts. So, when we talk about the TIF District for Aggressive Hydraulics, it is this little parcel in black and it is only a portion of that in the TIF District. Just because you have a Development District doesn't mean that you have to give to everyone. They have to develop what you, as a Council, want to see happen in that area. Voss said it doesn't seem practicable that anyone coming in for a TIF anywhere a mile north of Viking, because there is not going to be water there, so why consider a TIF District there?

Davis, "We have had a couple inquiries from developers about 221st since it is going to be signalized. And there would be a possibility of sewer service there. It was staff's original thought that it was better to do this Development boundary all the way around there. It doesn't commit the City to anything. We thought it might be something of a cost savings to do this right now and since it was in agreement with our existing comp plan, as far as the way we define growth along the corridor, that this might be the best approach to consider at this point." DeRoche, "We haven't even figured out or decided the whole TIF with Aggressive Hydraulics. We have already decided we just don't have a lot of money to give out to people to come in here." Davis, "That is a separate issue and will be decided in the Business Subsidy Plan that we will look at later. That will define criteria for eligible entrants for TIF projects. Keep in mind too that commercial projects are not eligible for TIF projects. These are confined to industrial or manufacturing projects." Voss said or it could also be high-density housing. Kvilvang, "It has to be job creation. If, in fact, you have a vacant piece of property and someone wants to put in

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multi-family or high-density housing, you could create a housing district for that. But there are income restrictions on who can live there, that are required as part of that development. Likewise if you have an area in the City that you would like to redevelop that had blighted buildings.

Kvilvang, "Next is your Business Subsidy Policy. This is required by state statute for any assistance over $150,000 that you provide. That can be Pay As You Go, Tax Increment, Up Front Tax Increment, Tax Abatement, Waiver of City Fees or Building Permits; anything that comes together and is over $150,000 is going to have to meet your Business Subsidy Requirement. There are twenty-three exceptions that are out there. Basically, the Greenfield Development like this is going on, is never exempted because that really is about job creation that is out there. Typically housing is exempted, because you are doing a whole other precedent in providing affordable housing. Some other things that are out there are more related to redevelopment such as the cost to assemble and acquire land, the assessor's market value. So essentially the two things you must have in your business subsidy policy is a job creation goal and a wage floor. There were minimum requirements. It is a minimum requirement and right now we have one job in there as your minimum requirement. In many communities that is what they use and do in their policy because they may want businesses to come in for other reasons. Where you have more control is if someone is coming in and requesting assistance. You can always go higher than what your business subsidy policy says because you are providing assistance. This is just meeting the statutory requirement.

The secondary thing in there is the wage floor. We have proposed that at 150% of the minimum wage. That is a benchmark that many communities utilize. If we look at a minimum wage at $7.25 an hour, that wage would be $11.00 an hour. Typically this is for full-time creation. These are minimum standards that are out there for that and essentially you can always change that over time. It will require a public hearing.

A statement regarding public costs is the next item to discuss. Typically, most cities require an application fee and escrow. Typical escrow we see in the metro is around $10,000. If it is not adequate to cover costs, the developer will have to put in additional funds. That is to cover the cost of creating a TIF District, the developer's agreement, and any ancillary requirements in regards to that. Also, a lot of cities charge an application fee that is non-refundable. That is to ferret out who is really serious about doing development. So, they may have a $2,000 to $3,000 fee. We threw in $3,000 as a line item. Majority of cities don't have that fee, but most of the cities I work with do. We wanted to put that in there as an option if that is something that you would like to have. Average costs are $15,000 to $25,000. And then, you can update your policy at any time and you can deviate from it but, at the public hearing, your resolution has to state why you are deviating from your policy. In discussions with Aggressive Hydraulics, meeting these job creation and wage minimum will not be an issue at this level.

Moegerle, "On page 5 of the draft Business Subsidy Policy it talks about a look-back provision which brought to mind a claw-back provision. Are those the same or slightly different?" Kvilvang, "It is exactly the same. And that is what we recommend for a lot of communities to have. Essentially, at the time you are providing assistance for development, their contracts for construction may have not been entered into, they may not have tenants signed up or leased out. A look-back is (today when you approve a development agreement), today is our best knowledge of what is going to happen there. What we are going to do is, once you are constructed, leased up or occupied, we are going to get an audit of your financials and we are going to review that. If it provides better than anticipated, the assistance would be reduced accordingly. If it doesn't go as well as anticipated, that is tough luck, that is the developer's risk."

Moegerle, "I like that it is a flexible policy. It can be customized. That is very valuable."

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DeRoche, "It looks like this is primarily geared towards manufacturing and industrial on Hwy. 65?" Kvilvang, "Yes, that is correct. Housing is exempt and redevelopment projects would likely be exempted from this as well." Moegerle, "With regard to restaurants and retail, this does not cover them. So what do we do to help get them to come here?" Kvilvang, "Other community's are using dollars in an Economic Development Fund to provide a loan. Or the help them by paying the SAC or WAC charges. Cities are doing things creatively if there is a specific niche they want to have. The other opportunity really is through tax abatement."

Kvilvang, "Move on the TIF Plan. A lot of this is perfunctory and standard. Required by statute. It states the type of district and the term. In this case, it is an Economic Development District with a 9 year term. It sets the boundaries for the TIF District. So it is describing the specific parcels that are in that district. It sets a maximum budget. So the budget will look a lot higher than what you are providing assistance to Aggressive Hydraulics. The budget has to be a maximum or higher because if, over time, the development performs better and you collect more tax increment, you essentially have a problem with your budget then. It also describes the project, outlines any property you may acquire as a city, it states the fiscal impacts to the county, city and school district and other miscellaneous items that are located within that.

Kvilvang, "I want to give you basics on Tax Increment. It is the ability to capture and use the most of the local property tax revenue from new development within a defined geographic area. A TIF District is where the increment is collected. Some of the misnomers that some people have are typically in TIF Districts you have the ability to give up to 90%. Most communities do 90% to 95%; some do less, if they don't need it, because they may be taking other dollars to help them fund other city programs. But, essentially just because you pay in your taxes doesn't mean you are going to get 90 cents on your dollar. Typically it is 32 to 36 cents on the dollar.

The main deal points of a development agreement with Aggressive Hydraulics are basically you are providing them a Pay as You Go Tax Increment Note for $225,000 at 5% interest. As they pay the taxes in, the county gets it, then you will get paid distributions from the county and then you pay them. There will be two distributions a year. The TIF note will be assigned to Village Bank. They will receive 90% of TIF generated and the note can be prepaid at any time. The City receives about $4,400 a year to pay administrative costs."

Andy Pratt, Eckberg Lammers, "[I'm] working with Ehlers on the development agreement. As the TIF note goes along in time, the City doesn't have any general fund obligation to pay for this. The city is purely a conduit. There is nothing the city has to dig in their pockets for. And the alternative was a bond obligation." Kvilvang, "The other thing in there is the requirement for an assessment agreement. So they will be signing an agreement with the county assessor that says the minimum value on that property is going to be $3 million through the term of the district. So that means, for them, that they will not be able to petition the tax value below that amount. Construction to begin by December 31, 2012 and finish by June 1, 2013."

Lawrence, "When you make a TIF District like this, what is the average life span of a company that does this? We have had comments that, 'They take the TIF and then leave.'" Kvilvang, "I have dealt with manufacturers, housing and such that have been there the 20 years that I have been doing this. They don't come and get assistance and then leave. Some businesses have gone out of business or moved." DeRoche, "It sounds like Aggressive Hydraulics will be here for a long time." Moegerle, "The non-refundable application. (I know the whole staff has spent a lot of time on this.) I see value of having this non-refundable. Can you tell us reasons why we want it refundable?" Kvilvang, "The only reasons why you would want to make this refundable is, say someone puts in an application and there is hardly any staff time that goes into it, then you might want to say, 'We will refund a portion that is not utilized.'" Voss said I would suggest we start out at $2,000 so that if we have smaller businesses. Do we add this to our fee

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schedule? Davis, "We will add it to our fee schedule and we will be bringing the 2013 fee schedule before you soon."

Adjourn **Voss made a motion to adjourn at 6:45 PM. Moegerle seconded; all in favor, motion carries.**

Attest:

Wendy Warren
Deputy City Clerk

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Judge Board Report, 2012 Presidential (revised)

General Election, Tuesday, November 6, 2012

East Bethel P-1

East Bethel Senior Center/Community Room, 2241 221st AVE NE, East Bethel, MN 55011

Barbara Behm, Head Judge
Audrey Wirkus, Assistant Head Judge
William (Bill) Abler, Election Judge
Janette Domogalla, Election Judge
Barbara Driver, Election Judge
Marie Florentine, Election Judge
Ardis Hoffman, Election Judge
Thomas Schuler, Election Judge
Leann Slanga, Election Judge

East Bethel P-2

Our Savior's Lutheran Church, 19001 Jackson St. NE, East Bethel, MN 55011

Bonnie Foyt, Head Judge
Ray Domogalla, Assistant Head Judge
Barb Bouljon, Election Judge
Ruth Dutchak, Election Judge
Kathleen Emond, Election Judge
Kermit Kirkevold, Election Judge
John Manning, Election Judge
Charlene Olson, Election Judge
Barb Vangsness, Election Judge

East Bethel P-3

East Bethel Fire Station, 2751 Viking Blvd. NE, East Bethel, MN 55092

Anne Kubat, Head Judge
Polly Anderson Assistant Head Judge
Marlene Collen, Election Judge
Robin Feist, Election Judge
Patricia Hall, Election Judge
Lisa Johnson, Election Judge
Candice Koski, Election Judge
Debra Melander, Election Judge
Teri Nicholas, Election Judge

Carrie Frost, Election Judge – Not Assigned

CITY OF EAST BETHEL
EAST BETHEL, MINNESOTA

RESOLUTION NO. 2012-58

RESOLUTION DESIGNATING PRODEVA 250 GLASS AND CAN CRUSHER SURPLUS PROPERTY

WHEREAS, the City of East Bethel owns equipment for the purposes of serving its municipal recycling needs; and

WHEREAS, the City of East Bethel has found the Prodeva Glass and Can Crusher has come to the end of its useful service life as a reliable and dependable piece of equipment; and

WHEREAS, the City Council of East Bethel has approved the purchase of replacement equipment with funds provided by the 2012 Recycling Enhancement Grant; and

WHEREAS, the City of East Bethel will dispose of the Prodeva 250 Glass and Can Crusher by recycling the metal.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF EAST BETHEL, MINNESOTA THAT: the Prodeva 250 Glass and Can Crusher is hereby declared as surplus property and approved for disposal.

Adopted this 3rd day of October, 2012 by the City Council of the City of East Bethel.

CITY OF EAST BETHEL

_____

Richard Lawrence, Mayor

ATTEST:

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Jack Davis, City Administrator

CITY OF EAST BETHEL
EAST BETHEL, MINNESOTA

RESOLUTION NO. 2012-59

RESOLUTION DESIGNATING 1984 STOUGHTON RECYCLING TRAILER SURPLUS PROPERTY

WHEREAS, the City of East Bethel owns equipment for the purposes of serving its municipal recycling needs; and

WHEREAS, the City of East Bethel has found the 1984 Stoughton Recycling Trailer has come to the end of its useful service life as a reliable and dependable piece of equipment; and

WHEREAS, the City Council of East Bethel has approved the purchase of a replacement trailer with funds provided by the 2012 Recycling Enhancement Grant; and

WHEREAS, the City of East Bethel will dispose of the 1984 Stoughton Recycling Trailer by trading it in on a replacement trailer.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF EAST BETHEL, MINNESOTA THAT: the 1984 Stoughton Recycling trailer is hereby declared as surplus property and approved for disposal.

Adopted this 3rd day of October, 2012 by the City Council of the City of East Bethel.

CITY OF EAST BETHEL

_____

Richard Lawrence, Mayor

ATTEST:

_____

Jack Davis, City Administrator

PAY ESTIMATE #5
CITY OF EAST BETHEL
Elevated Storage Tank Construction

September 10, 2012

Honorable Mayor and City Council
City of East Bethel
2241 - 221st Avenue N.E.
East Bethel, MN 55011

RE: Elevated Storage Tank Construction
Contractor: Caldwell Tank, Inc.
Contract Amount: $1,072,000.00
Award Date: December 1, 2010

Dear Honorable Mayor and Council Members:

The following work has been completed on the above-referenced project by Caldwell Tank, Inc.

ITEM NO.	ITEM DESCRIPTION	ESTIMATED QUANTITY	UNIT	CONTRACT UNIT PRICE	CONTRACT AMOUNT	USED TO DATE	EXTENSION
1	Bonds & Insurance	1	LS	$ 10,720.00	$ 10,720.00	1.00	$ 10,720.00
2	Engineering/Draft/Design-Foundation	1	LS	$ 42,880.00	$ 42,880.00	1.00	$ 42,880.00
3	Engineering/Draft/Design-Tank	1	LS	$ 64,320.00	$ 64,320.00	1.00	$ 64,320.00
4	Fabricated Material Delivery	1	LS	$ 341,810.00	$ 341,810.00	1.00	$ 341,810.00
5	Foundation Construction & Piping	1	LS	$ 108,000.00	$ 108,000.00	0.95	$ 102,600.00
6	Tank Construction	1	LS	$ 295,960.00	$ 295,960.00	1.00	$ 295,960.00
7	Field Painting	1	LS	$ 123,900.00	$ 123,900.00	0.95	$ 117,705.00
8	Electrical Installation	1	LS	$ 49,410.00	$ 49,410.00	0.50	$ 24,705.00
9	General Construction & Allowance	1	LS	$ 35,000.00	$ 35,000.00	0.29	$ 10,217.86

Total Work Completed to Date	**$ 1,010,917.86**
Less 5% Retainage	**$ 50,545.89**
Less Pay Estimate #1	**$ 801,317.40**
Less Pay Estimate #2	**$ 14,058.10**
Less Pay Estimate #3	**$ 80,329.97**
Less Pay Estimate #4	**$ 41,196.75**
WE RECOMMEND PAYMENT OF:	**$ 23,469.75**

APPROVALS:

CONTRACTOR: CALDWELL

Certification by Contractor: I certify that all items and amounts are correct for the work completed to date.

Signed: _____

Title: Controller Date 9-17-12

ENGINEER: HAKANSON ANDERSON

Certification by Engineer: We recommend payment for work and quantities as shown.

Signed: _____

Title: City Engineer Date 9/12/12

OWNER: CITY OF EAST BETHEL

Signed: _____

Title: _____ Date _____

PAY ESTIMATE #7
CITY OF EAST BETHEL
Water Treatment Plant No. 1

September 26, 2012

Honorable Mayor & City Council
City of East Bethel
2241 - 221st Avenue N.E.
East Bethel, MN 55011-9631

RE: Water Treatment Plant No. 1
Contractor: Municipal Builders, Inc.
Contract Amount: $1,882,300.00
Award Date: January 4, 2012

Dear Honorable Mayor and Council Members:

The following work has been completed on the above-referenced project by Municipal Builders, Inc.

Bid Schedule "A" - Base Bid - Water Treatment Plant No. 1

ITEM NO.	ITEM DESCRIPTION	ESTIMATED QUANTITY	UNIT	CONTRACT UNIT PRICE	USED TO DATE	EXTENSION
1	GENERAL CONSTRUCTION ALLOWANCE	1	LUMP SUM	$30,000.00	0.58	$ 17,393.80
2	FURNISHINGS ALLOWANCE	1	LUMP SUM	$5,000.00		$ -
3	COMPUTER ALLOWANCE	1	LUMP SUM	$8,000.00		$ -
4 *	WATER TREATMENT PLANT NO. 1	1	LUMP SUM	$1,307,124.20	1.00	$ 1,307,124.20
5	GENERATOR SYSTEM	1	LUMP SUM	$51,000.00	1	$ 51,000.00
Total Bid Schedule "A" - Base Bid - Water Treatment Plant No. 1						$ 1,375,518.00

Bid Schedule "B" - Base Bid - Removals and Earthwork

ITEM NO.	ITEM DESCRIPTION	ESTIMATED QUANTITY	UNIT	CONTRACT UNIT PRICE	USED TO DATE	EXTENSION
6	REMOVALS	1	LUMP SUM	$9,230.00	1	$ 9,230.00
7	COMMON EXCAVATION	12,563	CU YD	$3.85	14,063	$ 54,142.55
8	GRANULAR BORROW (LV)	822	CU YD	$8.40	293.33	$ 2,464.00
Total Bid Schedule "B" - Base Bid - Removals and Earthwork						$ 65,836.55

Bid Schedule "C" - Base Bid - Sanitary Sewer

ITEM NO.	ITEM DESCRIPTION	ESTIMATED QUANTITY	UNIT	CONTRACT UNIT PRICE	USED TO DATE	EXTENSION
9	4" PVC PIPE SEWER SDR 35	245	LIN FT	$14.00	241	$ 3,374.00
10	8" PVC PIPE SEWER SDR 35	27	LIN FT	$21.00	13	$ 273.00
11	CONNECT TO EXISTING SANITARY SEWER	2	EACH	$300.00	2	$ 600.00
12	CASTING ASSEMBLY	1	EACH	$337.00		$ -
13	CONSTRUCT SANITARY MANHOLE	1	EACH	$1,686.00	1	$ 1,686.00
14	CHIMNEY SEAL	1	EACH	$261.00		$ -
Total Bid Schedule "C" - Base Bid - Sanitary Sewer						$ 5,933.00

Bid Schedule "D" - Base Bid - Watermain

ITEM NO.	ITEM DESCRIPTION	ESTIMATED QUANTITY	UNIT	CONTRACT UNIT PRICE	USED TO DATE	EXTENSION
15	4" DUCTILE IRON PIPE SEWER CL 50	17	LIN FT	$32.00	10	$ 320.00
16	10" DUCTILE IRON PIPE SEWER CL 50	22	LIN FT	$47.00	20	$ 940.00
17	DUCTILE IRON FITTINGS	6,104	POUND	$3.20	6,204	$ 19,852.80
18	CONNECT TO EXISTING WATERMAIN	4	EACH	$1,096.00	4	$ 4,384.00
19	4" GATE VALVE AND BOX	1	EACH	$974.00	1	$ 974.00
20	6" GATE VALVE AND BOX	5	EACH	$1,231.00	5	$ 6,155.00

PAY ESTIMATE #7
CITY OF EAST BETHEL
Water Treatment Plant No. 1

Bid Schedule "D" - Base Bid - Watermain (Continued)

ITEM NO.	ITEM DESCRIPTION	ESTIMATED QUANTITY	UNIT	CONTRACT UNIT PRICE	USED TO DATE	EXTENSION
21	8" GATE VALVE AND BOX	2	EACH	$1,585.00	2	$ 3,170.00
22	12" BUTTERFLY VALVE AND BOX	2	EACH	$1,901.00	2	$ 3,802.00
23	16" BUTTERFLY VALVE AND BOX	2	EACH	$2,734.00	2	$ 5,468.00
24	HYDRANT	5	EACH	$3,002.00	5	$ 15,010.00
25	6" PVC WATERMAIN	45	LIN FT	$17.00	57	$ 969.00
26	8" PVC WATERMAIN	1,078	LIN FT	$19.00	1,088	$ 20,672.00
27	12" PVC WATERMAIN	196	LIN FT	$30.00	192	$ 5,760.00
28	16" PVC WATERMAIN	453	LIN FT	$43.00	466	$ 20,038.00
Total Bid Schedule "D" - Base Bid - Watermain						$ 107,514.80

Bid Schedule "E" - Base Bid - Pavements and Miscellaneous Construction

ITEM NO.	ITEM DESCRIPTION	ESTIMATED QUANTITY	UNIT	CONTRACT UNIT PRICE	USED TO DATE	EXTENSION
29	AGGREGATE BASE CLASS 5	1,288	TON	$12.00	1,208.8	$ 14,505.60
30	BITUMINOUS MATERIAL FOR TACK COAT	74	GALLON	$2.50		$ -
31	TYPE SP 12.5 WEARING COURSE MIXTURE (3,B)	186	TON	$88.25		$ -
32	TYPE SP 12.5 NON WEARING COURSE MIXTURE (3,B)	186	TON	$86.25	157.94	$ 13,622.33
33	8X7 PRECAST CONCRETE BOX CULVERT END SECTION	1	EACH	$7,850.00	1	$ 7,850.00
34	18" RC PIPE APRON	2	EACH	$772.00	2	$ 1,544.00
35	18" RC PIPE CULVERT DESIGN 3006 CLASS III	48	LIN FT	$29.00	48	$ 1,392.00
36	RANDOM RIPRAP CLASS III	52.9	CU YD	$65.00	52	$ 3,380.00
37	GEOTEXTILE FILTER TYPE IV	158	SQ YD	$2.00	158	$ 316.00
38	4" CONCRETE WALK	585	SQ FT	$5.00	585	$ 2,925.00
39	CONCRETE CURB & GUTTER DESIGN B612	1,041	LIN FT	$11.00	985	$ 10,835.00
40	8" CONCRETE DRIVEWAY PAVEMENT	88	SQ YD	$63.00	120.67	$ 7,602.21
41	BOLLARD	16	EACH	$150.00	16	$ 2,400.00
42	PERMANENT BARRICADES	48	LIN FT	$10.00		$ -
43	WIRE FENCE DESIGN 72-9322	231	LIN FT	$14.50	231	$ 3,349.50
44	VEHICULAR GATE - SINGLE	2	EACH	$1,000.00	2	$ 2,000.00
45	SIGN PANELS TYPE C	6.3	SQ FT	$20.00		$ -
46	LANDSCAPING	1	LUMP SUM	$3,200.00	1	$ 3,200.00
47	SILT FENCE, TYPE MACHINE SLICED	1,806	LIN FT	$2.00	1,079	$ 2,158.00
48	STORM DRAIN INLET PROTECTION	1	EACH	$75.00		$ -
49	FILTER LOG TYPE STRAW BIOROLL	180	LIN FT	$2.50		$ -
50	EROSION CONTROL BLANKETS CATEGORY 3	1,683	SQ YD	$1.55	3,800	$ 5,890.00
51	TURF ESTABLISHMENT	6.6	ACRE	$400.00		$ -
52	PAVEMENT MESSAGE (HANDICAPPED SMBOL) - EPOXY	1	EACH	$265.00		$ -
53	4" SOLID LINE WHITE - EPOXY	154	LIN FT	$12.50		$ -
Total Bid Schedule "E" - Base Bid - Pavements and Miscellaneous Construction						$ 82,969.64

Bid Schedule "F" - Base Bid - Mobilization

ITEM NO.	ITEM DESCRIPTION	ESTIMATED QUANTITY	UNIT	CONTRACT UNIT PRICE	USED TO DATE	EXTENSION
1	MOBILIZATION	1	LUMP SUM	$42,000.00	1.00	$ 42,000.00
Total Bid Schedule "F" - Base Bid - Mobilization						$ 42,000.00

PAY ESTIMATE #7
CITY OF EAST BETHEL
Water Treatment Plant No. 1

Alternate No. 1 - Filter No. 2

ITEM NO.	ITEM DESCRIPTION	ESTIMATED QUANTITY	UNIT	CONTRACT UNIT PRICE	USED TO DATE	EXTENSION
1	CONSTRUCT FILTER NO. 2 AND ALL APPURTENANCES	1	LUMP SUM	$145,000.00	0.40	$ 57,338.00
Total Alternate No. 1 - Filter No. 2						$ 57,338.00

*** Contract Price Includes Change Order No. 1**

Total Bid Schedule "A" - Water Treatment Plant No. 1	**$ 1,375,518.00**
Total Bid Schedule "B" - Removals and Earthwork	**$ 65,836.55**
Total Bid Schedule "C" - Sanitary Sewer	**$ 5,933.00**
Total Bid Schedule "D" - Watermain	**$ 107,514.80**
Total Bid Schedule "E" - Pavements and Miscellaneous Construction	**$ 82,969.64**
Total Bid Schedule "F" - Mobilization	**$ 42,000.00**
Total Alternate No. 1 - Filter No. 2	**$ 57,338.00**
Total Work Completed to Date	**$ 1,737,109.99**
Less 5% Retainage	**$ 86,855.50**
Less Pay Estimate #1	**$ 42,845.00**
Less Pay Estimate #2	**$ 290,272.79**
Less Pay Estimate #3	**$ 185,579.51**
Less Pay Estimate #4	**$ 531,361.48**
Less Pay Estimate #5	**$ 165,952.29**
Less Pay Estimate #6	**$ 284,630.85**
WE RECOMMEND PAYMENT OF:	**$ 149,612.57**

APPROVALS:

CONTRACTOR: MUNICIPAL BUILDERS, INC.

Certification by Contractor: I certify that all items and amounts are correct for the work completed to date.

Signed:_____

Title:_____ Date_____

ENGINEER: HAKANSON ANDERSON

Certification by Engineer: We recommend payment for work and quantities as shown.

Signed:_____

Title:_____ Date_____

OWNER: CITY OF EAST BETHEL

Signed:_____

Title:_____ Date_____

CITY OF EAST BETHEL
EAST BETHEL, MINNESOTA

RESOLUTION NO. 2012-60

RESOLUTION ACKNOWLEDGING THE DONATION FROM CHOPS, INC.

WHEREAS, the City of East Bethel has received a donation in the amount of $1,000.00 from CHOPS, Inc. that was used towards the Family Fun Night that was held Friday, July 20, 2012.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF EAST BETHEL, MINNESOTA THAT: the City Council of the City of East Bethel acknowledges and accepts the $1,000.00 donation from CHOPS, Inc.

BE IT FURTHER RESOLVED THAT: the City Council of the City of East Bethel expresses its thanks and appreciation to CHOPS, Inc. for their donation of $1,000 towards Family Fun Night.

Adopted this 3rd day of October, 2012 by the City Council of the City of East Bethel.

CITY OF EAST BETHEL

_____

Richard Lawrence, Mayor

ATTEST:

_____

Jack Davis, City Administrator

CONTRACTOR'S PAY REQUEST **East Bethel Gravity Interceptor & Discharge & Utility Infrastructure Project** **CITY OF EAST BETHEL, MN** **PROJECT NO. C12.100028** **Pay Estimate No. 16**	**DISTRIBUTION:** CONTRACTOR (1) OWNER (1) ENGINEER (1) BONDING CO. (1)
TOTAL AMOUNT BID	$11,686,468.20
CHANGE ORDER NO. 1 (REVISED)	$324,949.43
CHANGE ORDER NO. 2	$43,536.10
CHANGE ORDER NO. 3	-$9,078.08
CHANGE ORDER NO. 6	-$137,342.33
EXTRA WORK	$12,610.25
TOTAL AMOUNT BID PLUS APPROVED CHANGE ORDERS	$11,921,143.57
MCES STORED MATERIALS TO DATE	$1,294,983.05
EAST BETHEL STORED MATERIALS TO DATE	$948,118.25
TOTAL, STORED MATERIALS TO DATE	**$2,243,101.30**
DEDUCTION FOR MCES STORED MATERIALS USED IN WORK COMPLETED	$1,179,503.25
DEDUCTION FOR EAST BETHEL STORED MATERIALS USED IN WORK COMPLETED	$715,823.83
TOTAL DEDUCTION FOR STORED MATERIALS USED IN WORK COMPLETED	**$1,895,327.08**
TOTAL DUE MCES STORED MATERIALS TO DATE	$115,479.80
TOTAL DUE EAST BETHEL STORED MATERIALS TO DATE	$232,294.43
TOTAL DUE, STORED MATERIALS TO DATE	**$347,774.23**
TOTAL, MCES COMPLETED WORK TO DATE	$5,157,305.38
TOTAL, EAST BETHEL COMPLETED WORK TO DATE	$3,996,785.87
TOTAL, COMPLETED WORK TO DATE	**$9,154,091.25**
TOTAL, COMPLETED MCES WORK & STORED MATERIALS	$5,272,785.18
TOTAL, COMPLETED EAST BETHEL WORK & STORED MATERIALS	$4,229,080.29
TOTAL, COMPLETED WORK & STORED MATERIALS	**$9,501,865.47**
MCES RETAINED PERCENTAGE (5%)	$263,639.26
EAST BETHEL RETAINED PERCENTAGE (5%)	$211,454.01
TOTAL RETAINED PERCENTAGE (5%)	**$475,093.27**
TOTAL EARNED LESS RETAINAGE MCES TO DATE	$5,009,145.92
TOTAL EARNED LESS RETAINAGE EAST BETHEL TO DATE	$4,017,626.28
TOTAL EARNED LESS RETAINAGE TO DATE	**$9,026,772.20**
TOTAL, MCES AMOUNT PAID ON PREVIOUS ESTIMATES	$5,006,090.03
TOTAL EAST BETHEL AMOUNT PAID ON PREVIOUS ESTIMATES	$4,016,341.09
TOTAL AMOUNT PAID ON PREVIOUS ESTIMATES	**$9,022,431.13**
MCES THIS ESTIMATE	$3,055.89
EAST BETHEL THIS ESTIMATE	$1,285.18

PAY CONTRACTOR AS ESTIMATE NO. 16	$4,341.07

Certificate for Partial Payment

I hereby certify that, to the best of my knowledge and belief, all items quantities and prices of work and material shown on this Estimate are correct and that all work has been performed in full accordance with the terms and conditions of the Contract for this project between the Owner and the undersigned Contractor, and as amended by any authorized changes, and that the foregoing is a true and correct statement of the contract amount for the period covered by this Estimate.

Contractor: S.R. Weidema, Inc.
17600 113th Avenue North
Maple Grove, MN 55369

By Lon Evenson Superintendent
Name Title

Date 9-27-12

CHECKED AND APPROVED AS TO QUANTITIES AND AMOUNT:
ENGINEER: BOLTON & MENK, INC., 2638 SHADOW LANE SUITE 200 CHASKA, MN 55318

By _____, PROJECT ENGINEER

Date 9/26/12

APPROVED FOR PAYMENT:
OWNER:

By _____
Name Title Date

And _____
Name Title Date

Partial Pay Estimate No.: 16

East Bethel Gravity Interceptor & Discharge & Utility Infrastructure Project
CITY OF EAST BETHEL, MN
PROJECT NO. C12.100028
METROPOLITAN COUNCIL ENVIRONMENTAL SERVICES Project No. 801602
WORK COMPLETED THROUGH AUGUST 13, 2013

ITEM NO.		ITEM	UNIT PRICE	AS BID ESTIMATED QUANTITY	AS BID ESTIMATED AMOUNT	AS BID - CITY ESTIMATED QUANTITY	AS BID - CITY ESTIMATED AMOUNT	AS BID - MCES ESTIMATED QUANTITY	AS BID - MCES ESTIMATED AMOUNT
1	01500	MOBILIZATION	$255,000.00	1 LUMP SUM	$255,000.00	0.39 LUMP SUM	$99,129.29	0.61 LUMP SUM	$155,870.71
2	01350	MAINTAIN DITCH FLOW	$4,200.00	4 EACH	$16,800.00	2.50 EACH	$10,500.00	1.50 EACH	$6,300.00
3	01350	MAINTAIN CREEK FLOW	$8,300.00	1 EACH	$8,300.00	0.33 EACH	$2,739.00	0.67 EACH	$5,561.00
4	01350	UTILITY TESTING WATER	$13.00	5000 KGAL	$65,000.00	1,500.00 KGAL	$19,500.00	3,500.00 KGAL	$45,500.00
5	01350	PRE-CONSTRUCTION SURVEY / VIDEO TAPING	$650.00	16 UNIT	$10,400.00	14.00 UNIT	$9,100.00	2.00 UNIT	$1,300.00
6	01510	FIELD OFFICE	$15,000.00	1 LUMP SUM	$15,000.00	0.39 LUMP SUM	$5,831.13	0.61 LUMP SUM	$9,168.87
7	01550	TEMPORARY TRENCH RESTORATION	$1.00	18250 SY	$18,250.00	13,299.33 SY	$13,299.33	4,950.67 SY	$4,950.67
8	01550	TEMPORARY SWAMP ACCESS	$32.30	4700 LF	$151,810.00	1,933.33 LF	$62,446.67	2,766.67 LF	$89,363.33
9	01555	TRAFFIC CONTROL	$25,000.00	1 LUMP SUM	$25,000.00	0.39 LUMP SUM	$9,718.56	0.61 LUMP SUM	$15,281.44
10	01555	JERSEY BARRIERS	$17.75	2850 LF	$50,587.50	2,690.00 LF	$47,747.50	160.00 LF	$2,840.00
11	01610	PERMIT BOND ALLOWANCE	$7,500.00	1 ALLOWANCE	$7,500.00	0.39 ALLOWANCE	$2,915.57	0.61 ALLOWANCE	$4,584.43
12	02220	REMOVE BITUMINOUS PAVEMENT	$1.16	22660 SY	$26,285.60	13,264.67 SY	$15,387.01	9,395.33 SY	$10,898.59
13	02220	REMOVE BITUMINOUS DRIVEWAY PAVEMENT	$3.85	650 SY	$2,502.50	518.67 SY	$1,996.87	131.33 SY	$505.63
14	02220	REMOVE CONCRETE DRIVEWAY PAVEMENT	$0.50	2560 SF	$1,280.00	2,152.33 SF	$1,076.17	407.67 SF	$203.83
15	02220	REMOVE CONCRETE CURB & GUTTER	$2.15	1440 LF	$3,096.00	1,055.67 LF	$2,278.28	380.33 LF	$817.72
16	02220	REMOVE STORM SEWER - 15" RCP	$8.50	100 LF	$850.00	56.33 LF	$478.83	43.67 LF	$371.17
17	02220	REMOVE STORM SEWER - 21" RCP	$8.60	25 LF	$215.00	9.00 LF	$77.40	16.00 LF	$137.60
18	02220	REMOVE STORM SEWER - 48" RCP	$11.35	55 LF	$624.25	55.00 LF	$624.25	LF	
19	02220	REMOVE CULVERT - 48" CMP	$10.15	40 LF	$406.00	LF		40.00 LF	$406.00
20	02220	REMOVE STORM SEWER STRUCTURE	$360.00	4 EACH	$1,440.00	3.00 EACH	$1,080.00	1.00 EACH	$360.00
21	02218	SALVAGE AND REINSTALL STORM SEWER - 12" PVC	$28.00	20 LF	$560.00	LF		20.00 LF	$560.00
22	02219	SALVAGE AND REINSTALL STORM SEWER - 18" RCP	$28.00	20 LF	$560.00	20.00 LF	$560.00	LF	
23	02220	SALVAGE AND REINSTALL STORM SEWER - 36" RCP	$29.00	75 LF	$2,175.00	25.00 LF	$725.00	50.00 LF	$1,450.00
24	02220	SALVAGE AND REINSTALL STORM SEWER - 48" RCP	$36.00	45 LF	$1,620.00	30.67 LF	$1,104.00	14.33 LF	$516.00
25	02220	SALVAGE AND REINSTALL THEATER MARQUEE	$48,500.00	1 EACH	$48,500.00	EACH		1.00 EACH	$48,500.00
26	02220	SALVAGE AND REINSTALL LANDSCAPING	$35,000.00	1 ALLOWANCE	$35,000.00	0.85 ALLOWANC	$29,750.00	0.15 ALLOWANCE	$5,250.00
27	02220	PRIVATE UTILITY REMOVAL, RELOCATION, TEMP SUPPORT	$225,000.00	1 ALLOWANCE	$225,000.00	ALLOWANC		1.00 ALLOWANCE	$225,000.00
28	02230	CLEARING & GRUBBING	$68.00	190 EACH	$12,920.00	80.00 EACH	$5,440.00	110.00 EACH	$7,480.00
29	02230	CLEARING & GRUBBING	$2,700.00	1.9 ACRE	$5,130.00	1.40 ACRE	$3,780.00	0.50 ACRE	$1,350.00
30	02958	REPAIR EXISTING DRAIN TILE	$13.00	300 LF	$3,900.00	200.00 LF	$2,600.00	100.00 LF	$1,300.00
31	02960	2" FEATHER MILL	$4.50	910 SY	$4,095.00	910.00 SY	$4,095.00	SY	
32	02530	48" DIAMETER MANHOLE	$371.25	602 LF	$223,492.50	378.30 LF	$140,443.88	223.70 LF	$83,048.63
33	02530	60" DIAMETER MANHOLE	$605.00	137 LF	$82,885.00	8.30 LF	$5,021.50	128.70 LF	$77,863.50
34	02530	72" DIAMETER MANHOLE	$800.00	8 LF	$6,400.00	8.00 LF	$6,400.00	LF	
35	02530	84" DIAMETER MANHOLE	$1,535.00	64 LF	$98,240.00	LF		64.00 LF	$98,240.00
36	02530	96" DIAMETER MANHOLE	$2,365.00	8 LF	$18,920.00	LF		8.00 LF	$18,920.00
37	02530	108" DIAMETER MANHOLE	$2,370.00	10 LF	$23,700.00	LF		10.00 LF	$23,700.00
38	02530	120" DIAMETER MANHOLE	$2,500.00	20 LF	$50,000.00	LF		20.00 LF	$50,000.00
39	02530	48" DIAMETER MANHOLE BOUYANCY COLLAR	$436.00	22 EACH	$9,592.00	22.00 EACH	$9,592.00	EACH	
40	02530	60" DIAMETER MANHOLE BOUYANCY COLLAR	$1,235.00	9 EACH	$11,115.00	EACH		9.00 EACH	$11,115.00
41	02530	72" DIAMETER MANHOLE BOUYANCY COLLAR	$1,520.00	1 EACH	$1,520.00	1.00 EACH	$1,520.00	EACH	
42	02530	8" OUTSIDE DROP	$220.00	17.82 LF	$3,920.40	17.82 LF	$3,920.40	LF	
43	02530	8" PVC SDR 35 SEWER PIPE (10-15 FEET)	$38.00	1130 LF	$42,940.00	1,130.00 LF	$42,940.00	LF	
44	02530	8" PVC SDR 35 SEWER PIPE (15-20 FEET)	$38.00	100 LF	$3,800.00	100.00 LF	$3,800.00	LF	
45	02530	8" PVC SDR 26 SEWER PIPE (10-15 FEET)	$50.00	260 LF	$13,000.00	260.00 LF	$13,000.00	LF	
46	02530	8" PVC SDR 26 SEWER PIPE (15-20 FEET)	$50.00	1985 LF	$99,250.00	1,985.00 LF	$99,250.00	LF	
47	02530	8" PVC SDR 26 SEWER PIPE (20-25 FEET)	$50.00	835 LF	$41,750.00	835.00 LF	$41,750.00	LF	
48	02530	10" PVC SDR 26 SEWER PIPE (15-20 FEET)	$55.00	20 LF	$1,100.00	20.00 LF	$1,100.00	LF	
49	02530	12" PVC SDR 26 SEWER PIPE (0-10 FEET)	$58.00	65 LF	$3,770.00	65.00 LF	$3,770.00	LF	
50	02530	12" PVC SDR 26 SEWER PIPE (15-20 FEET)	$58.00	610 LF	$35,380.00	610.00 LF	$35,380.00	LF	
51	02530	15" PVC SDR 35 SEWER PIPE (10-15 FEET)	$58.00	945 LF	$54,810.00	945.00 LF	$54,810.00	LF	
52	02530	15" PVC SDR 35 SEWER PIPE (15-20 FEET)	$58.00	405 LF	$23,490.00	405.00 LF	$23,490.00	LF	
53	02530	15" PVC SDR 26 SEWER PIPE (10-15 FEET)	$58.00	85 LF	$4,930.00	85.00 LF	$4,930.00	LF	
54	02530	15" PVC SDR 26 SEWER PIPE (15-20 FEET)	$58.00	65 LF	$3,770.00	65.00 LF	$3,770.00	LF	
55	02530	15" PVC SDR 26 SEWER PIPE (20-25 FEET)	$58.00	17 LF	$986.00	17.00 LF	$986.00	LF	
56	02530	24" PVC PS 46/ CCFRPM SN 46 (10-15 FEET)	$75.00	560 LF	$42,000.00	LF		560.00 LF	$42,000.00
57	02530	24" PVC PS 115/ CCFRPM SN 72 (10-15 FEET)	$85.00	2420 LF	$205,700.00	LF		2,420.00 LF	$205,700.00
58	02530	24" PVC PS 115/ CCFRPM SN 72 (15-20 FEET)	$85.00	1035 LF	$87,975.00	LF		1,035.00 LF	$87,975.00
59	02530	24" PVC PS 115/ CCFRPM SN 100 (20-25 FEET)	$90.00	10 LF	$900.00	10.00 LF	$900.00	LF	
60	02530	24" PVC PS 115/ CCFRPM SN 100 (25-30 FEET)	$90.00	25 LF	$2,250.00	LF		25.00 LF	$2,250.00
61	02530	24" PVC PS 115/ CCFRPM SN 100 (30-35 FEET)	$90.00	28 LF	$2,520.00	28.00 LF	$2,520.00	LF	
62	02530	36" PVC PS 115/ CCFRPM SN 72 (15-20 FEET)	$185.00	44 LF	$8,140.00	44.00 LF	$8,140.00	LF	
63	02530	42" PVC PS 46/ CCFRPM SN 46 (15-20 FEET)	$210.00	566 LF	$118,860.00	LF		566.00 LF	$118,860.00
64	02530	42" PVC PS 46/ CCFRPM SN 46 (20-25 FEET)	$200.00	320 LF	$64,000.00	LF		320.00 LF	$64,000.00
65	02530	42" PVC PS 115/ CCFRPM SN 72 (15-20 FEET)	$205.00	502 LF	$102,910.00	LF		502.00 LF	$102,910.00
66	02530	42" PVC PS 115/ CCFRPM SN 72 (20-25 FEET)	$205.00	285 LF	$58,425.00	LF		285.00 LF	$58,425.00
67	02530	42" PVC PS 115/ CCFRPM SN 72 (25-30 FEET)	$205.00	855 LF	$175,275.00	LF		855.00 LF	$175,275.00
68	02530	42" PVC PS 115/ CCFRPM SN 72 (30-35 FEET)	$205.00	155 LF	$31,775.00	LF		155.00 LF	$31,775.00
69	02530	42" PVC PS 115/ CCFRPM SN 100 (30-35 FEET)	$225.00	466 LF	$104,850.00	LF		466.00 LF	$104,850.00
70	02530	48" PVC PS 115/ CCFRPM SN 72 (30-35 FEET)	$225.00	25 LF	$5,625.00	LF		25.00 LF	$5,625.00
71	02530	60" PVC PS 115/ CCFRPM SN 72 (30-35 FEET)	$500.00	1192 LF	$596,000.00	LF		1,192.00 LF	$596,000.00
72	02445	GRAVITY SEWER BORING - 12" CARRIER PIPE	$218.00	95 LF	$20,710.00	95.00 LF	$20,710.00	LF	
73	02445	GRAVITY SEWER BORING - 15" CARRIER PIPE	$325.00	95 LF	$30,875.00	95.00 LF	$30,875.00	LF	
74	02445	GRAVITY SEWER BORING - 24" CARRIER PIPE	$455.00	290 LF	$131,950.00	290.00 LF	$131,950.00	LF	
75	02445	GRAVITY SEWER BORING - 36" CARRIER PIPE	$775.00	355 LF	$275,125.00	355.00 LF	$275,125.00	LF	
76	02445	GRAVITY SEWER BORING - 42" CARRIER PIPE	$830.00	325 LF	$269,750.00	LF		325.00 LF	$269,750.00
77	02445	SET UP BORING PIT (10-15 FEET)	$14,350.00	2 EACH	$28,700.00	2.00 EACH	$28,700.00	EACH	
78	02445	SET UP BORING PIT (20-25 FEET)	$22,000.00	1 EACH	$22,000.00	1.00 EACH	$22,000.00	EACH	
79	02445	SET UP BORING PIT (25-30 FEET)	$33,600.00	1 EACH	$33,600.00	EACH		1.00 EACH	$33,600.00
80	02445	SET UP BORING PIT (30-35 FEET)	$40,000.00	1 EACH	$40,000.00	1.00 EACH	$40,000.00	EACH	
81	02530	6" PVC SDR 26 SERVICE PIPE	$19.00	730 LF	$13,870.00	730.00 LF	$13,870.00	LF	
82	02530	6" PVC SDR 26 SERVICE RISER	$13.30	105 LF	$1,396.50	105.00 LF	$1,396.50	LF	
83	02530	8" X 6" PVC SDR 26 WYE	$145.00	17 EACH	$2,465.00	17.00 EACH	$2,465.00	EACH	
84	02240	DEWATERING (0-10 FEET)	$35.00	800 LF	$28,000.00	LF		800.00 LF	$28,000.00
85	02240	DEWATERING (10-15 FEET)	$45.00	5300 LF	$238,500.00	3,076.00 LF	$138,420.00	2,224.00 LF	$100,080.00
86	02240	DEWATERING (15-20 FEET)	$50.00	4600 LF	$230,000.00	2,991.00 LF	$149,550.00	1,609.00 LF	$80,450.00
87	02240	DEWATERING (20-25 FEET)	$65.00	1950 LF	$126,750.00	1,225.00 LF	$79,625.00	725.00 LF	$47,125.00
88	02240	DEWATERING (25-30 FEET)	$65.00	1010 LF	$65,650.00	LF		1,010.00 LF	$65,650.00
89	02240	DEWATERING (30-35 FEET)	$70.00	2010 LF	$140,700.00	160.00 LF	$11,200.00	1,850.00 LF	$129,500.00
90	02530	PIPE SUBGRADE EXCAVATION (EV) - TYPE A BEDDING	$7.35	850 CY	$6,247.50	270.00 CY	$1,984.50	580.00 CY	$4,263.00
91	02530	PIPE SUBGRADE EXCAVATION (EV) - TYPE B1 BEDDING	$8.60	7700 CY	$66,220.00	3,332.00 CY	$28,655.20	4,368.00 CY	$37,564.80
92	02530	PIPE SUBGRADE EXCAVATION (EV) - TYPE B2 BEDDING	$10.00	1400 CY	$14,000.00	CY		1,400.00 CY	$14,000.00
93	02530	AGGREGATE BEDDING - TYPE A BEDDING	$24.00	2000 TON	$48,000.00	640.00 TON	$15,360.00	1,360.00 TON	$32,640.00
94	02530	AGGREGATE BEDDING - TYPE B1 BEDDING	$28.00	18000 TON	$504,000.00	7,731.00 TON	$216,468.00	10,269.00 TON	$287,532.00
95	02530	AGGREGATE BEDDING - TYPE B2 BEDDING	$29.00	3300 TON	$95,700.00	TON		3,300.00 TON	$95,700.00
96	02341	GEOTEXTILE FABRIC - TYPE B1 BEDDING	$1.00	16000 SY	$16,000.00	7,064.00 SY	$7,064.00	8,936.00 SY	$8,936.00
97	02341	GEOTEXTILE FABRIC - TYPE B2 BEDDING	$1.00	1950 SY	$1,950.00	SY		1,950.00 SY	$1,950.00
98	02530	EXPLORATION EXCAVATIONS	$7,300.00	20 EACH	$146,000.00	EACH		20.00 EACH	$146,000.00
99	01150	TEMORARY ACCESS DRIVEWAY - BANK	$3.35	1700 SY	$5,695.00	1,133.00 SY	$3,795.55	567.00 SY	$1,899.45
100	02320	POND BERM RESTORATION	$7,600.00	1 LUMP SUM	$7,600.00	LUMP SUM		1.00 LUMP SUM	$7,600.00
101	02530	SANITARY SEWER STANDARD CASTING	$280.00	13 EACH	$3,640.00	12.00 EACH	$3,360.00	1.00 EACH	$280.00
102	02530	WATER TIGHT CASTING	$1,470.00	32 EACH	$47,040.00	12.00 EACH	$17,640.00	20.00 EACH	$29,400.00
103	02530	CHIMNEY SEAL	$252.00	13 EACH	$3,276.00	12.00 EACH	$3,024.00	1.00 EACH	$252.00
104	02530	MANHOLE MARKER SIGN	$57.00	31 EACH	$1,767.00	12.00 EACH	$684.00	19.00 EACH	$1,083.00
105	02705	ADJUST CASTING	$300.00	13 EACH	$3,900.00	12.00 EACH	$3,600.00	1.00 EACH	$300.00
106	02310	MANHOLE ACCESS GRADING (CV)	$12.25	600 CY	$7,350.00	CY		600.00 CY	$7,350.00
107	02310	MANHOLE ACCESS SUBGRADE EXCAVATION (EV)	$9.00	3950 CY	$35,550.00	CY		3,950.00 CY	$35,550.00
108	02310	MANHOLE ACCESS GEOTEXTILE FABRIC	$1.60	6800 SY	$10,880.00	SY		6,800.00 SY	$10,880.00
109	02310	MANHOLE ACCESS COMMON EXCAVATION (P)	$2.00	1750 CY	$3,500.00	CY		1,750.00 CY	$3,500.00
110	02310	MANHOLE ACCESS GRANULAR SUB BASE	$7.00	7900 TON	$55,300.00	TON		7,900.00 TON	$55,300.00
111	02730	MANHOLE ACCESS AGGREGATE SURFACE	$13.20	4300 TON	$56,760.00	TON		4,300.00 TON	$56,760.00
112	02535	8" PVC C905 DR 14 DISCHARGE PIPING	$31.00	270 LF	$8,370.00	LF		270.00 LF	$8,370.00
113	02535	16" PVC C905 DR 14 DISCHARGE PIPING	$58.00	4060 LF	$235,480.00	LF		4,060.00 LF	$235,480.00
114	02535	21.6" OD HDPE DR 7 DIPS DISCHARGE PIPING	$110.00	2873 LF	$316,030.00	LF		2,873.00 LF	$316,030.00
115	02535	8" GATE VALVE	$1,100.00	10 EACH	$11,000.00	EACH		10.00 EACH	$11,000.00
116	02445	DISCHARGE PIPE BORING - 16" CARRIER PIPE	$328.00	95 LF	$31,160.00	LF		95.00 LF	$31,160.00
117	02445	SET UP BORING PIT (10-15 FEET)	$16,850.00	1 EACH	$16,850.00	EACH		1.00 EACH	$16,850.00
118	02240	DEWATERING (10-15 FEET)	$1.00	370 LF	$370.00	LF		370.00 LF	$370.00
119	02535	MAINTENANCE MANHOLE	$3,100.00	47.5 LF	$147,250.00	LF		47.50 LF	$147,250.00
120	02535	AIR / VACUUM RELEASE MANHOLE	$25,365.00	3 EACH	$76,095.00	EACH		3.00 EACH	$76,095.00
121	02530	72" DIAMETER MANHOLE BOUYANCY COLLAR	$1,520.00	3 EACH	$4,560.00	EACH		3.00 EACH	$4,560.00
122	02530	108" DIAMETER MANHOLE BOUYANCY COLLAR	$2,575.00	3 EACH	$7,725.00	EACH		3.00 EACH	$7,725.00
123	02535	MANHOLE MARKER SIGN	$60.00	4 EACH	$240.00	EACH		4.00 EACH	$240.00
124	02535	4" INSULATION	$3.70	350 SF	$1,295.00	SF		350.00 SF	$1,295.00
125	02535	TEMPORARY HYDRANT ASSEMBLY	$3,160.00	2 EACH	$6,320.00	EACH		2.00 EACH	$6,320.00
126	02510	HYDRANT EXTENSION	$500.00	6 LF	$3,000.00	LF		6.00 LF	$3,000.00
127	02510	VALVE BOX EXTENSION	$75.00	6 LF	$450.00	LF		6.00 LF	$450.00
128	02530	CHIMNEY SEAL	$265.00	2 EACH	$530.00	EACH		2.00 EACH	$530.00
129	02535	FORCEMAIN FITTINGS	$6.00	4300 POUND	$25,800.00	POUND		4,300.00 POUND	$25,800.00
130	02705	ADJUST CASTING	$300.00	6 EACH	$1,800.00	EACH		6.00 EACH	$1,800.00
131	02705	ADJUST VALVE BOX	$236.00	10 EACH	$2,360.00	EACH		10.00 EACH	$2,360.00
132	02510	HYDRANT & VALVE SUPPORT & FITING BLOCKING IN POOR SOILS	$41.00	30 LF	$1,230.00	LF		30.00 LF	$1,230.00
133	02510	8" PVC C900 DR 25 WATERMAIN	$27.00	2360 LF	$63,720.00	2,360.00 LF	$63,720.00	LF	
134	02510	12" PVC C900 DR 18 WATERMAIN	$37.00	810 LF	$29,970.00	810.00 LF	$29,970.00	LF	
135	02510	16" PVC C905 DR 21 WATERMAIN	$44.00	3840 LF	$168,960.00	3,840.00 LF	$168,960.00	LF	
136	02510	24" PVC C905 DR 21 WATERMAIN	$75.00	1350 LF	$101,250.00	1,350.00 LF	$101,250.00	LF	
137	02510	19.5" O.D. HDPE DR 11 DIPS WATERMAIN	$75.00	790 LF	$59,250.00	790.00 LF	$59,250.00	LF	
138	02510	32" O.D. HDPE DR 11 DIPS WATERMAIN	$150.00	4040 LF	$606,000.00	4,040.00 LF	$606,000.00	LF	
139	02445	WATERMAIN BORING - 16" CARRIER PIPE	$326.00	380 LF	$123,880.00	380.00 LF	$123,880.00	LF	
140	02445	WATERMAIN BORING - 24" CARRIER PIPE	$437.00	430 LF	$187,910.00	430.00 LF	$187,910.00	LF	
141	02445	SET UP BORING PIT (0-10 FEET)	$10,400.00	2 EACH	$20,800.00	2.00 EACH	$20,800.00	EACH	
142	02445	SET UP BORING PIT (10-15 FEET)	$15,400.00	2 EACH	$30,800.00	2.00 EACH	$30,800.00	EACH	
143	02510	4" PVC C900 DR 25 WATER SERVICE	$15.00	190 LF	$2,850.00	190.00 LF	$2,850.00	LF	
144	02510	4" PVC C900 DR 18 WATER SERVICE	$15.00	490 LF	$7,350.00	490.00 LF	$7,350.00	LF	
145	02510	6" PVC C900 DR 18 WATER SERVICE	$22.00	90 LF	$1,980.00	90.00 LF	$1,980.00	LF	
146	02510	6" PVC C900 DR 25 WATER SERVICE	$18.00	130 LF	$2,340.00	130.00 LF	$2,340.00	LF	

ITEM NO.	PREVIOUS ESTIMATE ESTIMATED QUANTITY	PREVIOUS ESTIMATE ESTIMATED AMOUNT	PREVIOUS ESTIMATE - CITY ESTIMATED QUANTITY	PREVIOUS ESTIMATE - CITY ESTIMATED AMOUNT	PREVIOUS ESTIMATE - MCES ESTIMATED QUANTITY	PREVIOUS ESTIMATE - MCES ESTIMATED AMOUNT
1	0.77 LUMP SUM	$195,712.50	0.30 LUMP SUM	$76,081.73	0.47 LUMP SUM	$119,630.77
2	3.00 EACH	$12,600.00	2.00 EACH	$8,400.00	1.00 EACH	$4,200.00
3	1.00 EACH	$8,300.00	0.33 EACH	$2,766.67	0.67 EACH	$5,533.33
4	140.41 KGAL	$1,825.33	103.46 KGAL	$1,344.98	36.95 KGAL	$480.35
5	16.00 UNIT	$10,400.00	14.00 UNIT	$9,100.00	2.00 UNIT	$1,300.00
6	0.77 LUMP SUM	$11,512.50	0.30 LUMP SUM	$4,475.40	0.47 LUMP SUM	$7,037.10
7	9,193.00 SY	$9,193.00	6,795.33 SY	$6,795.33	2,397.67 SY	$2,397.67
8	3,632.00 LF	$117,313.60	1,399.33 LF	$45,198.47	2,232.67 LF	$72,115.13
9	0.77 LUMP SUM	$19,125.00	0.30 LUMP SUM	$7,434.70	0.47 LUMP SUM	$11,690.30
10	3,221.00 LF	$57,172.75	1,252.14 LF	$22,225.47	1,968.86 LF	$34,947.28
11	0.05 ALLOWANCE	$400.00	0.02 ALLOWANCE	$156.00	0.03 ALLOWANCE	$244.00
12	22,592.00 SY	$26,206.72	12,931.33 SY	$15,000.35	9,660.67 SY	$11,206.37
13	472.50 SY	$1,819.12	359.67 SY	$1,384.72	112.83 SY	$434.41
14	1,602.00 SF	$801.00	1,289.00 SF	$644.50	313.00 SF	$156.50
15	1,369.50 LF	$2,944.42	1,002.67 LF	$2,155.73	366.83 LF	$788.69
16	86.00 LF	$731.00	46.67 LF	$396.67	39.33 LF	$334.33
17	37.00 LF	$318.20	23.00 LF	$197.80	14.00 LF	$120.40
18	64.00 LF	$726.40	64.00 LF	$726.40	LF	
19	42.00 LF	$426.30	LF		42.00 LF	$426.30
20	4.00 EACH	$1,440.00	2.67 EACH	$960.00	1.33 EACH	$480.00
21	14.00 LF	$392.00	LF		14.00 LF	$392.00
22	8.00 LF	$224.00	8.00 LF	$224.00	LF	
23	40.00 LF	$1,160.00	8.00 LF	$232.00	32.00 LF	$928.00
24	LF		LF		LF	
25	1.00 EACH	$48,500.00	EACH		1.00 EACH	$48,500.00
26	0.65 ALLOWANCE	$22,895.31	0.40 ALLOWANCE	$13,918.12	0.26 ALLOWANCE	$8,977.19
27	0.61 ALLOWANCE	$136,737.40	0.11 ALLOWANCE	$25,561.33	0.49 ALLOWANCE	$111,176.06
28	358.00 EACH	$24,344.00	161.00 EACH	$10,948.00	197.00 EACH	$13,396.00
29	5.63 ACRE	$15,201.00	3.14 ACRE	$8,487.00	2.49 ACRE	$6,714.00
30	LF		LF		LF	
31	900.00 SY	$4,050.00	900.00 SY	$4,050.00	SY	
32	562.96 LF	$208,998.90	376.77 LF	$139,875.86	186.19 LF	$69,123.04
33	79.76 LF	$48,254.80	9.36 LF	$5,662.80	70.40 LF	$42,592.00
34	12.70 LF	$10,160.00	12.70 LF	$10,160.00	LF	
35	87.86 LF	$134,865.10	LF		87.86 LF	$134,865.10
36	11.25 LF	$26,606.25	LF		11.25 LF	$26,606.25
37	12.70 LF	$30,099.00	LF		12.70 LF	$30,099.00
38	24.85 LF	$62,125.00	LF		24.85 LF	$62,125.00
39	22.00 EACH	$9,592.00	22.00 EACH	$9,592.00	EACH	
40	5.00 EACH	$6,175.00	EACH		5.00 EACH	$6,175.00
41	1.00 EACH	$1,520.00	1.00 EACH	$1,520.00	EACH	
42	20.25 LF	$4,455.00	20.25 LF	$4,455.00	LF	
43	1,325.00 LF	$50,350.00	1,325.00 LF	$50,350.00	LF	
44	295.00 LF	$11,210.00	295.00 LF	$11,210.00	LF	
45	LF		LF		LF	
46	1,654.00 LF	$82,700.00	1,654.00 LF	$82,700.00	LF	
47	820.00 LF	$41,000.00	820.00 LF	$41,000.00	LF	
48	60.00 LF	$3,300.00	60.00 LF	$3,300.00	LF	
49	LF		LF		LF	
50	682.00 LF	$39,556.00	682.00 LF	$39,556.00	LF	
51	879.00 LF	$50,982.00	879.00 LF	$50,982.00	LF	
52	454.00 LF	$26,332.00	454.00 LF	$26,332.00	LF	
53	79.00 LF	$4,582.00	79.00 LF	$4,582.00	LF	
54	67.00 LF	$3,886.00	67.00 LF	$3,886.00	LF	
55	25.00 LF	$1,450.00	25.00 LF	$1,450.00	LF	
56	559.00 LF	$41,925.00	LF		559.00 LF	$41,925.00
57	724.00 LF	$61,540.00	LF		724.00 LF	$61,540.00
58	1,035.00 LF	$87,975.00	LF		1,035.00 LF	$87,975.00
59	8.00 LF	$720.00	8.00 LF	$720.00	LF	
60	25.00 LF	$2,250.00	LF		25.00 LF	$2,250.00
61	20.00 LF	$1,800.00	20.00 LF	$1,800.00	LF	
62	44.00 LF	$8,140.00	44.00 LF	$8,140.00	LF	
63	565.50 LF	$118,755.00	LF		565.50 LF	$118,755.00
64	320.00 LF	$64,000.00	LF		320.00 LF	$64,000.00
65	383.00 LF	$78,515.00	LF		383.00 LF	$78,515.00
66	280.00 LF	$57,400.00	LF		280.00 LF	$57,400.00
67	853.50 LF	$174,967.50	LF		853.50 LF	$174,967.50
68	155.00 LF	$31,775.00	LF		155.00 LF	$31,775.00
69	466.00 LF	$104,850.00	LF		466.00 LF	$104,850.00
70	25.00 LF	$5,625.00	LF		25.00 LF	$5,625.00
71	1,190.00 LF	$595,000.00	LF		1,190.00 LF	$595,000.00
72	LF		LF		LF	
73	94.00 LF	$30,550.00	94.00 LF	$30,550.00	LF	
74	298.50 LF	$135,817.50	298.50 LF	$135,817.50	LF	
75	351.00 LF	$272,025.00	351.00 LF	$272,025.00	LF	
76	325.00 LF	$269,750.00	LF		325.00 LF	$269,750.00
77	1.00 EACH	$14,350.00	1.00 EACH	$14,350.00	EACH	
78	1.00 EACH	$22,000.00	1.00 EACH	$22,000.00	EACH	
79	1.00 EACH	$33,600.00	EACH		1.00 EACH	$33,600.00
80	1.00 EACH	$40,000.00	1.00 EACH	$40,000.00	EACH	
81	625.50 LF	$11,884.50	625.50 LF	$11,884.50	LF	
82	120.00 LF	$1,596.00	120.00 LF	$1,596.00	LF	
83	19.00 EACH	$2,755.00	19.00 EACH	$2,755.00	EACH	
84	80.00 LF	$2,800.00	80.00 LF	$2,800.00	LF	
85	3,881.00 LF	$174,645.00	2,594.00 LF	$116,730.00	1,287.00 LF	$57,915.00
86	5,253.50 LF	$262,675.00	3,250.00 LF	$162,500.00	2,003.50 LF	$100,175.00
87	1,942.50 LF	$126,262.50	1,186.00 LF	$77,090.00	756.50 LF	$49,172.50
88	1,224.00 LF	$79,560.00	197.00 LF	$12,805.00	1,027.00 LF	$66,755.00
89	1,868.50 LF	$130,795.00	32.50 LF	$2,275.00	1,836.00 LF	$128,520.00
90	1,992.24 CY	$14,642.96	1,092.96 CY	$8,033.40	899.26 CY	$6,609.56
91	6,470.00 CY	$55,642.00	CY		6,470.00 CY	$55,642.00
92	619.00 CY	$6,190.00	CY		619.00 CY	$6,190.00
93	3,300.80 TON	$79,219.20	684.87 TON	$16,436.88	2,615.93 TON	$62,782.32
94	9,010.50 TON	$252,294.00	101.38 TON	$2,838.64	8,909.12 TON	$249,455.36
95	1,263.49 TON	$36,641.21	TON		1,263.49 TON	$36,641.21
96	15,102.00 SY	$15,102.00	SY		15,102.00 SY	$15,102.00
97	2,484.00 SY	$2,484.00	SY		2,484.00 SY	$2,484.00
98	4.05 EACH	$29,560.70	EACH		4.05 EACH	$29,560.70
99	1,683.00 SY	$5,638.05	1,122.00 SY	$3,758.70	561.00 SY	$1,879.35
100	1.00 LUMP SUM	$7,600.00	LUMP SUM		1.00 LUMP SUM	$7,600.00
101	12.00 EACH	$3,360.00	11.00 EACH	$3,080.00	1.00 EACH	$280.00
102	25.00 EACH	$36,750.00	10.00 EACH	$14,700.00	15.00 EACH	$22,050.00
103	13.00 EACH	$3,276.00	12.00 EACH	$3,024.00	1.00 EACH	$252.00
104	24.00 EACH	$1,368.00	10.00 EACH	$570.00	14.00 EACH	$798.00
105	11.00 EACH	$3,300.00	10.00 EACH	$3,000.00	1.00 EACH	$300.00
106	CY		CY		CY	
107	CY		CY		CY	
108	SY		SY		SY	
109	CY		CY		CY	
110	TON		TON		TON	
111	TON		TON		TON	
112	257.00 LF	$7,967.00	LF		257.00 LF	$7,967.00
113	3,553.00 LF	$206,074.00	LF		3,553.00 LF	$206,074.00
114	2,949.00 LF	$324,390.00	LF		2,949.00 LF	$324,390.00
115	8.00 EACH	$8,800.00	EACH		8.00 EACH	$8,800.00
116	LF		LF		LF	
117	EACH		EACH		EACH	
118	LF		LF		LF	
119	26.67 LF	$82,677.00	LF		26.67 LF	$82,677.00
120	2.00 EACH	$50,730.00	EACH		2.00 EACH	$50,730.00
121	2.00 EACH	$3,040.00	EACH		2.00 EACH	$3,040.00
122	2.00 EACH	$5,150.00	EACH		2.00 EACH	$5,150.00
123	5.00 EACH	$300.00	EACH		5.00 EACH	$300.00
124	96.00 SF	$355.20	SF		96.00 SF	$355.20
125	1.00 EACH	$3,160.00	EACH		1.00 EACH	$3,160.00
126	LF		LF		LF	
127	LF		LF		LF	
128	1.00 EACH	$265.00	EACH		1.00 EACH	$265.00
129	3,023.00 POUND	$18,138.00	POUND		3,023.00 POUND	$18,138.00
130	1.00 EACH	$300.00	EACH		1.00 EACH	$300.00
131	6.00 EACH	$1,416.00	EACH		6.00 EACH	$1,416.00
132	20.00 LF	$820.00	LF		20.00 LF	$820.00
133	2,299.00 LF	$62,073.00	2,299.00 LF	$62,073.00	LF	
134	849.00 LF	$31,413.00	849.00 LF	$31,413.00	LF	
135	3,273.50 LF	$144,034.00	3,273.50 LF	$144,034.00	LF	
136	1,370.00 LF	$102,750.00	1,370.00 LF	$102,750.00	LF	
137	1,313.00 LF	$98,475.00	1,313.00 LF	$98,475.00	LF	
138	2,437.00 LF	$365,550.00	2,437.00 LF	$365,550.00	LF	
139	288.00 LF	$93,888.00	288.00 LF	$93,888.00	LF	
140	430.00 LF	$187,910.00	430.00 LF	$187,910.00	LF	
141	1.00 EACH	$10,400.00	1.00 EACH	$10,400.00	EACH	
142	2.00 EACH	$30,800.00	2.00 EACH	$30,800.00	EACH	
143	174.00 LF	$2,610.00	174.00 LF	$2,610.00	LF	
144	406.00 LF	$6,090.00	406.00 LF	$6,090.00	LF	
145	105.00 LF	$2,310.00	105.00 LF	$2,310.00	LF	
146	119.00 LF	$2,142.00	119.00 LF	$2,142.00	LF	

ITEM NO.	CURRENT ESTIMATE ESTIMATED QUANTITY	CURRENT ESTIMATE ESTIMATED AMOUNT	CURRENT ESTIMATE - CITY ESTIMATED QUANTITY	CURRENT ESTIMATE - CITY ESTIMATED AMOUNT	CURRENT ESTIMATE - MCES ESTIMATED QUANTITY	CURRENT ESTIMATE - MCES ESTIMATED AMOUNT
1	LUMP SUM		LUMP SUM		LUMP SUM	
2	EACH		EACH		EACH	
3	EACH		EACH		EACH	
4	KGAL		KGAL		KGAL	
5	UNIT		UNIT		UNIT	
6	0.23 LUMP SUM	$3,480.00	0.09 LUMP SUM	$1,352.82	0.14 LUMP SUM	$2,127.18
7	SY		SY		SY	
8	LF		LF		LF	
9	LUMP SUM		LUMP SUM		LUMP SUM	
10	LF		LF		LF	
11	ALLOWANCE		ALLOWANCE		ALLOWANCE	
12	SY		SY		SY	
13	SY		SY		SY	
14	SF		SF		SF	
15	LF		LF		LF	
16	LF		LF		LF	
17	LF		LF		LF	
18	LF		LF		LF	
19	LF		LF		LF	
20	EACH		EACH		EACH	
21	LF		LF		LF	
22	LF		LF		LF	
23	LF		LF		LF	
24	LF		LF		LF	
25	EACH		EACH		EACH	
26	ALLOWANCE		ALLOWANCE		ALLOWANCE	
27	ALLOWANCE		ALLOWANCE		ALLOWANCE	
28	EACH		EACH		EACH	
29	ACRE		ACRE		ACRE	
30	LF		LF		LF	
31	SY		SY		SY	
32	LF		LF		LF	
33	LF		LF		LF	
34	LF		LF		LF	
35	LF		LF		LF	
36	LF		LF		LF	
37	LF		LF		LF	
38	LF		LF		LF	
39	EACH		EACH		EACH	
40	EACH		EACH		EACH	
41	EACH		EACH		EACH	
42	LF		LF		LF	
43	LF		LF		LF	
44	LF		LF		LF	
45	LF		LF		LF	
46	LF		LF		LF	
47	LF		LF		LF	
48	LF		LF		LF	
49	LF		LF		LF	
50	LF		LF		LF	
51	LF		LF		LF	
52	LF		LF		LF	
53	LF		LF		LF	
54	LF		LF		LF	
55	LF		LF		LF	
56	LF		LF		LF	
57	LF		LF		LF	
58	LF		LF		LF	
59	LF		LF		LF	
60	LF		LF		LF	
61	LF		LF		LF	
62	LF		LF		LF	
63	LF		LF		LF	
64	LF		LF		LF	
65	LF		LF		LF	
66	LF		LF		LF	
67	LF		LF		LF	
68	LF		LF		LF	
69	LF		LF		LF	
70	LF		LF		LF	
71	LF		LF		LF	
72	LF		LF		LF	
73	LF		LF		LF	
74	LF		LF		LF	
75	LF		LF		LF	
76	LF		LF		LF	
77	EACH		EACH		EACH	
78	EACH		EACH		EACH	
79	EACH		EACH		EACH	
80	EACH		EACH		EACH	
81	LF		LF		LF	
82	LF		LF		LF	
83	EACH		EACH		EACH	
84	LF		LF		LF	
85	LF		LF		LF	
86	LF		LF		LF	
87	LF		LF		LF	
88	LF		LF		LF	
89	LF		LF		LF	
90	CY		CY		CY	
91	CY		CY		CY	
92	CY		CY		CY	
93	TON		TON		TON	
94	TON		TON		TON	
95	TON		TON		TON	
96	SY		SY		SY	
97	SY		SY		SY	
98	EACH		EACH		EACH	
99	SY		SY		SY	
100	LUMP SUM		LUMP SUM		LUMP SUM	
101	EACH		EACH		EACH	
102	EACH		EACH		EACH	
103	EACH		EACH		EACH	
104	EACH		EACH		EACH	
105	EACH		EACH		EACH	
106	CY		CY		CY	
107	CY		CY		CY	
108	SY		SY		SY	
109	CY		CY		CY	
110	TON		TON		TON	
111	TON		TON		TON	
112	LF		LF		LF	
113	LF		LF		LF	
114	LF		LF		LF	
115	EACH		EACH		EACH	
116	LF		LF		LF	
117	EACH		EACH		EACH	
118	LF		LF		LF	
119	LF		LF		LF	
120	EACH		EACH		EACH	
121	EACH		EACH		EACH	
122	EACH		EACH		EACH	
123	EACH		EACH		EACH	
124	SF		SF		SF	
125	EACH		EACH		EACH	
126	LF		LF		LF	
127	LF		LF		LF	
128	EACH		EACH		EACH	
129	POUND		POUND		POUND	
130	EACH		EACH		EACH	
131	EACH		EACH		EACH	
132	LF		LF		LF	
133	LF		LF		LF	
134	LF		LF		LF	
135	LF		LF		LF	
136	LF		LF		LF	
137	LF		LF		LF	
138	LF		LF		LF	
139	LF		LF		LF	
140	LF		LF		LF	
141	EACH		EACH		EACH	
142	EACH		EACH		EACH	
143	LF		LF		LF	
144	LF		LF		LF	
145	LF		LF		LF	
146	LF		LF		LF	

ITEM NO.	COMPLETED TO DATE ESTIMATED QUANTITY	COMPLETED TO DATE ESTIMATED AMOUNT	COMPLETED TO DATE - CITY ESTIMATED QUANTITY	COMPLETED TO DATE - CITY ESTIMATED AMOUNT	COMPLETED TO DATE - MCES ESTIMATED QUANTITY	COMPLETED TO DATE - MCES ESTIMATED AMOUNT
1	0.77 LUMP SUM	$195,712.50	0.30 LUMP SUM	$76,081.73	0.47 LUMP SUM	$119,630.77
2	3.00 EACH	$12,600.00	2.00 EACH	$8,400.00	1.00 EACH	$4,200.00
3	1.00 EACH	$8,300.00	0.33 EACH	$2,766.67	0.67 EACH	$5,533.33
4	140.41 KGAL	$1,825.33	103.46 KGAL	$1,344.98	36.95 KGAL	$480.35
5	16.00 UNIT	$10,400.00	14.00 UNIT	$9,100.00	2.00 UNIT	$1,300.00
6	1.00 LUMP SUM	$14,992.50	0.39 LUMP SUM	$5,828.22	0.61 LUMP SUM	$9,164.28
7	9,193.00 SY	$9,193.00	6,795.33 SY	$6,795.33	2,397.67 SY	$2,397.67
8	3,632.00 LF	$117,313.60	1,399.33 LF	$45,198.47	2,232.67 LF	$72,115.13
9	0.77 LUMP SUM	$19,125.00	0.30 LUMP SUM	$7,434.70	0.47 LUMP SUM	$11,690.30
10	3,221.00 LF	$57,172.75	1,252.14 LF	$22,225.47	1,968.86 LF	$34,947.28
11	0.05 ALLOWANCE	$400.00	0.02 ALLOWANCE	$156.00	0.03 ALLOWANCE	$244.00
12	22,592.00 SY	$26,206.77	12,931.33 SY	$15,000.35	9,660.67 SY	$11,206.37
13	472.50 SY	$1,819.12	359.67 SY	$1,384.72	112.83 SY	$434.41
14	1,602.00 SF	$801.00	1,289.00 SF	$644.50	313.00 SF	$156.50
15	1,369.50 LF	$2,944.42	1,002.67 LF	$2,155.73	366.83 LF	$788.69
16	86.00 LF	$731.00	46.67 LF	$396.67	39.33 LF	$334.33
17	37.00 LF	$318.20	23.00 LF	$197.80	14.00 LF	$120.40
18	64.00 LF	$726.40	64.00 LF	$726.40	LF	
19	42.00 LF	$426.30	LF		42.00 LF	$426.30
20	4.00 EACH	$1,440.00	2.67 EACH	$960.00	1.33 EACH	$480.00
21	14.00 LF	$392.00	LF		14.00 LF	$392.00
22	8.00 LF	$224.00	8.00 LF	$224.00	LF	
23	40.00 LF	$1,160.00	8.00 LF	$232.00	32.00 LF	$928.00
24	LF		LF		LF	
25	1.00 EACH	$48,500.00	EACH		1.00 EACH	$48,500.00
26	0.65 ALLOWANCE	$22,895.31	0.40 ALLOWANCE	$13,918.12	0.26 ALLOWANCE	$8,977.19
27	0.61 ALLOWANCE	$136,737.40	0.11 ALLOWANCE	$25,561.33	0.49 ALLOWANCE	$111,176.06
28	358.00 EACH	$24,344.00	161.00 EACH	$10,948.00	197.00 EACH	$13,396.00
29	5.63 ACRE	$15,201.00	3.14 ACRE	$8,487.00	2.49 ACRE	$6,714.00
30	LF		LF		LF	
31	900.00 SY	$4,050.00	900.00 SY	$4,050.00	SY	
32	562.96 LF	$208,998.90	376.77 LF	$139,875.86	186.19 LF	$69,123.04
33	79.76 LF	$48,254.80	9.36 LF	$5,662.80	70.40 LF	$42,592.00
34	12.70 LF	$10,160.00	12.70 LF	$10,160.00	LF	
35	87.86 LF	$134,865.10	LF		87.86 LF	$134,865.10
36	11.25 LF	$26,606.25	LF		11.25 LF	$26,606.25
37	12.70 LF	$30,099.00	LF		12.70 LF	$30,099.00
38	24.85 LF	$62,125.00	LF		24.85 LF	$62,125.00
39	22.00 EACH	$9,592.00	22.00 EACH	$9,592.00	EACH	
40	5.00 EACH	$6,175.00	EACH		5.00 EACH	$6,175.00
41	1.00 EACH	$1,520.00	1.00 EACH	$1,520.00	EACH	
42	20.25 LF	$4,455.00	20.25 LF	$4,455.00	LF	
43	1,325.00 LF	$50,350.00	1,325.00 LF	$50,350.00	LF	
44	295.00 LF	$11,210.00	295.00 LF	$11,210.00	LF	
45	LF		LF		LF	
46	1,654.00 LF	$82,700.00	1,654.00 LF	$82,700.00	LF	
47	820.00 LF	$41,000.00	820.00 LF	$41,000.00	LF	
48	60.00 LF	$3,300.00	60.00 LF	$3,300.00	LF	
49	LF		LF		LF	
50	682.00 LF	$39,556.00	682.00 LF	$39,556.00	LF	
51	879.00 LF	$50,982.00	879.00 LF	$50,982.00	LF	
52	454.00 LF	$26,332.00	454.00 LF	$26,332.00	LF	
53	79.00 LF	$4,582.00	79.00 LF	$4,582.00	LF	
54	67.00 LF	$3,886.00	67.00 LF	$3,886.00	LF	
55	25.00 LF	$1,450.00	25.00 LF	$1,450.00	LF	
56	559.00 LF	$41,925.00	LF		559.00 LF	$41,925.00
57	724.00 LF	$61,540.00	LF		724.00 LF	$61,540.00
58	1,035.00 LF	$87,975.00	LF		1,035.00 LF	$87,975.00
59	8.00 LF	$720.00	8.00 LF	$720.00	LF	
60	25.00 LF	$2,250.00	LF		25.00 LF	$2,250.00
61	20.00 LF	$1,800.00	20.00 LF	$1,800.00	LF	
62	44.00 LF	$8,140.00	44.00 LF	$8,140.00	LF	
63	565.50 LF	$118,755.00	LF		565.50 LF	$118,755.00
64	320.00 LF	$64,000.00	LF		320.00 LF	$64,000.00
65	383.00 LF	$78,515.00	LF		383.00 LF	$78,515.00
66	280.00 LF	$57,400.00	LF		280.00 LF	$57,400.00
67	853.50 LF	$174,967.50	LF		853.50 LF	$174,967.50
68	155.00 LF	$31,775.00	LF		155.00 LF	$31,775.00
69	466.00 LF	$104,850.00	LF		466.00 LF	$104,850.00
70	25.00 LF	$5,625.00	LF		25.00 LF	$5,625.00
71	1,190.00 LF	$595,000.00	LF		1,190.00 LF	$595,000.00
72	LF		LF		LF	
73	94.00 LF	$30,550.00	94.00 LF	$30,550.00	LF	
74	298.50 LF	$135,817.50	298.50 LF	$135,817.50	LF	
75	351.00 LF	$272,025.00	351.00 LF	$272,025.00	LF	
76	325.00 LF	$269,750.00	LF		325.00 LF	$269,750.00
77	1.00 EACH	$14,350.00	1.00 EACH	$14,350.00	EACH	
78	1.00 EACH	$22,000.00	1.00 EACH	$22,000.00	EACH	
79	1.00 EACH	$33,600.00	EACH		1.00 EACH	$33,600.00
80	1.00 EACH	$40,000.00	1.00 EACH	$40,000.00	EACH	
81	625.50 LF	$11,884.50	625.50 LF	$11,884.50	LF	
82	120.00 LF	$1,596.00	120.00 LF	$1,596.00	LF	
83	19.00 EACH	$2,755.00	19.00 EACH	$2,755.00	EACH	
84	80.00 LF	$2,800.00	80.00 LF	$2,800.00	LF	
85	3,881.00 LF	$174,645.00	2,594.00 LF	$116,730.00	1,287.00 LF	$57,915.00
86	5,253.50 LF	$262,675.00	3,250.00 LF	$162,500.00	2,003.50 LF	$100,175.00
87	1,942.50 LF	$126,262.50	1,186.00 LF	$77,090.00	756.50 LF	$49,172.50
88	1,224.00 LF	$79,560.00	197.00 LF	$12,805.00	1,027.00 LF	$66,755.00
89	1,868.50 LF	$130,795.00	32.50 LF	$2,275.00	1,836.00 LF	$128,520.00
90	1,992.24 CY	$14,642.96	1,092.96 CY	$8,033.40	899.26 CY	$6,609.56
91	6,470.00 CY	$55,642.00	CY		6,470.00 CY	$55,642.00
92	619.00 CY	$6,190.00	CY		619.00 CY	$6,190.00
93	3,300.80 TON	$79,219.20	684.87 TON	$16,436.88	2,615.93 TON	$62,782.32
94	9,010.50 TON	$252,294.00	101.38 TON	$2,838.64	8,909.12 TON	$249,455.36
95	1,263.49 TON	$36,641.21	TON		1,263.49 TON	$36,641.21
96	15,102.00 SY	$15,102.00	SY		15,102.00 SY	$15,102.00
97	2,484.00 SY	$2,484.00	SY		2,484.00 SY	$2,484.00
98	4.05 EACH	$29,560.70	EACH		4.05 EACH	$29,560.70
99	1,683.00 SY	$5,638.05	1,122.00 SY	$3,758.70	561.00 SY	$1,879.35
100	1.00 LUMP SUM	$7,600.00	LUMP SUM		1.00 LUMP SUM	$7,600.00
101	12.00 EACH	$3,360.00	11.00 EACH	$3,080.00	1.00 EACH	$280.00
102	25.00 EACH	$36,750.00	10.00 EACH	$14,700.00	15.00 EACH	$22,050.00
103	13.00 EACH	$3,276.00	12.00 EACH	$3,024.00	1.00 EACH	$252.00
104	24.00 EACH	$1,368.00	10.00 EACH	$570.00	14.00 EACH	$798.00
105	11.00 EACH	$3,300.00	10.00 EACH	$3,000.00	1.00 EACH	$300.00
106	CY		CY		CY	
107	CY		CY		CY	
108	SY		SY		SY	
109	CY		CY		CY	
110	TON		TON		TON	
111	TON		TON		TON	
112	257.00 LF	$7,967.00	LF		257.00 LF	$7,967.00
113	3,553.00 LF	$206,074.00	LF		3,553.00 LF	$206,074.00
114	2,949.00 LF	$324,390.00	LF		2,949.00 LF	$324,390.00
115	8.00 EACH	$8,800.00	EACH		8.00 EACH	$8,800.00
116	LF		LF		LF	
117	EACH		EACH		EACH	
118	LF		LF		LF	
119	26.67 LF	$82,677.00	LF		26.67 LF	$82,677.00
120	2.00 EACH	$50,730.00	EACH		2.00 EACH	$50,730.00
121	2.00 EACH	$3,040.00	EACH		2.00 EACH	$3,040.00
122	2.00 EACH	$5,150.00	EACH		2.00 EACH	$5,150.00
123	5.00 EACH	$300.00	EACH		5.00 EACH	$300.00
124	96.00 SF	$355.20	SF		96.00 SF	$355.20
125	1.00 EACH	$3,160.00	EACH		1.00 EACH	$3,160.00
126	LF		LF		LF	
127	LF		LF		LF	
128	1.00 EACH	$265.00	EACH		1.00 EACH	$265.00
129	3,023.00 POUND	$18,138.00	POUND		3,023.00 POUND	$18,138.00
130	1.00 EACH	$300.00	EACH		1.00 EACH	$300.00
131	6.00 EACH	$1,416.00	EACH		6.00 EACH	$1,416.00
132	20.00 LF	$820.00	LF		20.00 LF	$820.00
133	2,299.00 LF	$62,073.00	2,299.00 LF	$62,073.00	LF	
134	849.00 LF	$31,413.00	849.00 LF	$31,413.00	LF	
135	3,273.50 LF	$144,034.00	3,273.50 LF	$144,034.00	LF	
136	1,370.00 LF	$102,750.00	1,370.00 LF	$102,750.00	LF	
137	1,313.00 LF	$98,475.00	1,313.00 LF	$98,475.00	LF	
138	2,437.00 LF	$365,550.00	2,437.00 LF	$365,550.00	LF	
139	288.00 LF	$93,888.00	288.00 LF	$93,888.00	LF	
140	430.00 LF	$187,910.00	430.00 LF	$187,910.00	LF	
141	1.00 EACH	$10,400.00	1.00 EACH	$10,400.00	EACH	
142	2.00 EACH	$30,800.00	2.00 EACH	$30,800.00	EACH	
143	174.00 LF	$2,610.00	174.00 LF	$2,610.00	LF	
144	406.00 LF	$6,090.00	406.00 LF	$6,090.00	LF	
145	105.00 LF	$2,310.00	105.00 LF	$2,310.00	LF	
146	119.00 LF	$2,142.00	119.00 LF	$2,142.00	LF	

Partial Pay Estimate No.: 16

East Bethel Gravity Interceptor & Discharge & Utility Infrastructure Project
CITY OF EAST BETHEL, MN
PROJECT NO. C12.100026
METROPOLITAN COUNCIL ENVIRONMENTAL SERVICES Project No. 801602
WORK COMPLETED THROUGH AUGUST 13, 2012

ITEM NO.		ITEM	UNIT PRICE	AS BID ESTIMATED QUANTITY		AS BID ESTIMATED AMOUNT	AS BID - CITY ESTIMATED QUANTITY		AS BID - CITY ESTIMATED AMOUNT	AS BID - MCES ESTIMATED QUANTITY		AS BID - MCES ESTIMATED AMOUNT
147	02510	6" PVC C900 DR 18 HYDRANT LEAD	$22.00	200	LF	$4,400.00	200.00	LF	$4,400.00		LF	
148	02510	6" PVC C900 DR 25 HYDRANT LEAD	$22.00	70	LF	$1,540.00	70.00	LF	$1,540.00		LF	
149	02510	4" GATE VALVE	$1,000.00	17	EACH	$17,000.00	17.00	EACH	$17,000.00		EACH	
150	02510	6" GATE VALVE	$1,100.00	26	EACH	$28,600.00	26.00	EACH	$28,600.00		EACH	
151	02510	8" GATE VALVE	$1,520.00	10	EACH	$15,200.00	10.00	EACH	$15,200.00		EACH	
152	02510	12" GATE VALVE	$2,625.00	2	EACH	$5,250.00	2.00	EACH	$5,250.00		EACH	
153	02510	16" BUTTERFLY VALVE	$3,000.00	12	EACH	$36,000.00	12.00	EACH	$36,000.00		EACH	
154	02510	24" BUTTERFLY VALVE	$5,660.00	8	EACH	$45,280.00	8.00	EACH	$45,280.00		EACH	
155	02510	HYDRANT	$3,320.00	21	EACH	$69,720.00	21.00	EACH	$69,720.00		EACH	
156	02510	HYDRANT EXTENSION	$500.00	11	LF	$5,500.00	11.00	LF	$5,500.00		LF	
157	02510	VALVE BOX EXTENSION	$75.00	11	LF	$825.00	11.00	LF	$825.00		LF	
158	02705	ADJUST VALVE BOX	$250.00	74	EACH	$18,500.00	74.00	EACH	$18,500.00		EACH	
159	02510	GATE VALVE MARKER SIGN	$60.00	15	EACH	$900.00	15.00	EACH	$900.00		EACH	
160	02510	WATERMAIN FITTINGS	$9.00	16500	POUND	$148,500.00	16,500.00	POUND	$148,500.00		POUND	
161	02510	4" INSULATION	$3.70	1500	SF	$5,550.00	1,500.00	SF	$5,550.00		SF	
162	02510	HYDRANT & VALVE SUPPORT & FITING BLOCKING IN POOR SOILS	$41.00	180	LF	$7,380.00	180.00	LF	$7,380.00		LF	
163	02320	TRENCH CONSOLIDATION REPLACEMENT MATERIAL	$4.00	60000	TON	$240,000.00	24,350.00	TON	$97,400.00	35,650.00	TON	$142,600.00
164	02330	COMMON EXCAVATION (P)	$6.35	7000	CY	$44,450.00	4,323.33	CY	$27,453.17	2,676.67	CY	$16,996.83
165	02330	SUBGRADE EXCAVATION (EV)	$9.00	400	CY	$3,600.00	235.00	CY	$2,115.00	165.00	CY	$1,485.00
166	02330	SUBGRADE EXCAVATION REPLACMENT MATERIAL	$6.25	800	TON	$5,000.00	471.00	TON	$2,943.75	329.00	TON	$2,056.25
167	02335	SUBGRADE PREPARATION	$0.70	24370	SY	$17,059.00	14,513.00	SY	$10,159.10	9,857.00	SY	$6,899.90
168	02720	AGGREGATE BASE CLASS 5 - STREETS & PARKING LOT	$12.50	8750	TON	$109,375.00	5,212.00	TON	$65,150.00	3,538.00	TON	$44,225.00
169	02720	AGGREGATE BASE CLASS 5 - DRIVEWAYS	$16.00	275	TON	$4,400.00	228.59	TON	$3,657.37	46.41	TON	$742.63
170	02730	AGGREGATE SURFACE CLASS 5 - DRIVEWAY	$16.00	60	TON	$960.00	60.00	TON	$960.00		TON	
171	02740	2" TYPE LV3 NON WEARING COURSE MIXTURE B - STREETS	$55.80	2180	TON	$121,644.00	1,587.00	TON	$88,554.60	593.00	TON	$33,089.40
172	02740	2" TYPE LV3 NON WEARING COURSE MIXTURE B - P-LOT	$56.00	520	TON	$29,120.00		TON		520.00	TON	$29,120.00
173	02740	2" TYPE LV4 WEARING COURSE MIXTURE B - STREETS	$6.80	21250	SY	$144,500.00	16,120.33	SY	$109,618.27	5,129.67	SY	$34,881.73
174	02740	1 1/2" TYPE LV4 WEARING COURSE MIXTURE B - P-LOT	$5.30	4450	SY	$23,585.00		SY		4,450.00	SY	$23,585.00
175	02740	2" TYPE LV4 WEARING COURSE MIXTURE B - DRIVEWAY	$14.50	640	SY	$9,280.00	510.67	SY	$7,404.67	129.33	SY	$1,875.33
176	02740	2" OVERLAY	$7.00	2380	SY	$16,660.00	2,380.00	SY	$16,660.00		SY	
177	02740	BITUMINOUS TRAIL	$188.00	10	SY	$1,880.00	10.00	SY	$1,880.00		SY	
178	02740	BITUMINOUS PATCH	$52.50	200	SY	$10,500.00	200.00	SY	$10,500.00		SY	
179	02740	BITUMINOUS CURB	$1.65	7520	LF	$12,408.00	5,619.33	LF	$9,271.90	1,900.67	LF	$3,136.10
180	02770	6" CONCRETE DRIVEWAY	$5.20	1620	SF	$8,424.00	1,334.00	SF	$6,936.80	286.00	SF	$1,487.20
181	02770	B612 CONCRETE CURB AND GUTTER	$16.50	600	LF	$9,900.00	489.33	LF	$8,074.00	110.67	LF	$1,826.00
182	02770	B618 CONCRETE CURB AND GUTTER	$12.50	950	LF	$11,875.00	633.33	LF	$7,916.67	316.67	LF	$3,958.33
183	02770	CONCRETE VALLEY GUTTER	$30.00	120	LF	$3,600.00	80.00	LF	$2,400.00	40.00	LF	$1,200.00
184	02780	4" WHITE STRIPE - PAINT - TEMPORARY	$0.35	3250	LF	$1,137.50		LF		3,250.00	LF	$1,137.50
185	02780	4" WHITE STRIPE - PAINT - PERMANENT	$0.35	3250	LF	$1,137.50		LF		3,250.00	LF	$1,137.50
186	02610	48" RCP CL III CULVERT	$118.00	37	LF	$4,366.00		LF		37.00	LF	$4,366.00
187	02610	48" RCP CL III CULVERT FLARED END	$6,525.00	2	EACH	$13,050.00		EACH		2.00	EACH	$13,050.00
188	02630	STORM SEWER STRUCTURE DESIGN H	$225.00	14	LF	$3,150.00	6.47	LF	$1,455.00	7.53	LF	$1,695.00
189	02630	72" STORM SEWER STRUCTURE	$560.00	12	LF	$6,720.00	12.00	LF	$6,720.00		LF	
190	02630	18" RCP CL V STORM SEWER	$34.00	88	LF	$2,992.00	48.67	LF	$1,654.67	39.33	LF	$1,337.33
191	02630	21" RCP CL V STORM SEWER	$39.00	21	LF	$819.00	7.00	LF	$273.00	14.00	LF	$546.00
192	02630	48" RCP CL III STORM SEWER	$113.00	50	LF	$5,650.00	50.00	LF	$5,650.00		LF	
193	02630	18" RCP CL V STORM SEWER FLARED END	$805.00	1	EACH	$805.00	1.00	EACH	$805.00		EACH	
194	02630	21" RCP CL V STORM SEWER FLARED END	$900.00	1	EACH	$900.00	1.00	EACH	$900.00		EACH	
195	02630	48" RCP CL III STORM SEWER FLARED END	$1,800.00	2	EACH	$3,600.00	2.00	EACH	$3,600.00		EACH	
196	02630	CATCH BASIN CASTING ASSEMBLY	$562.00	10	EACH	$5,620.00	6.67	EACH	$3,746.67	3.33	EACH	$1,873.33
197	02705	ADJUST CASTING	$300.00	10	EACH	$3,000.00	6.00	EACH	$1,800.00	4.00	EACH	$1,200.00
198	02377	RIPRAP CLASS III	$100.00	105	CY	$10,500.00	51.67	CY	$5,166.67	53.33	CY	$5,333.33
199	02370	SILT FENCE	$1.80	16500	LF	$29,700.00	8,082.83	LF	$14,549.10	8,417.17	LF	$15,150.90
200	02370	BIOROLL DITCH CHECK	$2.75	1150	LF	$3,162.50	230.00	LF	$632.50	920.00	LF	$2,530.00
201	02370	SILT CURTAIN	$13.00	900	LF	$11,700.00	166.67	LF	$2,166.67	733.33	LF	$9,533.33
202	02370	INLET PROTECTION	$205.00	15	EACH	$3,075.00	11.67	EACH	$2,391.67	3.33	EACH	$683.33
203	02370	ROCK CONSTRUCTION ENTRANCE	$1,100.00	6	EACH	$6,600.00	3.00	EACH	$3,300.00	3.00	EACH	$3,300.00
204	02370	CABLE CONCRETE	$9.00	4900	SF	$44,100.00	2,152.83	SF	$19,375.50	2,747.17	SF	$24,724.50
205	02920	EROSION CONTROL BLANKET CAT 3	$1.25	550	SY	$687.50	402.67	SY	$503.33	147.33	SY	$184.17
206	02920	SEED AND MULCH - SEED MIX 240	$550.00	14.9	ACRE	$8,195.00	4.90	ACRE	$2,695.00	10.00	ACRE	$5,500.00
207	02920	SEED AND MULCH - SEED MIX 260	$640.00	2.4	ACRE	$1,536.00	2.00	ACRE	$1,280.00	0.40	ACRE	$256.00
208	02920	WETLAND SEED - SEED MIX 325	$1,775.00	28.9	ACRE	$51,297.50	14.00	ACRE	$24,850.00	14.90	ACRE	$26,447.50
209	02920	SOD FARM SEED	$700.00	3.8	ACRE	$2,660.00	1.90	ACRE	$1,330.00	1.90	ACRE	$1,330.00
210	02920	SOD	$2.50	9050	SY	$22,625.00	7,393.33	SY	$18,483.33	1,656.67	SY	$4,141.67
211	02310	TOPSOIL BORROW	$13.75	1425	TON	$19,593.75	1,126.67	TON	$15,491.67	298.33	TON	$4,102.08
212	02930	2" B&B RIVER BIRCH	$250.00	38	EACH	$9,500.00		EACH		38.00	EACH	$9,500.00
213	02930	2" B&BSWAMP WHITE OAK	$240.00	37	EACH	$8,880.00		EACH		37.00	EACH	$8,880.00
214	02930	# 5 CONTAINER RED OSIER DOGWOOD	$40.00	37	EACH	$1,480.00		EACH		37.00	EACH	$1,480.00
215	02930	#5 CONTAINER AMERICAN CRANBERRY BUSH	$45.00	37	EACH	$1,665.00		EACH		37.00	EACH	$1,665.00
216	02530	GRAVITY SEWER PILING (9 5/8") DRIVEN - TYPE C BEDDING			LF			LF			LF	
217	02530	GRAVITY SEWER PILING (9 5/8") DELIVERED - TYPE C BEDDING			LF			LF			LF	
218	02530	GRAVITY SEWER PILING CONCRETE - PILE CAP, GRADE BEAM, MH BASE			CY			CY			CY	
219	02530	GRAVITY SEWER PILING STEEL - PILE CAP, GRADE BEAM, MH BASE			POUND			POUND			POUND	
220	02531	TEST PILE (9 5/8")			LF			LF			LF	
221	02530	GRAVITY SEWER PILING (12 3/4") DRIVEN - TYPE C BEDDING	$39.02	9860	LF	$384,737.20		LF		9,860.00	LF	$384,737.20
222	02530	GRAVITY SEWER PILING (12 3/4") DELIVERED - TYPE C BEDDING	$39.53	10060	LF	$397,671.80		LF		10,060.00	LF	$397,671.80
223	02530	GRAVITY SEWER PILING CONCRETE - PILE CAP, GRADE BEAM, MH BASE	$496.92	1185	CY	$588,850.20		CY		1,185.00	CY	$588,850.20
224	02530	GRAVITY SEWER PILING STEEL - PILE CAP, GRADE BEAM, MH BASE	$1.00	150255	POUND	$150,255.00		POUND		150,255.00	POUND	$150,255.00
225	02531	TEST PILE (12 3/4")	$132.60	200	LF	$26,520.00		LF		200.00	LF	$26,520.00
226		CHANGE ORDER NO 1 - FUEL COSTS	$160,606.66	1	EACH	$160,606.66	1.00	EACH	$160,606.66		EACH	
227		114 - 21.6" O.D. HDPE DR7	$13.80	2873	LF	$39,647.40	2,873.00	LF	$39,647.40		LF	
228		137 - 19.5" O.D. HDPE DR 11	$7.63	790	LF	$6,027.70	790.00	LF	$6,027.70		LF	
229		138 - 32" O.D. HDPE DR 11	$16.69	4040	LF	$67,427.60	4,040.00	LF	$67,427.60		LF	
230		101 - Sanitary Sewer Casting	$16.18	13	EACH	$210.34	13.00	EACH	$210.34		EACH	
231		102 - Watertight Casting	$90.84	32	EACH	$2,906.88	32.00	EACH	$2,906.88		EACH	
232		186 - Catch Basin Casting	$26.13	10	EACH	$261.30	10.00	EACH	$261.30		EACH	
233		223 - Gravity Sewer Piling Concrete	$15.03	1185	CY	$17,810.55	1,185.00	CY	$17,810.55		CY	
234		224 - Gravity Sewer Piling Steel	$0.20	150255	POUND	$30,051.00	150,255.00	POUND	$30,051.00		POUND	
235	2770	B618 CONCRETE CURB AND GUTTER - COST SPLITS (11.75 LF)	$6.61	8470	LF	$55,986.70	6,252.67	LF	$41,330.13	2,217.33	LF	$14,656.57
236	2770	B618 CONCRETE CURB AND GUTTER - CITY PORTION (11.75 LF)	$5.14	8470	LF	$43,535.80	8,470.00	LF	$43,535.80		LF	
237	2740	2" TYPE LV3 NON WEARING COURSE MIXTURE B - STREETS	$55.80	-283	TON	-$15,791.40	-206.02	TON	-$11,495.85	-76.98	TON	-$4,295.55
238	2740	2" TYPE LV4 WEARING COURSE MIXTURE B - STREETS	$6.80	-2340	SY	-$15,912.00	-1,775.13	SY	-$12,070.91	-564.87	SY	-$3,841.09
239	2740	BITUMINOUS CURB	$1.65	-7520	LF	-$12,408.00	-5,619.33	LF	-$9,271.90	-1,900.67	LF	-$3,136.10
240	2770	B616 CONCRETE CURB AND GUTTER	$12.50	-950	LF	-$11,875.00	-633.33	LF	-$7,916.63	-316.67	LF	-$3,958.33
241		MH 500 & 501 Inverts	$1,012.00	1	LS	$1,012.00	1.00	LS	$1,012.00		LS	
242		Modify Storm Structures on Ulysses & Buchannan	$1,480.00	1	LS	$1,480.00	1.00	LS	$1,480.00		LS	
243		Reduce MH 1 Height	$3,100.00	-1.5	LF	-$4,650.00		LF		-1.50	LF	-$4,650.00
244		Eliminate AR 2	$25,365.00	-1	EACH	-$25,365.00		EACH		-1.00	EACH	-$25,365.00
245		Eliminate 72" Bouyancy Collar	$1,520.00	-1	EACH	-$1,520.00		EACH		-1.00	EACH	-$1,520.00
246		MCES Buy MH Parts / Equip. not Used on Proj.	$17,420.92	1	LS	$17,420.92		LS		1.00	LS	$17,420.92
247		Install Cost for Purchased Parts Included in MH1 Hgt.	$3,286.00	1	LS	$3,286.00		LS		1.00	LS	$3,286.00
248		Reinstall Top Sections MH1	$1,750.00	1	LS	$1,750.00		LS		1.00	LS	$1,750.00
249		187th Interceptor Sewer Boring Cellular Grout in Casing	$2,562.00	1	LS	$2,562.00		LS		1.00	LS	$2,562.00
250		24" Time & Materials Work	$47,276.55	1	LS	$47,276.55		LS			LS	
251		42" Time & Materials Work	$117,723.21	1	LS	$117,723.21		LS			LS	
252		Extra Sod Handling Claim	$30,166.00	1	LS	$30,166.00		LS			LS	
253		Extra Dewatering Claim for 187th Ave tunnel	$37,550.14	1	LS	$37,550.14		LS			LS	
254		Additional Cost of Discharge Pipe Claim	$27,318.00	1	LS	$27,318.00		LS			LS	
255		221 - 12.75" Piling Driven	$39.02	-3584	LF	-$139,847.68		LF			LF	
256		223 - Piling Concrete	$496.92	-429	CY	-$213,178.68		CY			CY	
257		224 - Piling Steel	$1.00	-31585	LBS	-$31,585.00		LBS			LBS	
258		223 - Gravity Sewer Piling Concrete Delay Claim Added Cost	$15.03	-429	CY	-$6,447.87		CY			CY	
259		224 - Gravity Sewer Piling Steel Delay Claim Added Cost	$0.20	-31585	LBS	-$6,317.00		LBS			LBS	
260		Relocate Jersey Barriers at Theater Parking Lot	$3,048.00	1	LS	$3,048.00		LS		1.00	LS	$3,048.00
261		Repair Snow Plow Damaged Concrete Curb	$3,432.00	1	LS	$3,432.00	1.00	LS	$3,432.00		LS	
262		187th Lane Low Point Leveling Course	$7.00	153.75	SY	$1,076.25	153.75	SY	$1,076.25		SY	
263												
264												
265												
266												
267												
268												
269												
270												
271												
272												
273												
274												
275												
		TOTAL AMOUNT:				$11,921,143.57			$4,919,075.77			$7,139,410.17

ITEM NO.	PREVIOUS ESTIMATE ESTIMATED QUANTITY		PREVIOUS ESTIMATE ESTIMATED AMOUNT	PREVIOUS ESTIMATE - CITY ESTIMATED QUANTITY		PREVIOUS ESTIMATE - CITY ESTIMATED AMOUNT	PREVIOUS ESTIMATE - MCES ESTIMATED QUANTITY		PREVIOUS ESTIMATE - MCES ESTIMATED AMOUNT
147	162.50	LF	$3,575.00	162.50	LF	$3,575.00		LF	
148	80.00	LF	$1,760.00	80.00	LF	$1,760.00		LF	
149	18.00	EACH	$18,000.00	18.00	EACH	$18,000.00		EACH	
150	24.00	EACH	$26,400.00	24.00	EACH	$26,400.00		EACH	
151	10.00	EACH	$15,200.00	10.00	EACH	$15,200.00		EACH	
152	2.00	EACH	$5,250.00	2.00	EACH	$5,250.00		EACH	
153	11.00	EACH	$33,000.00	11.00	EACH	$33,000.00		EACH	
154	6.00	EACH	$33,960.00	6.00	EACH	$33,960.00		EACH	
155	18.00	EACH	$59,760.00	18.00	EACH	$59,760.00		EACH	
156	14.50	LF	$7,250.00	14.50	LF	$7,250.00		LF	
157	14.50	LF	$1,087.50	14.50	LF	$1,087.50		LF	
158	29.00	EACH	$7,250.00	29.00	EACH	$7,250.00		EACH	
159	17.00	EACH	$1,020.00	17.00	EACH	$1,020.00		EACH	
160	17,000.00	POUND	$153,000.00	17,000.00	POUND	$153,000.00		POUND	
161	257.00	SF	$950.90	257.00	SF	$950.90		SF	
162	93.00	LF	$3,813.00	93.00	LF	$3,813.00		LF	
163	1,534.60	TON	$6,138.40	1,534.60	TON	$6,138.40		TON	
164	7,000.00	CY	$44,450.00	4,323.33	CY	$27,453.17	2,676.67	CY	$16,996.83
165	507.98	CY	$4,571.91	338.66	CY	$3,047.94	169.33	CY	$1,523.97
166		TON			TON			TON	
167	24,118.00	SY	$16,882.60	13,954.33	SY	$9,768.03	10,163.67	SY	$7,114.57
168	7,915.86	TON	$98,948.25	4,553.00	TON	$56,912.50	3,362.86	TON	$42,035.75
169	214.32	TON	$3,429.12	169.49	TON	$2,711.84	44.83	TON	$717.28
170	40.14	TON	$642.24	40.14	TON	$642.24		TON	
171	2,031.82	TON	$113,375.55	1,454.88	TON	$81,182.30	576.94	TON	$32,193.25
172	552.52	TON	$30,941.12		TON		552.52	TON	$30,941.12
173	16,559.30	SY	$112,603.24	11,687.23	SY	$79,473.19	4,872.07	SY	$33,130.05
174	4,444.00	SY	$23,553.20		SY		4,444.00	SY	$23,553.20
175	656.88	SY	$9,524.76	519.48	SY	$7,532.51	137.40	SY	$1,992.25
176	2,385.80	SY	$16,700.60	2,385.80	SY	$16,700.60		SY	
177		SY			SY			SY	
178		SY			SY			SY	
179		LF			LF			LF	
180	2,438.50	SF	$12,680.20	2,130.00	SF	$11,076.00	308.50	SF	$1,604.20
181	487.50	LF	$8,043.75	405.67	LF	$6,693.50	81.83	LF	$1,350.25
182		LF			LF			LF	
183	97.50	LF	$2,925.00	65.00	LF	$1,950.00	32.50	LF	$975.00
184		LF			LF			LF	
185		LF			LF			LF	
186	38.00	LF	$4,484.00		LF		38.00	LF	$4,484.00
187	2.00	EACH	$13,050.00		EACH		2.00	EACH	$13,050.00
188	14.25	LF	$3,206.25	6.72	LF	$1,511.25	7.53	LF	$1,695.00
189	11.84	LF	$6,630.40	11.84	LF	$6,630.40		LF	
190	88.00	LF	$2,992.00	48.67	LF	$1,654.67	39.33	LF	$1,337.33
191	21.00	LF	$819.00	7.00	LF	$273.00	14.00	LF	$546.00
192	40.00	LF	$4,520.00	40.00	LF	$4,520.00		LF	
193	1.00	EACH	$805.00	1.00	EACH	$805.00		EACH	
194	1.00	EACH	$900.00	1.00	EACH	$900.00		EACH	
195	2.00	EACH	$3,600.00	2.00	EACH	$3,600.00		EACH	
196	6.00	EACH	$3,372.00	4.00	EACH	$2,248.00	2.00	EACH	$1,124.00
197	10.00	EACH	$3,000.00	6.67	EACH	$2,000.00	3.33	EACH	$1,000.00
198	194.50	CY	$19,450.00	141.17	CY	$14,116.67	53.33	CY	$5,333.33
199	12,518.00	LF	$22,532.40	5,482.33	LF	$9,868.20	7,035.67	LF	$12,664.20
200	572.00	LF	$1,573.00	75.00	LF	$206.25	497.00	LF	$1,366.75
201	60.00	LF	$780.00	20.00	LF	$260.00	40.00	LF	$520.00
202	6.00	EACH	$1,230.00	4.00	EACH	$820.00	2.00	EACH	$410.00
203	3.00	EACH	$3,300.00	1.50	EACH	$1,650.00	1.50	EACH	$1,650.00
204	2,080.00	SF	$18,720.00	693.33	SF	$6,240.00	1,386.67	SF	$12,480.00
205	7,779.00	SY	$9,723.75	1,813.00	SY	$2,266.25	5,966.00	SY	$7,457.50
206	7.04	ACRE	$3,874.53	1.27	ACRE	$699.31	5.77	ACRE	$3,175.22
207	1.84	ACRE	$1,175.83	1.18	ACRE	$755.64	0.66	ACRE	$420.19
208	1.30	ACRE	$2,307.50	0.90	ACRE	$1,597.50	0.40	ACRE	$710.00
209		ACRE			ACRE			ACRE	
210	6,218.67	SY	$15,546.67	4,525.95	SY	$11,314.87	1,692.72	SY	$4,231.81
211	3,763.30	TON	$51,745.37	1,843.87	TON	$25,353.17	1,919.43	TON	$26,392.21
212		EACH			EACH			EACH	
213		EACH			EACH			EACH	
214		EACH			EACH			EACH	
215		EACH			EACH			EACH	
216		LF			LF			LF	
217		LF			LF			LF	
218		CY			CY			CY	
219		POUND			POUND			POUND	
220		LF			LF			LF	
221		LF			LF			LF	
222	10,060.00	LF	$397,671.80		LF		10,060.00	LF	$397,671.80
223		CY			CY			CY	
224		POUND			POUND			POUND	
225		LF			LF			LF	
226	1.00	EACH	$160,606.66	1.00	EACH	$160,606.66		EACH	
227	2,949.00	LF	$40,696.20	2,949.00	LF	$40,696.20		LF	
228	1,313.00	LF	$10,018.19	1,313.00	LF	$10,018.19		LF	
229	2,437.00	LF	$40,673.53	2,437.00	LF	$40,673.53		LF	
230	12.00	EACH	$194.16	12.00	EACH	$194.16		EACH	
231	25.00	EACH	$2,271.00	25.00	EACH	$2,271.00		EACH	
232	6.00	EACH	$156.78	6.00	EACH	$156.78		EACH	
233		CY			CY			CY	
234		POUND			POUND			POUND	
235	8,463.00	LF	$55,940.43	6,242.67	LF	$41,264.03	2,220.33	LF	$14,676.40
236	8,463.00	LF	$43,499.82	8,463.00	LF	$43,499.82		LF	
237		TON			TON			TON	
238		SY			SY			SY	
239		LF			LF			LF	
240		LF			LF			LF	
241	1.00	LS	$1,012.00	1.00	LS	$1,012.00		LS	
242	1.00	LS	$1,480.00	1.00	LS	$1,480.00		LS	
243		LF			LF			LF	
244		EACH			EACH			EACH	
245		EACH			EACH			EACH	
246		LS			LS			LS	
247	1.00	LS	$3,286.00		LS		1.00	LS	$3,286.00
248	1.00	LS	$1,750.00		LS		1.00	LS	$1,750.00
249	1.00	LS	$2,562.00		LS		1.00	LS	$2,562.00
250	1.00	LS	$47,276.55		LS		1.00	LS	$47,276.55
251	1.00	LS	$117,723.21		LS		1.00	LS	$117,723.21
252	1.00	LS	$30,166.00		LS		1.00	LS	$30,166.00
253	1.00	LS	$37,550.14		LS		1.00	LS	$37,550.14
254	1.00	LS	$27,318.00		LS		1.00	LS	$27,318.00
255		LF			LF			LF	
256		CY			CY			CY	
257		LBS			LBS			LBS	
258		CY			CY			CY	
259		LBS			LBS			LBS	
260	1.00	LS	$3,048.00		LS		1.00	LS	$3,048.00
261	1.00	LS	$3,432.00	1.00	LS	$3,432.00		LS	
262	153.75	SY	$1,076.25	153.75	SY	$1,076.25		SY	
TOTAL AMOUNT:			$9,148,521.70			$3,995,433.04			$5,154,068.66

ITEM NO.	CURRENT ESTIMATE ESTIMATED QUANTITY		CURRENT ESTIMATE ESTIMATED AMOUNT	CURRENT ESTIMATE - CITY ESTIMATED QUANTITY		CURRENT ESTIMATE - CITY ESTIMATED AMOUNT	CURRENT ESTIMATE - MCES ESTIMATED QUANTITY		CURRENT ESTIMATE - MCES ESTIMATED AMOUNT
147		LF			LF			LF	
148		LF			LF			LF	
149		EACH			EACH			EACH	
150		EACH			EACH			EACH	
151		EACH			EACH			EACH	
152		EACH			EACH			EACH	
153		EACH			EACH			EACH	
154		EACH			EACH			EACH	
155		EACH			EACH			EACH	
156		LF			LF			LF	
157		LF			LF			LF	
158		EACH			EACH			EACH	
159		EACH			EACH			EACH	
160		POUND			POUND			POUND	
161		SF			SF			SF	
162		LF			LF			LF	
163		TON			TON			TON	
164		CY			CY			CY	
165		CY			CY			CY	
166		TON			TON			TON	
167		SY			SY			SY	
168		TON			TON			TON	
169		TON			TON			TON	
170		TON			TON			TON	
171		TON			TON			TON	
172		TON			TON			TON	
173		SY			SY			SY	
174		SY			SY			SY	
175		SY			SY			SY	
176		SY			SY			SY	
177		SY			SY			SY	
178		SY			SY			SY	
179		LF			LF			LF	
180		SF			SF			SF	
181		LF			LF			LF	
182		LF			LF			LF	
183		LF			LF			LF	
184		LF			LF			LF	
185	3,113.00	LF	$1,089.55		LF		3,113.00	LF	$1,089.55
186		LF			LF			LF	
187		EACH			EACH			EACH	
188		LF			LF			LF	
189		LF			LF			LF	
190		LF			LF			LF	
191		LF			LF			LF	
192		LF			LF			LF	
193		EACH			EACH			EACH	
194		EACH			EACH			EACH	
195		EACH			EACH			EACH	
196		EACH			EACH			EACH	
197		EACH			EACH			EACH	
198		CY			CY			CY	
199		LF			LF			LF	
200		LF			LF			LF	
201		LF			LF			LF	
202		EACH			EACH			EACH	
203		EACH			EACH			EACH	
204		SF			SF			SF	
205		SY			SY			SY	
206		ACRE			ACRE			ACRE	
207		ACRE			ACRE			ACRE	
208		ACRE			ACRE			ACRE	
209		ACRE			ACRE			ACRE	
210		SY			SY			SY	
211		TON			TON			TON	
212		EACH			EACH			EACH	
213		EACH			EACH			EACH	
214		EACH			EACH			EACH	
215		EACH			EACH			EACH	
216		LF			LF			LF	
217		LF			LF			LF	
218		CY			CY			CY	
219		POUND			POUND			POUND	
220		LF			LF			LF	
221		LF			LF			LF	
222		LF			LF			LF	
223		CY			CY			CY	
224		POUND			POUND			POUND	
225		LF			LF			LF	
226		EACH			EACH			EACH	
227		LF			LF			LF	
228		LF			LF			LF	
229		LF			LF			LF	
230		EACH			EACH			EACH	
231		EACH			EACH			EACH	
232		EACH			EACH			EACH	
233		CY			CY			CY	
234		POUND			POUND			POUND	
235		LF			LF			LF	
236		LF			LF			LF	
237		TON			TON			TON	
238		SY			SY			SY	
239		LF			LF			LF	
240		LF			LF			LF	
241		LS			LS			LS	
242		LS			LS			LS	
243		LF			LF			LF	
244		EACH			EACH			EACH	
245		EACH			EACH			EACH	
246		LS			LS			LS	
247		LS			LS			LS	
248		LS			LS			LS	
249		LS			LS			LS	
250		LS			LS			LS	
251		LS			LS			LS	
252		LS			LS			LS	
253		LS			LS			LS	
254		LS			LS			LS	
255		LF			LF			LF	
256		CY			CY			CY	
257		LBS			LBS			LBS	
258		CY			CY			CY	
259		LBS			LBS			LBS	
260		LS			LS			LS	
261		LS			LS			LS	
262		SY			SY			SY	
TOTAL AMOUNT:			$4,569.55			$1,352.82			$3,216.73

ITEM NO.	COMPLETED TO DATE ESTIMATED QUANTITY		COMPLETED TO DATE ESTIMATED AMOUNT	COMPLETED TO DATE - CITY ESTIMATED QUANTITY		COMPLETED TO DATE - CITY ESTIMATED AMOUNT	COMPLETED TO DATE - MCES ESTIMATED QUANTITY		COMPLETED TO DATE - MCES ESTIMATED AMOUNT
147	162.50	LF	$3,575.00	162.50	LF	$3,575.00		LF	
148	80.00	LF	$1,760.00	80.00	LF	$1,760.00		LF	
149	18.00	EACH	$18,000.00	18.00	EACH	$18,000.00		EACH	
150	24.00	EACH	$26,400.00	24.00	EACH	$26,400.00		EACH	
151	10.00	EACH	$15,200.00	10.00	EACH	$15,200.00		EACH	
152	2.00	EACH	$5,250.00	2.00	EACH	$5,250.00		EACH	
153	11.00	EACH	$33,000.00	11.00	EACH	$33,000.00		EACH	
154	6.00	EACH	$33,960.00	6.00	EACH	$33,960.00		EACH	
155	18.00	EACH	$59,760.00	18.00	EACH	$59,760.00		EACH	
156	14.50	LF	$7,250.00	14.50	LF	$7,250.00		LF	
157	14.50	LF	$1,087.50	14.50	LF	$1,087.50		LF	
158	29.00	EACH	$7,250.00	29.00	EACH	$7,250.00		EACH	
159	17.00	EACH	$1,020.00	17.00	EACH	$1,020.00		EACH	
160	17,000.00	POUND	$153,000.00	17,000.00	POUND	$153,000.00		POUND	
161	257.00	SF	$950.90	257.00	SF	$950.90		SF	
162	93.00	LF	$3,813.00	93.00	LF	$3,813.00		LF	
163	1,534.60	TON	$6,138.40	1,534.60	TON	$6,138.40		TON	
164	7,000.00	CY	$44,450.00	4,323.33	CY	$27,453.17	2,676.67	CY	$16,996.83
165	507.98	CY	$4,571.91	338.66	CY	$3,047.94	169.33	CY	$1,523.97
166		TON			TON			TON	
167	24,118.00	SY	$16,882.60	13,954.33	SY	$9,768.03	10,163.67	SY	$7,114.57
168	7,915.86	TON	$98,948.25	4,553.00	TON	$56,912.50	3,362.86	TON	$42,035.75
169	214.32	TON	$3,429.12	169.49	TON	$2,711.84	44.83	TON	$717.28
170	40.14	TON	$642.24	40.14	TON	$642.24		TON	
171	2,031.82	TON	$113,375.55	1,454.88	TON	$81,182.30	576.94	TON	$32,193.25
172	552.52	TON	$30,941.12		TON		552.52	TON	$30,941.12
173	16,559.30	SY	$112,603.24	11,687.23	SY	$79,473.19	4,872.07	SY	$33,130.05
174	4,444.00	SY	$23,553.20		SY		4,444.00	SY	$23,553.20
175	656.88	SY	$9,524.76	519.48	SY	$7,532.51	137.40	SY	$1,992.25
176	2,385.80	SY	$16,700.60	2,385.80	SY	$16,700.60		SY	
177		SY			SY			SY	
178		SY			SY			SY	
179		LF			LF			LF	
180	2,438.50	SF	$12,680.20	2,130.00	SF	$11,076.00	308.50	SF	$1,604.20
181	487.50	LF	$8,043.75	405.67	LF	$6,693.50	81.83	LF	$1,350.25
182		LF			LF			LF	
183	97.50	LF	$2,925.00	65.00	LF	$1,950.00	32.50	LF	$975.00
184		LF			LF			LF	
185	3,113.00	LF	$1,089.55		LF		3,113.00	LF	$1,089.55
186	38.00	LF	$4,484.00		LF		38.00	LF	$4,484.00
187	2.00	EACH	$13,050.00		EACH		2.00	EACH	$13,050.00
188	14.25	LF	$3,206.25	6.72	LF	$1,511.25	7.53	LF	$1,695.00
189	11.84	LF	$6,630.40	11.84	LF	$6,630.40		LF	
190	88.00	LF	$2,992.00	48.67	LF	$1,654.67	39.33	LF	$1,337.33
191	21.00	LF	$819.00	7.00	LF	$273.00	14.00	LF	$546.00
192	40.00	LF	$4,520.00	40.00	LF	$4,520.00		LF	
193	1.00	EACH	$805.00	1.00	EACH	$805.00		EACH	
194	1.00	EACH	$900.00	1.00	EACH	$900.00		EACH	
195	2.00	EACH	$3,600.00	2.00	EACH	$3,600.00		EACH	
196	6.00	EACH	$3,372.00	4.00	EACH	$2,248.00	2.00	EACH	$1,124.00
197	10.00	EACH	$3,000.00	6.67	EACH	$2,000.00	3.33	EACH	$1,000.00
198	194.50	CY	$19,450.00	141.17	CY	$14,116.67	53.33	CY	$5,333.33
199	12,518.00	LF	$22,532.40	5,482.33	LF	$9,868.20	7,035.67	LF	$12,664.20
200	572.00	LF	$1,573.00	75.00	LF	$206.25	497.00	LF	$1,366.75
201	60.00	LF	$780.00	20.00	LF	$260.00	40.00	LF	$520.00
202	6.00	EACH	$1,230.00	4.00	EACH	$820.00	2.00	EACH	$410.00
203	3.00	EACH	$3,300.00	1.50	EACH	$1,650.00	1.50	EACH	$1,650.00
204	2,080.00	SF	$18,720.00	693.33	SF	$6,240.00	1,386.67	SF	$12,480.00
205	7,779.00	SY	$9,723.75	1,813.00	SY	$2,266.25	5,966.00	SY	$7,457.50
206	7.04	ACRE	$3,874.53	1.27	ACRE	$699.31	5.77	ACRE	$3,175.22
207	1.84	ACRE	$1,175.83	1.18	ACRE	$755.64	0.66	ACRE	$420.19
208	1.30	ACRE	$2,307.50	0.90	ACRE	$1,597.50	0.40	ACRE	$710.00
209		ACRE			ACRE			ACRE	
210	6,218.67	SY	$15,546.67	4,525.95	SY	$11,314.87	1,692.72	SY	$4,231.81
211	3,763.30	TON	$51,745.37	1,843.87	TON	$25,353.17	1,919.43	TON	$26,392.21
212		EACH			EACH			EACH	
213		EACH			EACH			EACH	
214		EACH			EACH			EACH	
215		EACH			EACH			EACH	
216		LF			LF			LF	
217		LF			LF			LF	
218		CY			CY			CY	
219		POUND			POUND			POUND	
220		LF			LF			LF	
221		LF			LF			LF	
222	10,060.00	LF	$397,671.80		LF		10,060.00	LF	$397,671.80
223		CY			CY			CY	
224		POUND			POUND			POUND	
225		LF			LF			LF	
226	1.00	EACH	$160,606.66	1.00	EACH	$160,606.66		EACH	
227	2,949.00	LF	$40,696.20	2,949.00	LF	$40,696.20		LF	
228	1,313.00	LF	$10,018.19	1,313.00	LF	$10,018.19		LF	
229	2,437.00	LF	$40,673.53	2,437.00	LF	$40,673.53		LF	
230	12.00	EACH	$194.16	12.00	EACH	$194.16		EACH	
231	25.00	EACH	$2,271.00	25.00	EACH	$2,271.00		EACH	
232	6.00	EACH	$156.78	6.00	EACH	$156.78		EACH	
233		CY			CY			CY	
234		POUND			POUND			POUND	
235	8,463.00	LF	$55,940.43	6,242.67	LF	$41,264.03	2,220.33	LF	$14,676.40
236	8,463.00	LF	$43,499.82	8,463.00	LF	$43,499.82		LF	
237		TON			TON			TON	
238		SY			SY			SY	
239		LF			LF			LF	
240		LF			LF			LF	
241	1.00	LS	$1,012.00	1.00	LS	$1,012.00		LS	
242	1.00	LS	$1,480.00	1.00	LS	$1,480.00		LS	
243		LF			LF			LF	
244		EACH			EACH			EACH	
245		EACH			EACH			EACH	
246		LS			LS			LS	
247	1.00	LS	$3,286.00		LS		1.00	LS	$3,286.00
248	1.00	LS	$1,750.00		LS		1.00	LS	$1,750.00
249	1.00	LS	$2,562.00		LS		1.00	LS	$2,562.00
250	1.00	LS	$47,276.55		LS		1.00	LS	$47,276.55
251	1.00	LS	$117,723.21		LS		1.00	LS	$117,723.21
252	1.00	LS	$30,166.00		LS		1.00	LS	$30,166.00
253	1.00	LS	$37,550.14		LS		1.00	LS	$37,550.14
254	1.00	LS	$27,318.00		LS		1.00	LS	$27,318.00
255		LF			LF			LF	
256		CY			CY			CY	
257		LBS			LBS			LBS	
258		CY			CY			CY	
259		LBS			LBS			LBS	
260	1.00	LS	$3,048.00		LS		1.00	LS	$3,048.00
261	1.00	LS	$3,432.00	1.00	LS	$3,432.00		LS	
262	153.75	SY	$1,076.25	153.75	SY	$1,076.25		SY	
TOTAL AMOUNT:			$9,164,091.25			$3,896,785.87			$5,157,305.38

STORED MATERIALS

East Bethel Gravity Interceptor & Discharge & Utility Infrastructure Project
CITY OF EAST BETHEL, MN
PROJECT NO. C12.100028
PAY ESTIMATE NO. 16

SUMMARY OF STORED MATERIALS:	Invoice Unit Price	MCES TOTAL STORED MATERIALS Quantity	MCES TOTAL STORED MATERIALS Amount	CITY TOTAL STORED MATERIALS Quantity	CITY TOTAL STORED MATERIALS Amount	MCES MATERIALS USED IN PROJECT Quantity	MCES MATERIALS USED IN PROJECT Amount	CITY MATERIALS USED IN PROJECT Quantity	CITY MATERIALS USED IN PROJECT Amount	CURRENT STORED MATERIALS ON HAND	MCES STORED MATERIALS ON HAND	CITY STORED MATERIALS ON HAND
PAYMENT FOR APPROVED MATERIALS STORED ON SITE:												
8" PVC SEWER PIPE SDR 35	$ 2.84		$ -	1232 LF	$ 3,498.88		$ -	1232 LF	$ 3,498.88	$ -	$ -	$ -
8" PVC SEWER PIPE SDR 26	$ 3.79		$ -	2940 LF	$ 11,142.60		$ -	2940 LF	$ 11,142.60	$ -	$ -	$ -
12" PVC SEWER PIPE SDR 26	$ 8.74		$ -	672 LF	$ 5,873.28		$ -	610 LF	$ 5,331.40	$ 541.88	$ -	$ 541.88
15" PVC SEWER PIPE SDR 26	$ 12.92		$ -	168 LF	$ 2,170.56		$ -	168 LF	$ 2,170.56	$ -	$ -	$ -
15" PVC SEWER PIPE SDR 35	$ 9.53		$ -	1428 LF	$ 13,608.84		$ -	1428 LF	$ 13,608.84	$ -	$ -	$ -
24" PVC SEWER PIPE SDR 26	$ 34.77	3500 LF	$ 121,695.00	322 LF	$ 11,195.94	1807 LF	$ 62,829.39	322 LF	$ 11,195.94	$ 58,865.61	$ 58,865.61	$ -
24" PVC SEWER PIPE PS46	$ 25.22	560 LF	$ 14,123.20		$ -	560 LF	$ 14,123.20		$ -	$ -	$ -	$ -
6" PVC SEWER PIPE SDR 26	$ 2.42		$ -	854 LF	$ 2,066.68		$ -	854 LF	$ 2,066.68	$ -	$ -	$ -
60" SN72/PN25 GRAVITY SEWER PIPE WFWC	$ 255.00	1187.65 LF	$ 302,850.75		$ -	1187.65 LF	$ 302,850.75		$ -	$ -	$ -	$ -
24" PVC C905 DR 21 WM	$ 49.02		$ -	1780 LF	$ 87,255.60		$ -	1780 LF	$ 87,255.60	$ -	$ -	$ -
12" PVC C900 DR 18 WM	$ 13.17		$ -	820 LF	$ 10,799.40		$ -	820 LF	$ 10,799.40	$ -	$ -	$ -
8" PVC C900 DR 25 WM	$ 4.45		$ -	2400 LF	$ 10,680.00		$ -	2400 LF	$ 10,680.00	$ -	$ -	$ -
16" PVC C905 PIPE DR 21 WM	$ 19.61		$ -	4220 LF	$ 82,754.20		$ -	3561.5 LF	$ 69,841.02	$ 12,913.19	$ -	$ 12,913.19
4" GATE VALVE	$ 411.05		$ -	17 EA	$ 6,987.85		$ -	17 EA	$ 6,987.85	$ -	$ -	$ -
6" GATE VALVE	$ 524.88		$ -	23 EA	$ 12,072.24		$ -	23 EA	$ 12,072.24	$ -	$ -	$ -
8" GATE VALVE	$ 835.46		$ -	10 EA	$ 8,354.60		$ -	10 EA	$ 8,354.60	$ -	$ -	$ -
HYDRANT	$ 2,544.46		$ -	23 EA	$ 58,522.58		$ -	19 EA	$ 48,344.74	$ 10,177.84	$ -	$ 10,177.84
16" PVC C905 DR 14 DISCHARGE PIPING	$ 44.46	4060 LF	$ 180,507.60		$ -	3553 LF	$ 157,966.38		$ -	$ 22,541.22	$ 22,541.22	$ -
42" / 72 SN 25 PN GRAVITY SEWER PIPE WFWC	$ 113.00	2123.2 LF	$ 239,921.60		$ -	2123.2 LF	$ 239,921.60		$ -	$ -	$ -	$ -
48" / 72 SN 25 PN GRAVITY SEWER PIPE WFWC	$ 136.00	20.15 LF	$ 2,740.40		$ -	20.15 LF	$ 2,740.40		$ -	$ -	$ -	$ -
42" / 100 SN 25 PN GRAVITY SEWER PIPE WFWC	$ 125.00	481.8 LF	$ 60,225.00		$ -	481.8 LF	$ 60,225.00		$ -	$ -	$ -	$ -
42" / 46 SN 25 PN GRAVITY SEWER PIPE WFWC	$ 100.00	882.7 LF	$ 88,270.00		$ -	882.7 LF	$ 88,270.00		$ -	$ -	$ -	$ -
36" / 72 SN 25 PN GRAVITY SEWER PIPE WFWC	$ 96.00		$ -	400.5 LF	$ 38,448.00		$ -	400.5 LF	$ 38,448.00	$ -	$ -	$ -
21.6" OD HDPE DR 7 DIPS DISCHARGE PIPING	$ 84.97	3350 LF	$ 284,649.50		$ -	2949 LF	$ 250,576.53		$ -	$ 34,072.97	$ 34,072.97	$ -
19.5" OD HDPE DR 11 DIPS WATERMAIN	$ 46.75		$ -	1350 LF	$ 63,112.50		$ -	1313 LF	$ 61,382.75	$ 1,729.75	$ -	$ 1,729.75
32" OD HDPE DR 11 DIPS WATERMAIN	$ 128.29		$ -	4050 LF	$ 519,574.50		$ -	2437 LF	$ 312,642.73	$ 206,931.77	$ -	$ 206,931.77
		-	$ -		$ -		$ -		$ -	$ -	$ -	$ -
TOTAL:			$ 1,294,983.05		$ 948,118.25		$ 1,179,503.25		$ 715,823.83	$ 347,774.23	$ 115,479.80	$ 232,294.43
					$ 2,243,101.30				$ 1,895,327.08			$ 347,774.23

CITY BOND SPLIT CALCULATIONS

SECTION	SUBTOTALS	SEWER	WATER	DESCRIPTION	CHECK TOTALS
MOBILIZATION	$185,331.56	$90,986.09	$94,345.47	Apportioned	
REMOVALS	$84,886.61	$41,673.97	$43,212.65	Apportioned	
DISCHARGE PIPING	$0.00	$0.00	$0.00	Apportioned	
STREET & STORM SEWER	$349,541.20	$171,602.66	$177,938.54	Apportioned	
EROSION CONTROL & RESTORATION	$61,031.18	$29,962.46	$31,068.73	Apportioned	
OPTION 1 PILING	$0.00	$0.00	$0.00	Apportioned	
OPTION 2 PILING	$0.00	$0.00	$0.00	Apportioned	
CHANGE ORDERS	$346,380.62	$173,190.31	$173,190.31	50%	
STORED MATERIALS	$ 232,294.43	$ 541.88	$ 231,752.55	By Type	
	$ -				
SANITARY SEWER	$1,457,893.29	$1,457,893.29			
WATERMAIN	$1,511,721.40		$1,511,721.40		$232,294.43
					$3,996,785.87
TOTALS		**$1,965,850.65**	**$2,263,229.64**		**$4,229,080.29**
Total - Retainage		$1,867,558.12	$2,150,068.16		$4,017,626.28
PREVIOUS ESTIMATE 1		$69,994.94	$50,473.59		$120,468.53
PREVIOUS ESTIMATE 2		$286,687.28	$276,737.92		$563,425.20
PREVIOUS ESTIMATE 3		$44,077.24	$84,713.16		$128,790.40
PREVIOUS ESTIMATE 4		$191,282.62	$235,041.58		$426,324.20
PREVIOUS ESTIMATE 5		$313,878.85	$148,606.65		$462,485.49
PREVIOUS ESTIMATE 6		$181,701.39	$102,733.31		$284,434.70
PREVIOUS ESTIMATE 7		$66,939.64	$49,857.34		$116,796.99
PREVIOUS ESTIMATE 8		$305,900.74	$0.00		$305,900.74
PREVIOUS ESTIMATE 9		$1,385.27	$10,042.23		$11,427.50
PREVIOUS ESTIMATE 10		$52,826.63	$136,304.28		$189,130.91
PREVIOUS ESTIMATE 11		$68,744.47	$671,388.44		$740,132.90
PREVIOUS ESTIMATE 12		$210,686.86	$170,005.16		$380,692.02
PREVIOUS ESTIMATE 13		$1,113.60	$99,315.77		$100,429.38
PREVIOUS ESTIMATE 14		$21,933.72	$54,886.92		$76,820.64
PREVIOUS ESTIMATE 15		$49,773.93	$59,307.56		$109,081.49
THIS ESTIMATE		**$630.94**	**$654.24**		**$1,285.18**
		Sewer Total	Water Total		Check Total

City of East Bethel
City Council
Agenda Information

* *

Date:
October 3, 2012

* *

Agenda Item Number:
Item 7.0 A. 1

* *

Agenda Item:
Resolution 2012-61 Adoption of a Policy and Criteria for Granting a Business Subsidy

* *

Requested Action:
Approval of Resolution 2012-61 Adoption of a Policy and Criteria for Granting a Business Subsidy

* *

Background Information:
Minnesota Statutes 116J.993 through 116J.995 requires a City to have a formal Business Subsidy Policy and Criteria if the City is providing assistance to a private party for $150,000 or more. The City is considering providing Aggressive Hydraulics a business subsidy in excess of the $150,000 and therefore is required to have a formal policy and criteria in place.

The business subsidy policy and criteria is required to have job creation goals and a specified wage floor for those jobs outlined in the policy. The proposed job creation goal is at least 1 job within 2 years of the benefit date (date of occupancy of the building) at a wage level of at least 150% of minimum wage (benefits not included). This would equate to an hourly wage of $11 and annual salary of approximately $23,000. In addition, other aspects of the policy are goals of the City, public assistance tools, but-for test requirement, types of financing (pay-as-you-go, bonds, etc.), terms of assistance, project approval and criteria (includes job and wage goals), and look back requirement.

Finally, the policy requires a $3,000 non-refundable application fee (review by City staff to determine if application meets goals of the City) and payment of $10,000 escrow fee to cover the City's administrative costs for outside consultants to create a TIF district and prepare the development agreement. It should be noted that this is an escrow and to the extent the costs exceed this amount, the developer will be required to deposit additional funds with the City to cover 100% of the costs associated with the project.

Attachment(s):

1. Res 2012-61 Adoption of Business Subsidy Policy and Criteria
2. Business Subsidy Policy and Criteria

* *

Fiscal Impact:
None

* *

Recommendation(s):

Staff recommends approval of Resolution 2012-61 Adoption of a Policy and Criteria for Granting a Business Subsidy

* * * *

CITY OF EAST BETHEL
EAST BETHEL, MINNESOTA

RESOLUTION NO. 2012-61

RESOLUTION ADOPTING A POLICY AND CRITERIA FOR GRANTING A BUSINESS SUBSIDY

BE IT RESOLVED By the City Council (the "Council") of the City of East Bethel, Minnesota (the "City") as follows:

Section 1. Recitals.

1.01. Minnesota Statutes, Sections 116J.993 through 116J.995 (the "Statutes") require the adoption of a policy and criteria for the granting of business subsidies as defined in the Statutes; and,

1.02. The City has determined that it is necessary and appropriate to adopt a business subsidy policy and criteria pursuant to the Statutes; and,

1.03. The City has performed all actions required by law to be performed prior to the adoption and approval of the proposed business subsidies policy and criteria, including the holding of a public hearing upon published notice as required by law on October 3, 2012.

Section 2. City Approval; Further Proceedings

2.01. The business subsidy policy and criteria, contained in Exhibit A of this resolution are hereby approved, ratified, established, and adopted and shall be placed on file at City Hall.

2.02. The City Administrator is authorized and directed to file a copy of the business subsidy policy and criteria, along with annual reports, to the Minnesota Department of Employment and Economic Development, pursuant to the Statutes.

Adopted this 3rd day of October, 2012 by the City Council of the City of East Bethel.

_____

Richard Lawrence, Mayor

ATTEST:

_____

Jack Davis, City Administrator

CITY OF EAST BETHEL, MINNESOTA

BUSINESS ASSISTANCE POLICY
Public Hearing: October 3, 2012
Adopted: _____

I. PURPOSE

The purpose of this policy is to provide guidance for the City of East Bethel (the "City") in its provision of assistance for commercial and housing development and redevelopment projects. As a matter of adopted policy, the City will consider using public assistance to assist private development only in those circumstances in which the proposed private project shows a demonstrated financing gap, meets one of more of the goals presented in the City's Development Program, and is consistent with the City's Comprehensive Plan.

This policy shall be used as a guide in processing and reviewing applications requesting public financing assistance. The City shall have the option of amending or waiving sections of this policy when determined to be necessary or appropriate.

II. STATUTORY LIMITATIONS

All forms of business assistance provided by the City must comply with applicable state law and regulations, including *Minnesota Statutes*, Sections 116J.993 through 116J.995. *Minnesota Statutes*, Section 116J.993, Subd. 3 defines a Business Subsidy as "a state or local government agency grant, contribution of personal property, real property, infrastructure, the principal amount of a loan at rates below those commercially available to the recipient, any reduction or deferral of any tax or any fee, any guarantee of any payment under any loan, lease, or other obligation, or any preferential use of government facilities given to a business." Appendix A lists forms of financial assistance that state law does not consider business subsidies.

A business subsidy may not be granted until the grantor has adopted criteria after a public hearing for awarding business subsidies. A grantor may deviate from its criteria by documenting in writing the reason for the deviation and attaching a copy of the document to its next annual report to the Department of Employment and Economic Development (DEED). A copy of the criteria must be submitted by the City to DEED along with its first annual report following the enactment of this Policy or with the first annual report after it has adopted criteria, whichever is earlier. Notwithstanding *Minnesota Statutes* 116J.993, subdivision 3, clauses (1) and (21), "business subsidies" as defined under section 116J.993 includes the following forms of financial assistance: (1) a business subsidy of $25,000 or more; and (2) business loans and guarantees of $75,000 or more.

III. GOALS

As a matter of adopted policy, the City will consider using a business assistance tool to assist private development only in those circumstances in which the proposed private project shows a demonstrated financing gap, meets one of more of the goals presented in the City's Development Program, and is consistent with the City's Comprehensive Plan. The City's primary development priority is to encourage high-value commercial development, including but not limited to manufacturing, warehousing, distribution, office and retail uses. Single-family residential and multi-family housing proposals may be considered for assistance on a case-by-case basis. In all instances, the terms and conditions of any business assistance are to be decided at the discretion of the City Council.

IV. PUBLIC ASSISTANCE TOOLS

1. Tax Increment Financing

Tax increment may be spent only for specified purposes permitted in the underlying development statutes. The Minnesota Tax Increment Act is codified as *Minnesota Statutes* 469.174 through 469.1799. In addition, the Tax Increment Act specifies the qualifying conditions and/or development purposes for several types of TIF districts, and the required process for establishing and reporting on a TIF district.

2. Tax Abatement

Tax abatement may be spent only for specified purposes permitted in the underlying development statutes. The Minnesota Tax Abatement Act is codified as *Minnesota Statutes* 469.1812 through 469.1815.

3. City Fees

The City may consider deferring the assessment of City fees for purposes permitted in the development statutes and City Code. Whether a particular fee is eligible to be deferred or assessed over time may depend on the City Fund's ability to support the deferment.

4. Revolving Loan Fund

The City may make a loan to a business, a for-profit or nonprofit organization, or an individual for any purpose that the City is otherwise authorized to carry out under various state statutes related to redevelopment, housing, economic development, or any special law.

V. BUT FOR TEST

With tax increment financing, the City is statutorily required to find that the increased market value of the site that could reasonably be expected to occur without the use of TIF would be less than the increase in the market value of the proposed development after subtracting the present value of the projected tax increments for the maximum duration of the district permitted by the TIF Plan according to *Minnesota Statutes*, Section 469.175, subd. 3(d).

This market value-based "but for" analysis is required only for non-housing TIF projects. To allow for this evaluation, the developer must provide a complete development budget and operating pro forma, and an accompanying statement explaining the need for TIF assistance.

VI. TYPES OF FINANCING

The City will consider "pay as you go" financing arrangement with a developer. With pay as you go financing, the developer pays for various costs initially, and the City promises to reimburse the developer from tax increment, tax abatement, or other identified economic development and redevelopment tools over time as the development is completed and an increased market value is generated. This arrangement may be structured as a revenue note or bond issued to the developer, with an interest component to compensate the developer for costs of financing the improvements up front.

Interfund loans and transfers secured by tax increments or tax abatements may be used when there is an extraordinary capital requirement that cannot be met through conventional private debt and/or equity, and

to benefit a project of high priority and interest to the City.

Bonds secured by tax increments or tax abatements may be issued only when there is an extraordinary capital requirement that cannot be met through conventional private debt and/or equity, and to benefit a project of high priority and interest to the City. The bonds may be general obligation bonds backed by the full faith and credit of the City.

VII. TERM OF ASSISTANCE

The City retains the ability to provide a shorter term for the tax increment or tax abatement assistance than the Minnesota Tax Increment Act and Minnesota Tax Abatement Act, respectively.

VIII. BUSINESS ASSISTANCE PROJECT APPROVAL CRITERIA

All new projects approved by the City must meet the following mandatory minimum approval criteria. However, it should not be presumed that the business assistance request of a project meeting these criteria will automatically be approved. Meeting these criteria creates no contractual rights on the part of any potential developer.

1. The assistance shall be provided within applicable state legislative restrictions, State Auditor interpretation, debt limit guidelines, and other appropriate financial requirements and policies.

2. The project should meet one or more of the goals referenced in the City's Comprehensive Plan.

3. The project must be in accord with the City's Comprehensive Plan and Zoning Ordinances, or required changes to the Comprehensive Plan and Zoning Ordinances must be under active consideration by the City at the time of approval.

4. Prior to approval of business assistance, the developer shall provide any required market and financial feasibility studies, appraisals, soil boring, information provided to private lenders for the project, and other information or data that the City or its financial consultants may require in order to proceed with an independent underwriting.

5. Any developer requesting business assistance should be able to demonstrate past successful general development capability as well as specific capability in the type and size of development proposed.

6. The developer must retain ownership of the project at least long enough to complete it, to stabilize its occupancy, to establish the project management, and to initiate repayment of the business assistance.

7. The level of business assistance funding should be reduced to the lowest possible level and least amount of time by maximizing the use of private debt and equity financing first, and then using other funding sources or income producing vehicles that can be structured into the project financing, prior to using additional business assistance funding.

IX. BUSINESS ASSISTANCE PROJECT EVALUTATION CRITERIA

If a business meets the criteria in Section 4 and is eligible for assistance, the following criteria will be

used to determine the amount of assistance and type of assistance that may be provided. All projects will be evaluated by the East Bethel City Council, and if necessary, the City's Economic Development Authority or Housing and Redevelopment Authority, on the following criteria for comparison with other proposed business assistance projects reviewed by the City, and for comparison with other subsidy standards (where appropriate). It is realized that changes in local markets, costs of construction, and interest rates may cause changes in the amounts of business assistance subsidies that a given project may require at any given time. In applying the criteria to a specific project, the following will apply:

1. The City may consider the requirements and benefits of any other business subsidy received, or to be received, by a developer from a grantor other than the City.

2. If the business subsidy is a guaranty, the amount of the business subsidy may be valued at the principal amount plus interest of the guaranteed payment obligation.

3. If the business subsidy is real or personal property, the amount of the subsidy will be the fair market value of the property as determined by the City.

4. If the business subsidy is received over time, the City may initially value the subsidy as it determines is fair and reasonable under the circumstances.

5. As used herein, "Benefit Date," means the date the business subsidy is received. If the business subsidy involves the purchase, lease, or donation of physical equipment, then the benefit date occurs when the recipient puts the equipment into service. If the business subsidy is for improvements to property, then the Benefit Date refers to the earliest date of either when the improvements are finished for the entire project or when a business occupies the property.

6. All business assistance projects will need to meet a "Reasonable Rate of Return." Assistance will not be used unless the need for the City's economic participation is sufficient that, without that assistance the project could not proceed in the manner as proposed. The Reasonable Rate of Return will be based on market standards at the time of the application for assistance.

7. Business assistance will not be used when the developer's credentials, in the sole judgment of the City, are inadequate due to past track record relating to: completion of projects, general reputation and/or bankruptcy, or other problems or issues considered relevant by the City.

8. Business assistance funding should not be provided to those projects that fail to meet good public policy criteria as determined by the Council, including: poor project quality; projects that are not in accord with the City's comprehensive plan, zoning, redevelopment plans, and city policies; projects that provide no significant improvement to surrounding land uses, the neighborhood, and/or the City; projects that do not meet one or more of the goals referenced in the City's Comprehensive Plan; projects that do not meet financial feasibility criteria established by the City; and projects that do not provide the highest and best desired use for the property.

9. All projects receiving business assistance under the criteria listed in *Minnesota Statutes* 116J.994, Subd. 3 must meet at a minimum the job and wage goals described below. *Minnesota Statutes* 116J.994, Subd. 2 allows the City to deviate from its criteria by documenting in writing the reason for the deviation and attaching a copy of the document to its next annual business subsidy report to the Department of Employment and Economic Development.

Projects receiving business assistance must create a minimum of 1 full time job(s) paying an average wage of 150% of Federal minimum wage, excluding benefits**.**

10. The amount of assistance available to a project will be limited by the amount of proceeds that TIF or other financing tools may support.

11. Job creation or retention is not required for businesses subsidies as long as the grantor identifies an alternate public purpose in addition to tax base increase. If after Council consideration of the alternate public purpose(s) proposed, the creation or retention of jobs is determined not to be a goal (after a public hearing), the wage and job goals may be set at zero.

12. In lieu of job creation or retention, other measurable, specific, and tangible goals shall be established. Examples of tangible goals may include tax base diversification, property redevelopment, enhanced economic diversity, community stabilization, investment in the community and/or other goals identified in the City's Comprehensive Plan and City's Comprehensive Plan.

13. Business assistance will normally be used for projects that address the following land use issues: (1) high value development consistent with the City's Comprehensive Plan; (2) location on property which needs but is not likely to be developed or redeveloped because of blight or other adverse conditions of the property; and possibly (3) the inclusion of design and/or amenity features not otherwise required by law.

14. Business assistance will be evaluated on the project’s impact on existing and future public investment: (1) whether and to what extent the project will utilize existent public infrastructure capacity and the extent it requires additional publicly funded infrastructure investments; and (2) arrangements for the City to receive a direct monetary return on its investment in the project.

15. Business assistance will normally be used for projects that demonstrate to the satisfaction of the City adequate financing for the project is available and that the project will be completed in a timely fashion.

16. Business assistance from the City must satisfy all requirements of *Minnesota Statutes* 116J.993 through 116J.995, and all other applicable laws and regulations.

X. LOOK BACK PROVISION

The City reserves the ability to include a Look Back Provision in the Development Agreement for a project. Under the Look Back Provision, the City has the ability to review the development proforma and grant assistance based on the estimates for the project. After completion of the project, the City has the ability to compare the actual project costs and performance with the estimates and adjust the assistance provided so a "Reasonable Rate of Return" is achieved. This adjustment will be made only in circumstances when the business subsidy can be reduced to achieve a "Reasonable Rate of Return." The adjustment will not be made to increase the amount of the business subsidy.

At the time the Development Agreement is being negotiated, the City will consider if and how any assistance above the "Reasonable Rate of Return" may be shared.

Some criteria, by their very nature, must remain subjective. However, wherever possible "benchmark" criteria have been established for review purposes. The fact that a given proposal meets one or more "benchmark" criteria does not mean that it is entitled to funding under this policy, but rather that the City is in a position to proceed with evaluations of (and comparisons between) various business assistance proposals, using uniform standards whenever possible.

_____
Mayor

_____
City Administrator

APPENDIX A

The Business Subsidy Statute specifically exclude 23 items from the definition. The following are NOT business subsidies:

1) A business subsidy of less than $150,000;

2) Assistance that is generally available to all businesses or to a general class of similar businesses, such as a line of business, size, location, or similar general criteria;

3) Public improvements to buildings or lands owned by the state or local government that serve a public purpose and do not principally benefit a single business or defined group of businesses at the time the improvements are made;

4) Redevelopment property polluted by contaminants as defined in *M.S. Section 116J.552, Subd. 3*;

5) Assistance provided for the sole purpose of renovating old or decaying building stock or bringing it up to code and assistance provided for designated historic preservation districts, provided that the assistance is equal to or less than 50% of the total cost;

6) Assistance to provide job readiness and training services if the sole purpose of the assistance is to provide those services;

7) Assistance for housing;

8) Assistance for pollution control or abatement, including assistance for a tax increment financing hazardous substance sub-district as defined under *M.S. Section 469.174, Subd. 23*;

9) Assistance for energy conservation;

10) Tax reductions resulting from conformity with federal tax law;

11) Workers' compensation and unemployment insurance;

12) Benefits derived from regulation;

13) Indirect benefits derived from assistance to educational institutions;

14) Funds from bonds allocated under chapter 474A, bonds issued to refund outstanding bonds, and bonds issued for the benefit of an organization described in section 501 (c) (3) of the Internal Revenue Code of 1986, as amended through December 31, 1999;

15) Assistance for a collaboration between a Minnesota higher education institution and a business;

16) Assistance for a tax increment financing soils condition district as defined under *M.S. Section 469.174, Subd. 19*;

17) Redevelopment when the recipient's investment in the purchase of the site and in site preparation is 70 percent or more of the assessor's current year's estimated market value;

18) General changes in tax increment financing law and other general tax law changes of a principally technical nature;

19) Federal assistance until the assistance has been repaid to, and reinvested by, the state or local government agency;

20) Funds from dock and wharf bonds issued by a seaway port authority;

21) Business loans and loan guarantees of $150,000 or less;

22) Federal loan funds provided through the United States Department of Commerce, Economic Development Administration; and

23) Property tax abatements granted under section 469.1813 to property that is subject to valuation under Minnesota Rules, chapter 8100.

APPENDIX B

City of East Bethel

2241 221st Avenue • East Bethel, MN 55011 • Phone (763) 434-9569 • Fax (763) 434-9578

Application for Tax Increment Financing/Business Subsidy Program

A. APPLICANT INFORMATION:

1. **Applicant Name:** _____
(Name should be the officially registered name of the business entity.)

   Address: _____

   Telephone: _____

   Fax: _____

2. **Name:** _____
(Information should be that of the person completing the application)

   Address: _____

   Telephone: _____

3. **PID#'s, legal description, address, and size of project site.**

   _____

   _____

   _____

4. **If the applicant is a corporation, please name officers, directors, or stockholders holding more that 5% of the stock of the corporation. If the corporation is not formed, provide as much information as possible concerning potential officers, directors, or stockholders:**

   _____

   _____

   _____

4.a. **If the applicant is a general partnership, name of the general partners and if a limited partnership, state the general partners and limited partners with more than 5% interest in the limited partnership. If the partnership is not formed, provide as much information as possible concerning potential officers, directors or stockholders.**

_____

_____

_____

_____

4.b. **Description of the business nature and principal products of the applicant.**

_____

_____

_____

_____

5. If property is to be subdivided, describe the planned division.

_____

_____

_____

_____

6. Estimated project costs: (Please enclose development *Pro Formas*, if available).

a. Land Acquisition: $_____

b. Soil Corrections: _____

c. Soil Survey: _____

d. Public Improvements: _____

e. Site Development: _____

f. Demolition: _____

g. Building(s): _____

Shell _____

Tenant Improvements _____

h. Equipment: _____

i. Architectural & Engineering Fees: _____

j. Legal Fees/Other Consulting Fees: _____

k. Financing Costs: _____

l. SAC/WAC: _____

m. Park Dedication: _____

n. Survey: _____

o. Appraisal: _____

p. Taxes: _____

q. Contingencies: _____

r. Other: _____ _____

s. Other: _____ _____

TOTAL $_____

7. Source of Financing.

a. Equity: $_____

b. Bank Financing: _____

c. Tax Increment Assistance: _____

d. Business Subsidy Assistance: _____

e. Other governmental loans/grants: _____

f. Other: _____ _____

g. Other: _____ _____

h. Cap Rate: _____

i. Construction Interest: _____

j. Title Insurance: _____

k. Mortgage Registration: _____

l. Bank/Borrower Legal: _____

m. Recording/Closing: _____

n. Construction Loan Fees: _____

TOTAL $_____

Terms of Financing: _____

Rate of Financing: _____

8. a. **Names and Addresses of Architect, Engineer, and General Contractor for this project:**

_____

_____

_____

_____

_____

_____

b. **Names, addresses and telephone numbers of the applicant's legal counsel and accountant.**

_____

_____

_____

_____

9. **Project Construction Schedule:**

a. Construction Start Date: _____

b. Construction Completion Date: _____

c. If phased Project :

Year _____ % Completed _____

Year _____ % Completed _____

10. Total Estimated Market Value of Project upon completion $_____

11. Projected number of new jobs created:

Low Range: _____

# of Employees: _____

Medium Range: _____

# of Employees: _____

High Range: _____

# of Employees: _____

12. How many employees does the applicant currently employ?

Low Range: _____

# of Employees: _____

Medium Range: _____

# of Employees: _____

High Range: _____

# of Employees: _____

13. How many employees will be retained as the result of the development at the site?

Low Range: _____

# of Employees: _____

Medium Range: _____

# of Employees: _____

High Range: _____

# of Employees: _____

14. How many jobs are guaranteed to be created over the next three (3) years as a result of the development on this site?

Full Time: _____

Part Time: _____

Seasonal: _____

Wage categories for these employees:

Low: _____

Medium: _____

High: _____

15. References:

a. Explain any previous or current requests that the applicant has with the City or other governments for business subsidy assistance. The term "applicant" includes principals or affiliates.

_____

_____

_____

_____

b. Has the applicant ever been in bankruptcy? If yes, please describe the circumstances.

_____

_____

_____

_____

_____

_____

_____

c. Have any directors or officers of the applicant ever been convicted of a felony? Is yes, please describe the circumstances.

_____

_____

_____

_____

d. **Has the applicant ever defaulted on any bond or mortgage commitment?**

_____

_____

f. **Will any public official of the City, either directly or indirectly, benefit from the issuance of business subsidy assistance within the meaning of Minnesota Statutes, Section 412.311 or 471.87? If yes, please explain the circumstances.**

_____

_____

_____

_____

_____

_____

_____

B. TAX INCREMENT FINANCING REQUEST

1. **Describe the amount and purpose for which Tax Increment Financing (TIF) is required:**

_____

_____

_____

_____

_____

_____

_____

_____

_____

_____

2. **Statement of Necessity for use of Tax Increment Financing for the project.**

_____

_____

_____

_____

_____

_____

_____

_____

3. **<u>Municipal Reference</u> (if applicable). Please name other municipalities herein the Applicant, or other corporations the Applicant has been involved with and has completed development within the last five (5) years.**

_____

_____

_____

_____

_____

_____

4. **The following documents must accompany the Application:**

   - A Project *Pro Forma*
   - Preliminary financial commitment from bank
   - Background material of company
   - Personal and/or corporate financial statements, as applicable
   - Statement of property ownership or control

   Note: Significant additional information may be requested at any time by the City and may be in addition to the materials outlined in this application. The Applicant shall be required to submit any and all information as requested by the City.

5. Applicant acknowledges and agrees to pay the $3,000 TIF Application Fee that is **non-refundable**.

6. At the time a final TIF application is submitted, the City requires a minimum deposit of $10,000 with the City as an escrow to pay all fees and expenses incurred by the City in connection with the application or establishment of the TIF District, whether or not approved. This amount may be adjusted upward on a project-by-project basis.

7. The Applicant shall hold the City, its officers, consultants, attorneys, and agents harmless from any and all claims arising from or in connection with the Project or TIF Application, including but not limited to, any legal or actual violations of any State or Federal securities laws.

8. The Applicant recognizes and agrees that the City reserves the right to deny any application for Tax Increment Financing (TIF) at any stage of the proceedings prior to adopting the resolution approving the district, that the Applicant is not entitled to rely on any preliminary actions by the City prior to the final resolution, and that all expenditures, obligations, costs, fees, or liabilities incurred by the Applicant in connection with the Project are incurred by the Applicant at its sole risk and expense and not in reliance on any actions of the City.

   The undersigned, a duly authorized representative of the Applicant, hereby certifies that the foregoing information is true, correct, and complete as of the date hereof and agrees that the Applicant shall be bound by the terms and provisions herein.

APPLICANT' S NAME	DATE
SUBMITTED BY	TITLE
EMAIL ADDRESS	TELEPHONE NUMBER

_____	_____
CITY ACCEPTANCE OF APPLICATION	DATE
$_____	_____
FEE AMOUNT REMITTED	DATE

City of East Bethel
City Council
Agenda Information

* *

Date:
October 3, 2012
* *

Agenda Item Number:
Item 7.0 A.2
* *

Agenda Item:
Resolution 2012-62 Establishment of Development District No. 1 and adopting a development program therefor and establishment of TIF District No. 1-1 and adoption of a tax increment financing plan
* *

Requested Action:
Approval of resolution 2012-62 Establishment of Development District No. 1 and adopting a development program therefore and establishment of TIF District No. 1-1 and adoption of a tax increment financing plan
* *

Background Information:
The City is considering establishing Tax Increment Financing District 1-1 to facilitate the construction of a new 60,000 sq/ft manufacturing facility for Aggressive Hydraulics. TIF District 1-1 consists of a portion of 1 parcel of land and adjacent and internal rights-of-way and is approximately 6.06 acres in size (see attached map). The duration of District 1-1 will be 9 years from the date of receipt of the first increment, which will be approximately 2014. Thus, it is estimated that District 1-1 would terminate in 2022. If increment is not received until 2015, the term of the District will be 2023. The budget in the TIF plan is a ***maximum*** budget set at approximately $452,000 (approximately $54,000/year in TIF generated). The amount and term of assistance to Aggressive Hydraulics will be less than this and will be outlined in the Development Agreement that will be considered by the City Council for approval.

In order to create a TIF district, the City must also establish a development district. This is a statutory requirement and is a document that defines the public purpose for promoting development and redevelopment within the City and defines the boundaries of the development district. The proposed boundaries of the development district are approximately ¾ of a mile on either side of Highway 65 from 181st Avenue to 245th Avenue (see attached map in development program).

The TIF Plan and Development Program were reviewed by the Planning Commission on September 25, 2012 and found to be consistent with the City's Comprehensive Plan.

Attachment(s):

1. Resolution 2012-62 Establishment of Development District No. 1 and adopting a development program therefore and establishment of TIF District No. 1-1 and adoption of a tax increment financing plan
2. Development District No. 1 Program

3. TIF District No. 1-1 Plan
4. TIF District Summary Document

* * * *

CITY OF EAST BETHEL
EAST BETHEL, MINNESOTA

RESOLUTION NO. 2012-62

RESOLUTION ESTABLISHING DEVELOPMENT DISTRICT NO. 1 THEREIN AND ADOPTING A DEVELOPMENT PROGRAM THEREFOR; AND ESTABLISHING TAX INCREMENT FINANCING DISTRICT NO. 1-1 THEREIN AND ADOPTING A TAX INCREMENT FINANCING PLAN THEREFOR.

BE IT RESOLVED by the City Council (the "Council") of the City of East Bethel, Minnesota (the "City"), as follows:

Section 1. Recitals.

1.01. The City Council of the City of East Bethel (the "City") has proposed that the City establish Development District No. 1 (the "Project Area") and Tax Increment Financing District No. 1-1 (the "District") therein and adopt a Development Program (the "Development Program") and a Tax Increment Financing Plan (the "TIF Plan") therefor (the Development Program and the TIF Plan are referred to collectively herein as the "Program and Plan"); all pursuant to and in conformity with applicable law, including Minnesota Statutes, Sections 469.124 to 469.134 and Sections 469.174 to 469.1799, all inclusive, as amended, (the "Act") all as reflected in the Program and Plan, and presented for the Council's consideration.

1.02. The City has investigated the facts relating to the Program and Plan and has caused the Program and Plan to be prepared.

1.03. The City has performed all actions required by law to be performed prior to the establishment of the Project Area and District and the adoption and approval of the proposed Program and Plan, including, but not limited to, notification of Anoka County and Independent School District No. 15 having taxing jurisdiction over the property to be included in the District, a review of and written comment on the Program and Plan by the City Planning Commission, and the holding of a public hearing upon published notice as required by law.

1.04. Certain written reports (the "Reports") relating to the Program and Plan and to the activities contemplated therein have heretofore been prepared by City staff and consultants and submitted to the Council and/or made a part of the City files and proceedings on the Program and Plan. The Reports include data, information and/or substantiation constituting or relating to the basis for the other findings and determinations made in this resolution. The Council hereby confirms, ratifies and adopts the Reports, which are hereby incorporated into and made as fully a part of this resolution to the same extent as if set forth in full herein.

1.05 The Council recognizes that, pursuant to Minnesota Statutes, Section 469.177, Subd. 3, clause b, there is a mandatory fiscal disparities contribution for the District, which is an economic development district.

Section 2. Findings for the Adoption and Approval of the Development Program.

2.01. The Council approves the Development Program, and specifically finds that: (a) the land within the Project Area would not be available for redevelopment without the financial aid to be sought under the Development Program; (b) the Development Program will afford maximum opportunity, consistent with the needs of the City as a whole, for the development of the Project by private enterprise;

and (c) the Development Program conforms to the general plans for the development of the City as a whole.

Section 3. Findings for the Establishment of Tax Increment Financing District No. 1-1.

3.01. The Council hereby finds that the District is in the public interest and is an "economic development district" under Section 469.174, Subd. 12 of the Act.

3.02. The Council further finds that the proposed development would not occur solely through private investment within the reasonably foreseeable future and that the increased market value of the site that could reasonably be expected to occur without the use of tax increment financing would be less than the increase in the market value estimated to result from the proposed development after subtracting the present value of the projected tax increments for the maximum duration of the District permitted by the TIF Plan, that the Program and Plan conform to the general plan for the development or redevelopment of the City as a whole; and that the Program and Plan will afford maximum opportunity consistent with the sound needs of the City as a whole, for the redevelopment or development of the District by private enterprise.

3.03. The Council further finds, declares and determines that the City made the above findings stated in this Section and has set forth the reasons and supporting facts for each determination in writing, attached hereto as Exhibit A.

Section 4. Public Purpose.

4.01. The adoption of the Program and Plan conforms in all respects to the requirements of the Act and will help discourage commerce, industry, or manufacturing from moving their operations to another state or municipality, will result in increased employment in the state, and will result in preservation and enhancement of the tax base of the State and thereby serves a public purpose. For the reasons described in Exhibit A, the City believes these benefits directly derive from the tax increment assistance provided under the TIF Plan. A private developer will receive only the assistance needed to make this development financially feasible. As such, any private benefits received by a developer are incidental and do not outweigh the primary public benefits.

Section 5. Approval and Adoption of the Program and Plan.

5.01. The Program and Plan, as presented to the Council on this date, including without limitation the findings and statements of objectives contained therein, are hereby approved, ratified, established, and adopted and shall be placed on file in the office of the City Administrator.

5.02. The staff of the City, the City's advisors and legal counsel are authorized and directed to proceed with the implementation of the Program and Plan and to negotiate, draft, prepare and present to this Council for its consideration all further plans, resolutions, documents and contracts necessary for this purpose.

5.03 The Auditor of Anoka County is requested to certify the original net tax capacity of the District, as described in the Program and Plan, and to certify in each year thereafter the amount by which the original net tax capacity has increased or decreased; and the City of is authorized and directed to forthwith transmit this request to the County Auditor in such form and content as the Auditor may specify, together with a list of all properties within the District, for which building permits have been issued during the 18 months immediately preceding the adoption of this resolution.

5.04. The City Administrator is further authorized and directed to file a copy of the Program and Plan with the Commissioner of Revenue and the Office of the State Auditor pursuant to Section 469.175, Subd. 4a of the Act.

Adopted this 3rd day of October, 2012 by the City Council of the City of East Bethel.

CITY OF EAST BETHEL

_____

Richard Lawrence, Mayor

ATTEST:

_____

Jack Davis, City Administrator

As of August 16, 2012
Draft for Public Hearing

Development Program

for the establishment of

Development District No. 1

City of East Bethel
Anoka County
State of Minnesota

Public Hearing: October 3, 2012
Adopted:

Prepared by: EHLERS & ASSOCIATES, INC.
3060 Centre Pointe Drive, Roseville, Minnesota 55113-1105
(651) 697-8500 fax: (651) 697-8555 www.ehlers-inc.com

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(for reference purposes only)

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Appendix A

Boundary Map of Development District A-1

Municipal Action Taken

(This Municipal Action is only for convenience of reference.)

Based upon the statutory authority described in the Development Program attached hereto, the public purpose findings by the City Council and for the purpose of fulfilling the City's development objectives as set forth in the Development Program, the City Council has created, established and designated Development District No. 1 pursuant to and in accordance with the requirements of the Municipal Development District Act and the TIF Act as defined in the definitions of this document.

Tax Increment Financing District No. 1-1, an economic development tax increment financing district, was established at the same time that Development District No. 1 was established.

The following municipal action was taken in connection therewith:

Development District No. 1:

October 3, 2012: The Development Program for Development District No. 1 was adopted by the City of East Bethel.

Tax Increment Financing District No. 1-1:

October 3, 2012: The Tax Increment Financing Plan for Tax Increment Financing District No. 1-1 was adopted by the City of East Bethel.

Section 1 - Development Program for Development District No. 1

Subsection 1-1. Definitions

The terms defined below shall, for purposes of this Development Program, have the meanings herein specified, unless the context otherwise specifically requires.

"City" means the City of East Bethel.

"City Council" means the City Council of the City of East Bethel.

"Comprehensive Plan" means the documents which contain the objectives, policies, standards and programs to guide public and private land use, development, redevelopment and preservation for all lands and water within the City.

"County" means Anoka County, Minnesota.

"Development District" means the real property within the City constituting Development District No. 1, as described in the Development Program.

"Development Program" means this Development Program for Development District No. 1, as initially proposed, and as it shall be modified.

"Enabling Act" means Minnesota Statues, Sections 469.124 to 469.133, as amended and supplemented from time to time.

"Land Use Regulations" means all federal, state and local laws, rules, regulations, ordinances, and plans relating to or governing the use of development of land in the City, including but not limited to environmental, zoning and building code laws and regulations.

"Public Costs" means the costs set forth in a Tax Increment Financing Plan, and any other costs eligible to be financed by Tax Increments under the TIF Act, Minnesota Statutes, Sections 469.090 through 469.1082, as amended, Minnesota Statutes 469.001 through 469.047, as amended, or the Enabling Act.

"Public Improvements" means the public improvements described in the Development Program and Tax Increment Financing Plan.

"State" means the State of Minnesota.

"Tax Increment Bonds" means any tax increment bonds or notes issued by the City to finance the Public Costs as stated in the Development Program for Development District No. 1 and in the Tax Increment Financing Plans, and any obligations issued to refund such bonds.

"TIF Act" means Minnesota Statutes, Sections 479.174 through 479.1799, inclusive, as amended.

"Tax Increment Financing District" means any tax increment financing district presently established or to be established in the future in Development District No. 1.

"Tax Increment Financing Plan" or "Plan" means the Plans adopted by the City for any Tax Increment Financing District within Development District No. 1.

Subsection 1-2. Statutory Authority

The City established Development District No. 1 pursuant to the Enabling Act. The City is authorized to administer Development District No. 1 and any tax increment financing districts therein.

Within Development District No. 1, the City plans to create one or more tax increment financing districts established pursuant to the Tax Increment Act to finance the public improvements proposed for the Development District. The public improvements may be initially financed from other City sources, including, but not limited to the use of improvement bonds issued pursuant to Minnesota Statutes, Chapter 429, which sources the City may reimburse from tax increment proceeds derived from tax increment districts to be created with Development District No. 1.

The tax increment district or districts will be created at such time as will enable the City to capture the increase in taxable value of private improvements to be constructed within Development District No. 1.

Subsection 1-3. Statement of and Finding of Public Purpose

In recent months, the City has been reviewing the future development of the community. This review has defined several important roles for the City of East Bethel.

- Facilitating development activities that are compatible with overall community development objectives of the City.
- Removing the physical and economic barriers to development.
- Providing the infrastructure needed to support development.
- Providing sites for future development.

The City intends to use the powers allowed under the Enabling Act to fill these roles, to promote development and redevelopment throughout the City, and to pool resources in order to reduce financial barriers to providing decent housing and development and redevelopment opportunities.

The City has found that there is a need for development and redevelopment within the Development District based upon the following conditions:

1. The Development District suffers from a lack of necessary streets, utilities and site improvements essential to preparing and making sites available for meaningful development.
2. The Development District requires active promotion, attraction, encouragement and development of economically sound commerce through government action for the purpose of preventing the emergence of blight and the occurrence of conditions requiring redevelopment.
3. The Development District contains vacant, unused, underused and inappropriately used land.

Therefore, the City has determined to exercise its authority to develop a program for improving the

Development District to provide impetus for private development and redevelopment, to provide decent housing to residents, to maintain and increase employment, to provide infrastructure to serve citizens and employees of the City, to utilize existing land for potential redevelopment and to provide other facilities as are outlined in the Development Program.

The City has also determined that proposed developments to be assisted by the City would not occur solely through private investment in the foreseeable future. The City finds that the welfare of the City, as well as the State of Minnesota, requires active promotion, attraction, encouragement and development of economically sound industry and commerce to carry out its stated public purpose objectives.

The City has also determined that any tax increment financing plans to be proposed herein will be consistent with the Development Program, and that the tax increment financing plans will afford maximum opportunity, consistent with the sound needs of the City as a whole, for the development or redevelopment of the Development District by private enterprise.

Subsection 1-4. Statement of Objectives

The City determines that it is necessary, desirable and in the public interest to establish, designate, develop and administer the Development District. The City determines that the establishment of Development District No. 1 will provide the City with the ability to achieve certain public purpose objectives not otherwise obtainable in the foreseeable future without City intervention in the normal development process. The City seeks to achieve the following program objectives:

1. Promoting and securing the prompt development of property in the Development District in a manner consistent with the City's planning and with a minimal adverse impact on the environment, which property is less productive because of the lack of proper utilization and lack of investment, and thereby promoting and securing the development of other land in the City;

2. Promoting and securing additional employment opportunities within the Development District and the City for residents of the City and the surrounding area, thereby improving living standards and preventing unemployment and the loss of skilled and unskilled labor and other human resources in the City;

3. Securing the increase in value of property subject to taxation by the City, Independent School District No. 15 and Anoka County, and any other taxing jurisdictions in order to better enable such entities to pay for public improvements and governmental services and programs required to be provided by them;

4. Securing the construction and providing of moneys for the payment of the cost of public improvements in the Development District, which are necessary for the orderly and beneficial development of the Development District; and

5. Providing and securing the development of increased opportunities for families to reside in quality owner-occupied housing, for senior citizens to choose from housing options which offer a wide array of services without regard to income, and for residents looking for a wide range of multi-family units.

Subsection 1-5. Statement of Public Facilities and Costs to Be Financed

The preceding objectives will be promoted by providing improvements and opportunities within the Development District which may include various types of site improvements, land acquisition, redevelopment, demolition, parking, street, sewer, water and other public improvements. A description of the items of expenditure and the estimated costs can be found in the Tax Increment Financing Plans for the Tax Increment Financing Districts created within this Development District.

Subsection 1-6. Funding of Developments and Redevelopments

To implement the established objectives, the City plans to utilize a number of public and private financing tools. Funding of the necessary activities and improvements in the Development District is expected to be accomplished through, and is not limited to, tax increment financing, tax abatement assistance, special assessments, state aid for road construction, proceeds from the sale of property, and federal and state grants.

Any public facilities within the Development District will be financially feasible and compatible with longer range development plans. Any acquisition of property for the public improvements will be done to provide the impetus for private development within the Development District.

Subsection 1-7. Environmental Controls

All municipal actions, public improvements and private development shall be carried out in a manner consistent with existing environmental controls and all applicable Land Use Regulations.

Subsection 1-8. Proposed Reuse of Private Property

The Development Program contemplates that the City may acquire property and reconvey the same to another entity. Prior to formal consideration of the acquisition of any property, the City will require the execution of a binding development agreement with respect thereto and evidence that Tax Increments or other funds will be available to repay the Public Costs associated with the proposed acquisition. It is the intent of the City to negotiate the acquisition of property whenever possible. Appropriate restrictions regarding the reuse and redevelopment of property shall be incorporated into any development agreement to which the City is a party.

Subsection 1-9. Open Space to Be Created

Any open space within the Development District will be created in accordance with the zoning requirements and ordinances of the City.

Subsection 1-10. Administration and Maintenance of Development District No. 1

Maintenance and operation of the Development District will be the responsibility of the City Administrator. Each year, the City Administrator will submit to the City Council the maintenance and operation budget for the following year.

The City Administrator will administer the Development District pursuant to the provision of the Enabling Act; provided, however, that such powers may only be exercised at the direction of the City Council. No action taken by the City Administrator pursuant to the above-mentioned powers shall be effective without authorization by the City Council.

Subsection 1-11. Rehabilitation

Owners of properties within the Development District may be encouraged to rehabilitate their properties to conform with the applicable state and local codes and ordinances, as well as any design standards. Persons who purchase property within the Development District from the City may be required to rehabilitate their properties as a condition of sale of land. The City may provide such rehabilitation assistance as may be available from federal, state or local sources.

Subsection 1-12. Relocation

Any person or business that is displaced as a result of the Development Program will be relocated in accordance with Minnesota Statutes, Section 117.50 to 117.56. The City accepts its responsibility for providing for relocation assistance pursuant to the Enabling Act.

Subsection 1-13. Property Acquisition

The City intends to acquire such property, or appropriate interests therein, within the Development District as the City may deem to be necessary or desirable to assist in the implementation of the Development Program.

Subsection 1-14. Modification of the Development Program and/or Development District No. 1

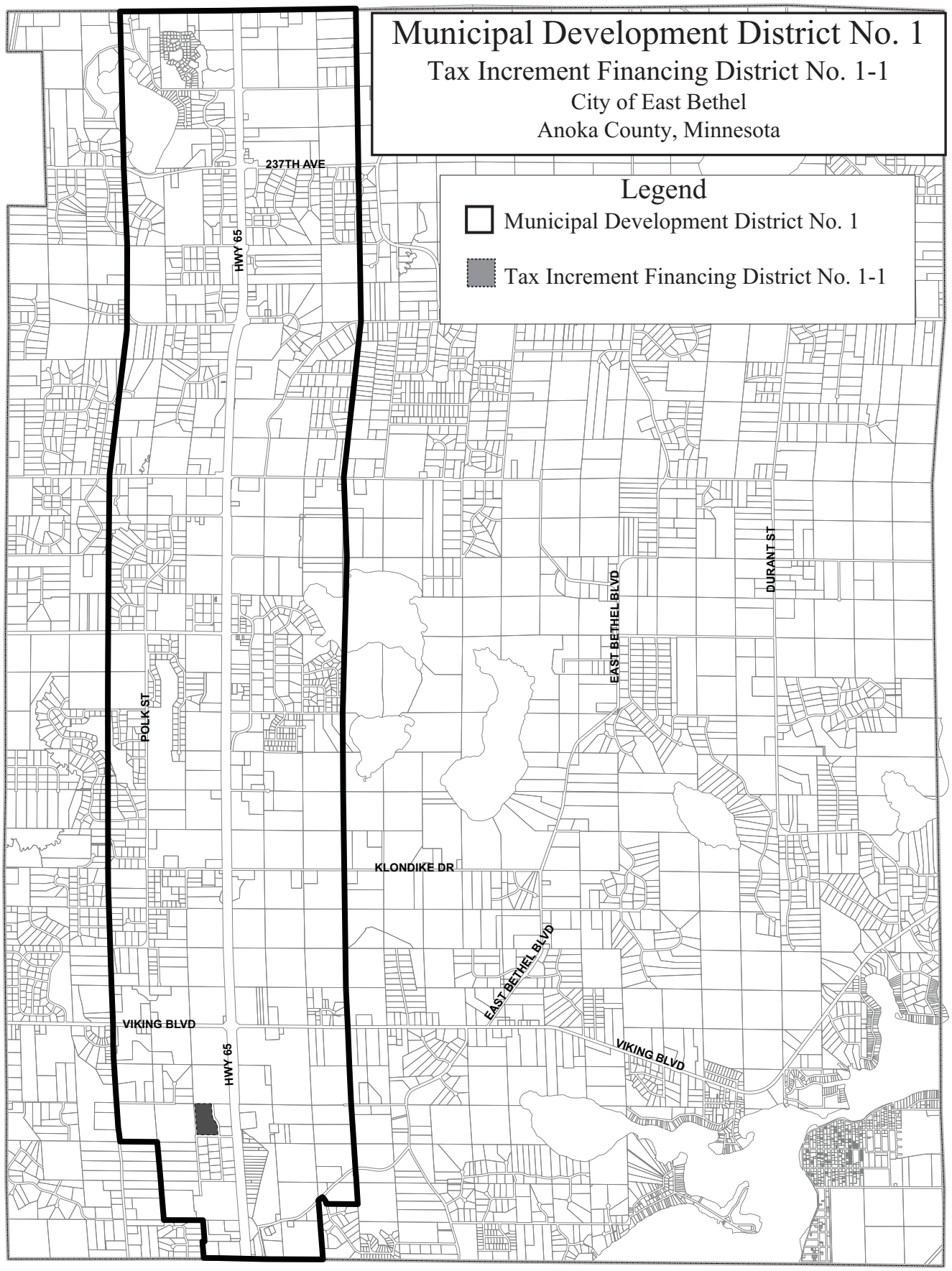
The City reserves the right to alter and amend the Development Program and the Tax Increment Financing Plans, subject to the provisions of state law regulating such action. The City specifically reserves the right to enlarge or reduce the size of the Development District and the Tax Increment Financing District, the Development Program, the amount of Public Costs and Tax Increment Bonds to be issued to finance such cost by following the procedures specified in Minnesota Statutes, Section 469.175, subdivision 4.

Subsection 1-15. Description of Development District No. 1

The Development District will include the parcels delineated in the Map located in Appendix A of this Development Program.

Appendix A

Boundary Map of Development District No. 1


Municipal Development District No. 1
Tax Increment Financing District No. 1-1
City of East Bethel
Anoka County, Minnesota
Legend
Municipal Development District No. 1
Tax Increment Financing District No. 1-1
237TH AVE
HWY 65
POLK ST
EAST BETHEL BLVD
DURANT ST
KLONDIKE DR
EAST BETHEL BLVD
VIKING BLVD
VIKING BLVD
HWY 65

As of September 27, 2012
Draft for Public Hearing

Tax Increment Financing Plan

for the establishment of

Tax Increment Financing District No. 1-1
(an economic development district)

within

Development District No. 1

City of East Bethel
Anoka County
State of Minnesota

Public Hearing: October 3, 2012
Adopted:

Prepared by: EHLERS & ASSOCIATES, INC.
3060 Centre Pointe Drive, Roseville, Minnesota 55113-1105
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(for reference purposes only)

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Section 1 - Tax Increment Financing Plan for Tax Increment Financing District No. 1-1

Subsection 1-1. Foreword

The City of East Bethel (the "City"), staff and consultants have prepared the following information to expedite the establishment of Tax Increment Financing District No. 1-1 (the "District"), an economic development tax increment financing district, located in Development District No. 1.

Subsection 1-2. Statutory Authority

Within the City, there exist areas where public involvement is necessary to cause development or redevelopment to occur. To this end, the City has certain statutory powers pursuant to *Minnesota Statutes ("M.S."), Sections 469.124 to 469.133*, inclusive, as amended, and *M.S., Sections 469.174 to 469.1799*, inclusive, as amended (the "Tax Increment Financing Act" or "TIF Act"), to assist in financing public costs related to this project.

This section contains the Tax Increment Financing Plan (the "TIF Plan") for the District. Other relevant information is contained in the Development Program for Development District No. 1.

Subsection 1-3. Statement of Objectives

The District currently consists of a portion of one parcel of land and adjacent and internal rights-of-way. The District is being created to facilitate the construction of an approximately 60,000 square foot manufacturing facility in the City. Please see Appendix A for further District information. The City will be entering into a development agreement with AHI Investments, Inc. and development is likely to occur in late 2012. This TIF Plan is expected to achieve many of the objectives outlined in the Development Program for Development District No. 1.

The activities contemplated in the Development Program and the TIF Plan do not preclude the undertaking of other qualified development or redevelopment activities. These activities are anticipated to occur over the life of Development District No. 1 and the District.

Subsection 1-4. Development Program Overview

1. Property to be Acquired - Selected property located within the District may be acquired by the City and is further described in this TIF Plan.

2. Relocation - Relocation services, to the extent required by law, are available pursuant to *M.S., Chapter 117* and other relevant state and federal laws.

3. Upon approval of a developer's plan relating to the project and completion of the necessary legal requirements, the City may sell to a developer selected properties that it may acquire within the District or may lease land or facilities to a developer.

4. The City may perform or provide for some or all necessary acquisition, construction, relocation, demolition, and required utilities and public street work within the District.

5. The City proposes both public and private infrastructure within the District. The proposed reuse of private property within the District will be for a manufacturing facility, and there will be continued operation of Development District No. 1 after the capital improvements

within Development District No. 1 have been completed.

Subsection 1-5. Description of Property in the District and Property To Be Acquired

The District encompasses a portion of the property and adjacent rights-of-way and abutting roadways identified by the parcel listed in Appendix C of this TIF Plan. Please also see the map in Appendix B for further information on the location of the District.

The City may acquire any parcel within the District including interior and adjacent street rights of way. Any properties identified for acquisition will be acquired by the City only in order to accomplish one or more of the following: storm sewer improvements; provide land for needed public streets, utilities and facilities; carry out land acquisition, site improvements, clearance and/or development to accomplish the uses and objectives set forth in this TIF Plan. The City may acquire property by gift, dedication, condemnation or direct purchase from willing sellers in order to achieve the objectives of this TIF Plan. Such acquisitions will be undertaken only when there is assurance of funding to finance the acquisition and related costs.

Subsection 1-6. Classification of the District

The City, in determining the need to create a tax increment financing district in accordance with the TIF Act, finds that the District, to be established, is an economic development district pursuant to *M.S., Section 469.174, Subd. 12* as defined below:

> *"Economic development district" means a type of tax increment financing district which consists of any project, or portions of a project, which the authority finds to be in the public interest because:*
>
> *(1) it will discourage commerce, industry, or manufacturing from moving their operations to another state or municipality; or*
> *(2) it will result in increased employment in the state; or*
> *(3) it will result in preservation and enhancement of the tax base of the state.*

The District is in the public interest because it will meet the statutory requirement from clause 2.

Pursuant to *M.S., Section 469.176, Subd. 4c,* revenue derived from tax increment from an economic development district may not be used to provide improvements, loans, subsidies, grants, interest rate subsidies, or assistance in any form to developments consisting of buildings and ancillary facilities, if more than 15 percent of the buildings and facilities (determined on the basis of square footage) are used for a purpose other than:

(1) The manufacturing or production of tangible personal property, including processing resulting in the change in condition of the property;
(2) Warehousing, storage, and distribution of tangible personal property, excluding retail sales;
(3) Research and development related to the activities listed in items (1) or (2);
(4) Telemarketing if that activity is the exclusive use of the property;
(5) Tourism facilities;
(6) Qualified border retail facilities; or
(7) Space necessary for and related to the activities listed in items (1) to (6)

In meeting the statutory criteria the City relies on the following facts and findings:

The facilities in the District meet the conditions of Purposes 1, 2, and 7.

The District is being created to assist in the construction of a manufacturing facility for Aggressive

Hydraulics. The proposed facility will be used for manufacturing of large scale hydraulic systems and related activities.

Subsection 1-7. Duration and First Year of Tax Increment of the District

Pursuant to *M.S., Section 469.175, Subd. 1, and M.S., Section 469.176, Subd. 1*, the duration of the District must be indicated within the TIF Plan. Pursuant to *M.S., Section 469.176, Subd. 1b*., the duration of the District will be 8 years after receipt of the first increment by the City. The date of receipt by the City of the first tax increment is expected to be 2014. Thus, it is estimated that the District, including any modifications of the TIF Plan for subsequent phases or other changes, would terminate after 2022, or when the TIF Plan is satisfied. If increment is first received in 2015, the maximum term of the District will be 2023. The City reserves the right to decertify the District prior to the legally required date.

Subsection 1-8. Original Tax Capacity, Tax Rate and Estimated Captured Net Tax Capacity Value/Increment and Notification of Prior Planned Improvements

Pursuant to *M.S., Section 469.174, Subd. 7 and M.S., Section 469.177, Subd. 1*, the Original Net Tax Capacity (ONTC) as certified for the District will be based on the market values placed on the property by the City Assessor in 2012 for taxes payable 2013.

Pursuant to *M.S., Section 469.177, Subds. 1 and 2*, the County Auditor shall certify in each year (beginning in the payment year 2014) the amount by which the original value has increased or decreased as a result of:

1. Change in tax exempt status of property;
2. Reduction or enlargement of the geographic boundaries of the District;
3. Change due to adjustments, negotiated or court-ordered abatements;
4. Change in the use of the property and classification;
5. Change in state law governing class rates; or
6. Change in previously issued building permits.

In any year in which the current Net Tax Capacity (NTC) value of the District declines below the ONTC, no value will be captured and no tax increment will be payable to the City.

The original local tax rate for the District will be the local tax rate for taxes payable 2013, assuming the request for certification is made before June 30, 2013. The ONTC and the Original Local Tax Rate for the District appear in the table below.

Pursuant to *M.S., Section 469.174 Subd. 4 and M.S., Section 469.177, Subd. 1, 2, and 4*, the estimated Captured Net Tax Capacity (CTC) of the District, within Development District No. 1, upon completion of the projects within the District, will annually approximate tax increment revenues as shown in the table below. The City requests 100 percent of the available increase in tax capacity for repayment of its obligations and current expenditures, beginning in the tax year payable 2014. The Project Tax Capacity (PTC) listed is an estimate of values when the projects within the District are completed.

Project Estimated Tax Capacity upon Completion (PTC)	**$72,870**	
Original Estimated Net Tax Capacity (ONTC)	**$591**	
Fiscal Disparities Contribution	**$28,137**	
Estimated Captured Tax Capacity (CTC)	**$44,142**	
Original Local Tax Rate	**1.22484**	Pay 2012
Estimated Annual Tax Increment (CTC x Local Tax Rate)	**$54,067**	
Percent Retained by the City	**100%**	

Tax capacity includes a 3% inflation factor for the duration of the District. The tax capacity included in this chart is the estimated tax capacity of the District in year 8. The tax capacity of the District in year one is estimated to be $29,625.

Pursuant to *M.S., Section 469.177, Subd. 4*, the City shall, after a due and diligent search, accompany its request for certification to the County Auditor or its notice of the District enlargement pursuant to *M.S., Section 469.175, Subd. 4*, with a listing of all properties within the District or area of enlargement for which building permits have been issued during the eighteen (18) months immediately preceding approval of the TIF Plan by the municipality pursuant to *M.S., Section 469.175, Subd. 3*. The County Auditor shall increase the original net tax capacity of the District by the net tax capacity of improvements for which a building permit was issued.

The City has reviewed the area to be included in the District and determined that no building permits have been issued during the 18 months immediately preceding approval of the TIF Plan by the City.

Subsection 1-9. Sources of Revenue/Bonds to be Issued

The costs outlined in the Uses of Funds will be financed primarily through the annual collection of tax increments. The City reserves the right to incur bonds or other indebtedness as a result of the TIF Plan. As presently proposed, the projects within the District will be financed by a pay-as-you-go note. Any refunding amounts will be deemed a budgeted cost without a formal TIF Plan Modification. This provision does not obligate the City to incur debt. The City will issue bonds or incur other debt only upon the determination that such action is in the best interest of the City.

The total estimated tax increment revenues for the District are shown in the table below:

SOURCES OF FUNDS	TOTAL
Tax Increment	$410,810
Interest	$41,080
TOTAL	**$451,890**

The City may issue bonds (as defined in the TIF Act) secured in whole or in part with tax increments from the District in a maximum principal amount of $373,231. Such bonds may be in the form of pay-as-you-go notes, revenue bonds or notes, general obligation bonds, or interfund loans. This estimate of total bonded indebtedness is a cumulative statement of authority under this TIF Plan as of the date of approval.

Subsection 1-10. Uses of Funds

Currently under consideration for the District is a proposal to facilitate the construction of a an approximately 60,000 square foot manufacturing facility. The City has determined that it will be necessary to provide assistance to the project(s) for certain District costs, as described. The City has studied the feasibility of the development or redevelopment of property in and around the District. To facilitate the establishment and development or redevelopment of the District, this TIF Plan authorizes the use of tax increment financing to pay for the cost of certain eligible expenses. The estimate of public costs and uses of funds associated with the District is outlined in the following table.

USES OF TAX INCREMENT FUNDS	TOTAL
Land/Building Acquisition	$225,650
Site Improvements/Preparation	$56,500
Utilities	$50,000
Other Qualifying Improvements	$0
Administrative Costs (up to 10%)	$41,080
PROJECT COST TOTAL	$373,230
Interest	$78,660
PROJECT AND INTEREST COSTS TOTAL	**$451,890**

The total project cost, including financing costs (interest) listed in the table above does not exceed the total projected tax increments for the District as shown in Subsection 1-9.

Estimated capital and administrative costs listed above are subject to change among categories by modification of the TIF Plan without hearings and notices as required for approval of the initial TIF Plan, so long as the total capital and administrative costs combined do not exceed the total listed above. Further, the City may spend up to 20 percent of the tax increments from the District for activities (described in the table above) located outside the boundaries of the District but within the boundaries of the Development District (including administrative costs, which are considered to be spent outside the District), subject to all other terms and conditions of this TIF Plan.

Subsection 1-11. Fiscal Disparities Election

Pursuant to *M.S., Section 469.177, Subd. 3, clause b*, the City must calculate fiscal disparities using the following method of computation:

> *(b) The following method of computation applies to any economic development district for which the request for certification was made after June 30, 1997, and to any other district for which the governing body, by resolution approving the tax increment financing plan pursuant to M.S., Section 469.177, Subd. 3, elects:*
>
> *(1) The original net tax capacity shall be determined before the application of the fiscal disparity provisions of Chapter 276A or 473F. The current net tax capacity shall exclude any fiscal disparity commercial-industrial net tax capacity increase between the original year and the current year multiplied by the fiscal disparity ratio determined pursuant to*

M.S., Section 276A.06, subdivision 7 or M.S., Section 473F.08, subdivision 6. Where the original net tax capacity is equal to or greater than the current net tax capacity, there is no captured tax capacity and no tax increment determination. Where the original tax capacity is less than the current tax capacity, the difference between the original net tax capacity and the current net tax capacity is the captured net tax capacity. This amount less any portion thereof which the authority has designated, in its tax increment financing plan, to share with the local taxing districts is the retained captured net tax capacity of the authority.

(2) The county auditor shall exclude the retained captured net tax capacity of the authority from the net tax capacity of the local taxing districts in determining local taxing district tax rates. The local tax rates so determined are to be extended against the retained captured net tax capacity of the authority as well as the net tax capacity of the local taxing districts. The tax generated by the extension of the less of (A) the local taxing district tax rates or (B) the original local tax rate to the retained captured net tax capacity of the authority is the tax increment of the authority.

Subsection 1-12. Business Subsidies

Pursuant to *M.S., Section 116J.993, Subd. 3*, the following forms of financial assistance are not considered a business subsidy:

(1) A business subsidy of less than $150,000;
(2) Assistance that is generally available to all businesses or to a general class of similar businesses, such as a line of business, size, location, or similar general criteria;
(3) Public improvements to buildings or lands owned by the state or local government that serve a public purpose and do not principally benefit a single business or defined group of businesses at the time the improvements are made;
(4) Redevelopment property polluted by contaminants as defined in *M.S., Section 116J.552, Subd. 3;*
(5) Assistance provided for the sole purpose of renovating old or decaying building stock or bringing it up to code and assistance provided for designated historic preservation districts, provided that the assistance is equal to or less than 50% of the total cost;
(6) Assistance to provide job readiness and training services if the sole purpose of the assistance is to provide those services;
(7) Assistance for housing;
(8) Assistance for pollution control or abatement, including assistance for a tax increment financing hazardous substance subdistrict as defined under *M.S., Section 469.174, Subd. 23*;
(9) Assistance for energy conservation;
(10) Tax reductions resulting from conformity with federal tax law;
(11) Workers' compensation and unemployment insurance;
(12) Benefits derived from regulation;
(13) Indirect benefits derived from assistance to educational institutions;
(14) Funds from bonds allocated under chapter 474A, bonds issued to refund outstanding bonds, and bonds issued for the benefit of an organization described in section 501 (c) (3) of the Internal Revenue Code of 1986, as amended through December 31, 1999;
(15) Assistance for a collaboration between a Minnesota higher education institution and a business;
(16) Assistance for a tax increment financing soils condition district as defined under *M.S., Section 469.174, Subd. 19*;
(17) Redevelopment when the recipient's investment in the purchase of the site and in site preparation is 70 percent or more of the assessor's current year's estimated market value;
(18) General changes in tax increment financing law and other general tax law changes of a principally technical nature;

(19) Federal assistance until the assistance has been repaid to, and reinvested by, the state or local government agency;
(20) Funds from dock and wharf bonds issued by a seaway port authority;
(21) Business loans and loan guarantees of $150,000 or less;
(22) Federal loan funds provided through the United States Department of Commerce, Economic Development Administration; and
(23) Property tax abatements granted under *M.S., Section 469.1813* to property that is subject to valuation under Minnesota Rules, chapter 8100.

The City will comply with *M.S., Sections 116J.993 to 116J.995* to the extent the tax increment assistance under this TIF Plan does not fall under any of the above exemptions.

Subsection 1-13. County Road Costs

Pursuant to *M.S., Section 469.175, Subd. 1a,* the county board may require the City to pay for all or part of the cost of county road improvements if the proposed development to be assisted by tax increment will, in the judgment of the county, substantially increase the use of county roads requiring construction of road improvements or other road costs and if the road improvements are not scheduled within the next five years under a capital improvement plan or within five years under another county plan.

If the county elects to use increments to improve county roads, it must notify the City within forty-five days of receipt of this TIF Plan. In the opinion of the City and consultants, the proposed development outlined in this TIF Plan will have little or no impact upon county roads, therefore the TIF Plan was not forwarded to the county 45 days prior to the public hearing. The City is aware that the county could claim that tax increment should be used for county roads, even after the public hearing.

Subsection 1-14. Estimated Impact on Other Taxing Jurisdictions

The estimated impact on other taxing jurisdictions assumes that the redevelopment contemplated by the TIF Plan would occur without the creation of the District. However, the City has determined that such development or redevelopment would not occur "but for" tax increment financing and that, therefore, the fiscal impact on other taxing jurisdictions is $0. The estimated fiscal impact of the District would be as follows if the "but for" test was not met:

IMPACT ON TAX BASE

	2011/Pay 2012 Total Net Tax Capacity	Estimated Captured Tax Capacity (CTC) Upon Completion	Percent of CTC to Entity Total
Anoka County	237,432,475	44,142	**0.0186%**
City of East Bethel	8,031,781	44,142	**0.5496%**
St. Francis ISD No. 15	20,378,558	44,142	**0.2166%**

IMPACT ON TAX RATES

	Pay 2012 Extension Rates	Percent of Total	CTC	Potential Taxes
Anoka County	0.411460	33.59%	44,142	**18,163**
City of East Bethel	0.438070	35.77%	44,142	**19,337**
St. Francis ISD No. 15	0.328350	26.81%	44,142	**14,494**
Other	0.046960	3.83%	44,142	**2,073**
Total	1.224840	100.00%		**54,067**

The estimates listed above display the captured tax capacity when all construction is completed. The tax rate used for calculations is the actual Pay 2012 rate. The total net capacity for the entities listed above are based on actual Pay 2012 figures. The District will be certified under the actual Pay 2013 rates, which were unavailable at the time this TIF Plan was prepared.

Pursuant to *M.S. Section 469.175 Subd. 2(b)*:

(1) Estimate of total tax increment. It is estimated that the total amount of tax increment that will be generated over the life of the District is $410,810;

(2) Probable impact of the District on city provided services and ability to issue debt. An impact of the District on police protection is not expected. Industrial buildings/users typically generate few calls, if any. The City does not expect that the proposed development, in and of itself, will necessitate new capital investment in vehicles or require that the City expand its police services contract with Anoka County.

The probable impact of the District on fire protection is not expected to be significant. Typically new buildings generate few calls, if any, and are of superior construction and have adequate sprinkler systems installed.

The impact of the District on public infrastructure is expected to be minimal. The development is not expected to significantly impact any traffic movements in the area. Based on the development plans, there are minimal additional costs associated with street maintenance, sweeping, plowing, lighting and sidewalks. The development in the District is expected to contribute an estimated $89,600 in sanitary sewer (SAC) and water (WAC) connection fees.

The probable impact of any District general obligation tax increment bonds on the ability to issue debt for general fund purposes is expected to be minimal. It is not anticipated that there will be any general obligation debt issued in relation to this project, therefore there will be no impact on the City's ability to issue future debt or on the City's debt limit.

(3) Estimated amount of tax increment attributable to school district levies. It is estimated that the amount of tax increments over the life of the District that would be attributable to school district levies, assuming the school district's share of the total local tax rate for all taxing jurisdictions remained the same, is $110,138;

(4) Estimated amount of tax increment attributable to county levies. It is estimated that the amount of tax increments over the life of the District that would be attributable to county levies, assuming the county's share of the total local tax rate for all taxing jurisdictions remained the same, is $137,991;

(5) Additional information requested by the county or school district. The City is not aware of any standard questions in a county or school district written policy regarding tax increment districts and impact on county or school district services. The county or school district must request additional information pursuant to *M.S. Section 469.175 Subd. 2(b)* within 15 days after receipt of this TIF Plan.

No requests for additional information from the county or school district regarding the proposed development for the District have been received.

Subsection 1-15. Supporting Documentation

Pursuant to *M.S. Section 469.175, Subd. 1 (a), clause 7* the TIF Plan must contain identification and description of studies and analyses used to make the determination set forth in *M.S. Section 469.175, Subd. 3, clause (b)(2)* and the findings are required in the resolution approving the District. Following is a list of reports and studies on file at the City that support the City's findings:

- A list of applicable studies will be listed here prior to the public hearing.

Subsection 1-16. Definition of Tax Increment Revenues

Pursuant to *M.S., Section 469.174, Subd. 25*, tax increment revenues derived from a tax increment financing district include all of the following potential revenue sources:

1. Taxes paid by the captured net tax capacity, but excluding any excess taxes, as computed under *M.S., Section 469.177*;
2. The proceeds from the sale or lease of property, tangible or intangible, to the extent the property was purchased by the City with tax increments;
3. Principal and interest received on loans or other advances made by the City with tax increments;
4. Interest or other investment earnings on or from tax increments; and
5. Repayments or return of tax increments made to the City under agreements for districts for which the request for certification was made after August 1, 1993.

Subsection 1-17. Modifications to the District

In accordance with *M.S., Section 469.175, Subd. 4*, any:

1. Reduction or enlargement of the geographic area of the District, if the reduction does not meet the requirements of *M.S., Section 469.175, Subd. 4(e)*;
2. Increase in amount of bonded indebtedness to be incurred;
3. A determination to capitalize interest on debt if that determination was not a part of the original TIF Plan;
4. Increase in the portion of the captured net tax capacity to be retained by the City;
5. Increase in the estimate of the cost of the Project, including administrative expenses, that will be paid or financed with tax increment from the District; or
6. Designation of additional property to be acquired by the City,

shall be approved upon the notice and after the discussion, public hearing and findings required for approval of the original TIF Plan. The requirements of this paragraph do not apply if (1) the only modification is

elimination of parcel(s) from the District and (2) (A) the current net tax capacity of the parcel(s) eliminated from the District equals or exceeds the net tax capacity of those parcel(s) in the District's original net tax capacity or (B) the City agrees that, notwithstanding *M.S., Section 469.177, Subd. 1,* the original net tax capacity will be reduced by no more than the current net tax capacity of the parcel(s) eliminated from the District.

Pursuant to *M.S., Section 469.175 Subd. 4(f),* the geographic area of the District may be reduced, but shall not be enlarged after five years following the date of certification of the original net tax capacity by the county auditor.

The City must notify the County Auditor of any modification to the District. Modifications to the District in the form of a budget modification or an expansion of the boundaries will be recorded in the TIF Plan.

Subsection 1-18. Administrative Expenses

In accordance with *M.S., Section 469.174, Subd. 14,* administrative expenses means all expenditures of the City, *other than*:

1. Amounts paid for the purchase of land;
2. Amounts paid to contractors or others providing materials and services, including architectural and engineering services, directly connected with the physical development of the real property in the District;
3. Relocation benefits paid to or services provided for persons residing or businesses located in the District; or
4. Amounts used to pay principal or interest on, fund a reserve for, or sell at a discount bonds issued pursuant to *M.S., Section 469.178*; or
5. Amounts used to pay other financial obligations to the extent those obligations were used to finance costs described in clauses (1) to (3).

For districts for which the request for certification were made before August 1, 1979, or after June 30, 1982, administrative expenses also include amounts paid for services provided by bond counsel, fiscal consultants, and planning or economic development consultants.

For districts for which certification was requested after July 31, 2001, no tax increment may be used to pay any administrative expenses for District costs which exceed ten percent of total estimated tax increment expenditures authorized by the TIF Plan or the total tax increments, as defined in *M.S., Section 469.174, Subd. 25, clause (1),* from the District, whichever is less.

Pursuant to *M.S., Section 469.176, Subd. 4h,* tax increments may be used to pay for the County's actual administrative expenses incurred in connection with the District and are not subject to the percentage limits of *M.S., Section 469.176, Subd. 3*. The county may require payment of those expenses by February 15 of the year following the year the expenses were incurred.

Pursuant to *M.S., Section 469. 177, Subd. 11,* the County Treasurer shall deduct an amount (currently .36 percent) of any increment distributed to the City and the County Treasurer shall pay the amount deducted to the State Commissioner of Management and Budget for deposit in the state general fund to be appropriated to the State Auditor for the cost of financial reporting of tax increment financing information and the cost of examining and auditing authorities' use of tax increment financing. This amount may be adjusted annually by the Commissioner of Revenue.

Subsection 1-19. Limitation of Increment

The tax increment pledged to the payment of bonds and interest thereon may be discharged and the District may be terminated if sufficient funds have been irrevocably deposited in the debt service fund or other escrow account held in trust for all outstanding bonds to provide for the payment of the bonds at maturity or redemption date.

Pursuant to *M.S., Section 469.176, Subd. 6*:

> *if, after four years from the date of certification of the original net tax capacity of the tax increment financing district pursuant to M.S., Section 469.177, no demolition, rehabilitation or renovation of property or other site preparation, including qualified improvement of a street adjacent to a parcel but not installation of utility service including sewer or water systems, has been commenced on a parcel located within a tax increment financing district by the authority or by the owner of the parcel in accordance with the tax increment financing plan, no additional tax increment may be taken from that parcel and the original net tax capacity of that parcel shall be excluded from the original net tax capacity of the tax increment financing district. If the authority or the owner of the parcel subsequently commences demolition, rehabilitation or renovation or other site preparation on that parcel including qualified improvement of a street adjacent to that parcel, in accordance with the tax increment financing plan, the authority shall certify to the county auditor that the activity has commenced and the county auditor shall certify the net tax capacity thereof as most recently certified by the commissioner of revenue and add it to the original net tax capacity of the tax increment financing district. The county auditor must enforce the provisions of this subdivision. The authority must submit to the county auditor evidence that the required activity has taken place for each parcel in the district. The evidence for a parcel must be submitted by February 1 of the fifth year following the year in which the parcel was certified as included in the district. For purposes of this subdivision, qualified improvements of a street are limited to (1) construction or opening of a new street, (2) relocation of a street, and (3) substantial reconstruction or rebuilding of an existing street.*

The City or a property owner must improve parcels within the District by approximately October 2016 and report such actions to the County Auditor.

Subsection 1-20. Use of Tax Increment

The City hereby determines that it will use 100 percent of the captured net tax capacity of taxable property located in the District for the following purposes:

1. To pay the principal of and interest on bonds issued to finance a project;
2. To finance, or otherwise pay the capital and administration costs of Development District No. 1 pursuant to *M.S., Sections 469.124 to 469.134*;
3. To pay for project costs as identified in the budget set forth in the TIF Plan;
4. To finance, or otherwise pay for other purposes as provided in *M.S., Section 469.176, Subd. 4*;
5. To pay principal and interest on any loans, advances or other payments made to or on behalf of the City or for the benefit of Development District No. 1 by a developer;
6. To finance or otherwise pay premiums and other costs for insurance or other security guaranteeing the payment when due of principal of and interest on bonds pursuant to the TIF Plan or pursuant to *M.S., Chapter 462C. M.S., Sections 469.152 through 469.165*, and/or *M.S., Sections 469.178*; and
7. To accumulate or maintain a reserve securing the payment when due of the principal and interest on the tax increment bonds or bonds issued pursuant to *M.S., Chapter 462C, M.S., Sections 469.152 through 469.165*, and/or *M.S., Sections 469.178*.

These revenues shall not be used to circumvent any levy limitations applicable to the City nor for other purposes prohibited by *M.S., Section 469.176, Subd. 4.*

Tax increments generated in the District will be paid by Anoka County to the City for the Tax Increment Fund of said District. The City will pay to the developer(s) annually an amount not to exceed an amount as specified in a developer's agreement to reimburse the costs of land acquisition, public improvements, demolition and relocation, site preparation, and administration. Remaining increment funds will be used for City administration (up to 10 percent) and for the costs of public improvement activities outside the District.

Subsection 1-21. Excess Increments

Excess increments, as defined in *M.S., Section 469.176, Subd. 2*, shall be used only to do one or more of the following:

1. Prepay any outstanding bonds;
2. Discharge the pledge of tax increment for any outstanding bonds;
3. Pay into an escrow account dedicated to the payment of any outstanding bonds; or
4. Return the excess to the County Auditor for redistribution to the respective taxing jurisdictions in proportion to their local tax rates.

The City must spend or return the excess increments under paragraph (c) within nine months after the end of the year. In addition, the City may, subject to the limitations set forth herein, choose to modify the TIF Plan in order to finance additional public costs in Development District No. 1 or the District.

Subsection 1-22. Requirements for Agreements with the Developer

The City will review any proposal for private development to determine its conformance with the Development Program and with applicable municipal ordinances and codes. To facilitate this effort, the following documents may be requested for review and approval: site plan, construction, mechanical, and electrical system drawings, landscaping plan, grading and storm drainage plan, signage system plan, and any other drawings or narrative deemed necessary by the City to demonstrate the conformance of the development with City plans and ordinances. The City may also use the agreements to address other issues related to the development.

Pursuant to *M.S., Section 469.176, Subd. 5*, no more than 25 percent, by acreage, of the property to be acquired in the District as set forth in the TIF Plan shall at any time be owned by the City as a result of acquisition with the proceeds of bonds issued pursuant to *M.S., Section 469.178* to which tax increments from property acquired is pledged, unless prior to acquisition in excess of 10 percent of the acreage, the City concluded an agreement for the development of the property acquired and which provides recourse for the City should the development not be completed.

Subsection 1-23. Assessment Agreements

Pursuant to *M.S., Section 469.177, Subd. 8*, the City may enter into a written assessment agreement in recordable form with the developer of property within the District which establishes a minimum market value of the land and completed improvements for the duration of the District. The assessment agreement shall be presented to the County Assessor who shall review the plans and specifications for the improvements to be constructed, review the market value previously assigned to the land upon which the improvements are to be constructed and, so long as the minimum market value contained in the assessment agreement appears, in the judgment of the assessor, to be a reasonable estimate, the County Assessor shall also certify the minimum market value agreement.

Subsection 1-24. Administration of the District

Administration of the District will be handled by the City Administrator.

Subsection 1-25. Annual Disclosure Requirements

Pursuant to *M.S., Section 469.175, Subds. 5, 6, and 6b* the City must undertake financial reporting for all tax increment financing districts to the Office of the State Auditor, County Board and County Auditor on or before August 1 of each year. *M.S., Section 469.175, Subd. 5* also provides that an annual statement shall be published in a newspaper of general circulation in the City on or before August 15.

If the City fails to make a disclosure or submit a report containing the information required by *M.S., Section 469.175 Subd. 5 and Subd. 6,* the OSA will direct the County Auditor to withhold the distribution of tax increment from the District.

Subsection 1-26. Reasonable Expectations

As required by the TIF Act, in establishing the District, the determination has been made that the anticipated development would not reasonably be expected to occur solely through private investment within the reasonably foreseeable future and that the increased market value of the site that could reasonably be expected to occur without the use of tax increment financing would be less than the increase in the market value estimated to result from the proposed development after subtracting the present value of the projected tax increments for the maximum duration of the District permitted by the TIF Plan. In making said determination, reliance has been placed upon written representation made by the developer to such effects and upon City staff awareness of the feasibility of developing the project site(s) within the District. A comparative analysis of estimated market values both with and without establishment of the District and the use of tax increments has been performed as described above. Such analysis is included with the cashflow in Appendix D, and indicates that the increase in estimated market value of the proposed development (less the indicated subtractions) exceeds the estimated market value of the site absent the establishment of the District and the use of tax increments.

Subsection 1-27. Other Limitations on the Use of Tax Increment

1. General Limitations. All revenue derived from tax increment shall be used in accordance with the TIF Plan. The revenues shall be used to finance, or otherwise pay the capital and administration costs of Development District No. 1 pursuant to *M.S., Sections 469.124 to 469.134*. Tax increments may not be used to circumvent existing levy limit law. No tax increment may be used for the acquisition, construction, renovation, operation, or maintenance of a building to be used primarily and regularly for conducting the business of a municipality, county, school district, or any other local unit of government or the state or federal government. This provision does not prohibit the use of revenues derived from tax increments for the construction or renovation of a parking structure.

   No tax increment may be used for a commons area used as a public park or a facility used for social, recreational, or conference purposes, but this restriction does not apply to a privately owned facility for conference purposes or a parking structure.

   Tax increment may not be used to pay for the cost of public improvements, equipment, or other items, if such items are located outside of the District and they primarily serve a decorative or aesthetic purpose, or serve a functional purpose, but their cost is increased by more than 100 percent as a result of the selection of materials, design, or type as compared with more commonly used materials, designs, or types for similar improvements, equipment or items.

2. Pooling Limitations. At least 80 percent of tax increments from the District must be expended on activities in the District or to pay bonds, to the extent that the proceeds of the bonds were used to finance activities within said district or to pay, or secure payment of, debt service on credit enhanced bonds. Not more than 20 percent of said tax increments may be expended, through a development fund or otherwise, on activities outside of the District except to pay, or secure payment of, debt service on credit enhanced bonds. For purposes of applying this restriction, all administrative expenses must be treated as if they were solely for activities outside of the District.

3. Five Year Limitation on Commitment of Tax Increments. Tax increments derived from the District shall be deemed to have satisfied the 80 percent test set forth in paragraph (2) above only if the five year rule set forth in *M.S., Section 469.1763, Subd. 3*, has been satisfied; and beginning with the sixth year following certification of the District, 80 percent of said tax increments that remain after expenditures permitted under said five year rule must be used only to pay previously committed expenditures or credit enhanced bonds as more fully set forth in *M.S., Section 469.1763, Subd. 5*.

Subsection 1-28. Summary

The City of East Bethel is establishing the District to preserve and enhance the tax base, and provide employment opportunities in the City. The TIF Plan for the District was prepared by Ehlers & Associates, Inc., 3060 Centre Pointe Drive, Roseville, Minnesota 55113-1105, telephone (651) 697-8500.

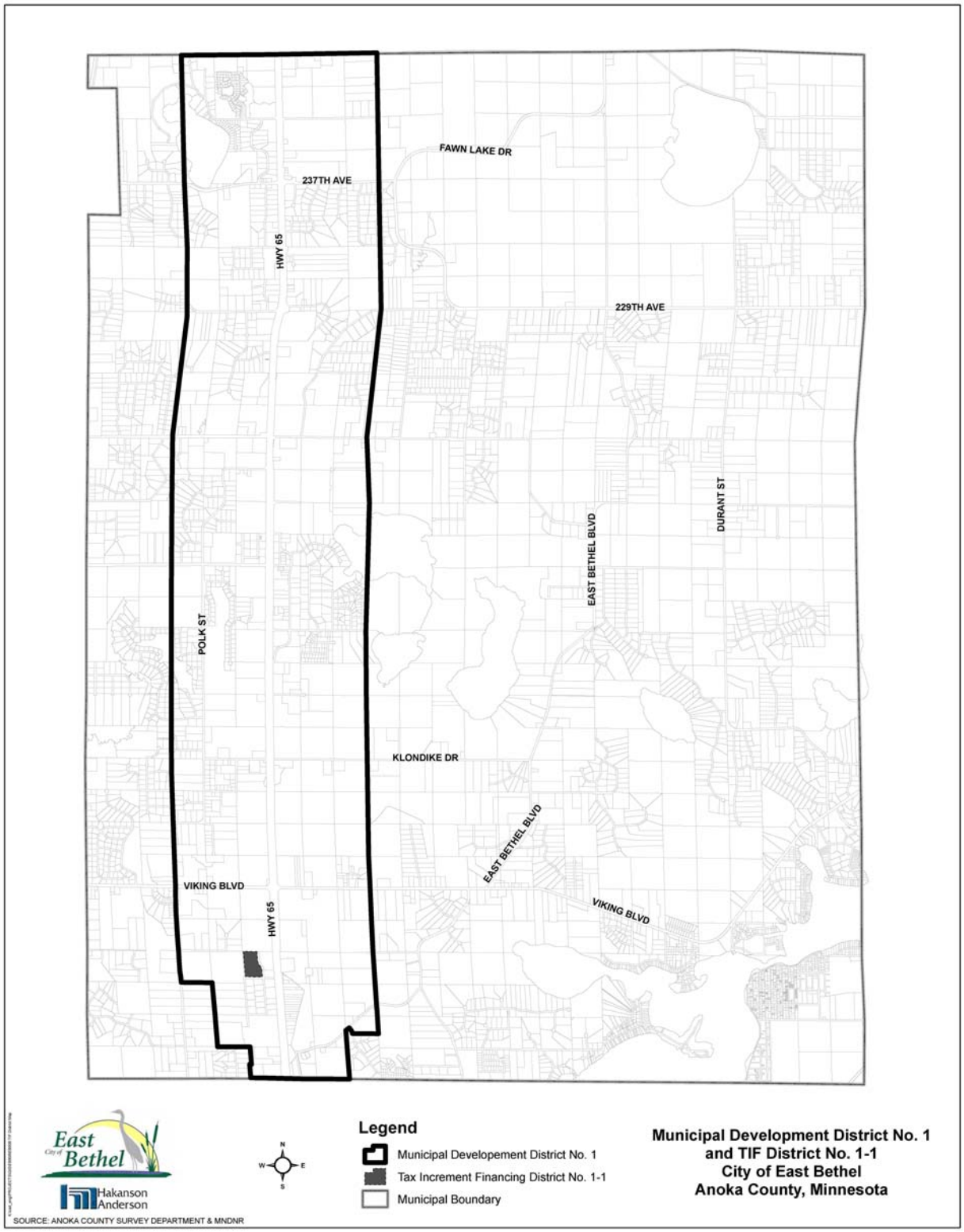
Appendix A

Project Description

Tax Increment Financing District No. 1-1 is being established to facilitate the construction of a 60,000 square foot manufacturing facility.

Appendix B

Map of Development District No. 1 and the District



Appendix C

Description of Property to be Included in the District

The District encompasses all property and adjacent rights-of-way and abutting roadways identified by a portion of the parcel listed below.

Parcel Number	Address	Owner
a portion of 32-33-23-21-0009		CD Properties North LLC

Appendix D

Estimated Cash Flow for the District

EHLERS
LEADERS IN PUBLIC FINANCE

$50 Sq/Ft Valuation

City of East Bethel

60,000 sq/ft Manufacturing Facility

ASSUMPTIONS AND RATES

DistrictType:	**Economic Development**	
District Name/Number:		
County District #:		
First Year Construction or Inflation on Value	**2012**	
Existing District - Specify No. Years Remaining		
Inflation Rate - Every Year:	**3.00%**	
Interest Rate:	**4.00%**	
Present Value Date:	**1-Feb-13**	
First Period Ending	1-Aug-13	
Tax Year District was Certified:	**Pay 2012**	
Cashflow Assumes First Tax Increment For Development:	2014	
Years of Tax Increment	9	
Assumes Last Year of Tax Increment	2022	
Fiscal Disparities Election [Outside (A), Inside (B), or NA]	**Inside(B)**	
Incremental or Total Fiscal Disparities	**Incremental**	
Fiscal Disparities Contribution Ratio	38.9291%	Pay 2012 Final
Fiscal Disparities Metro-Wide Tax Rate	141.9450%	Pay 2012 Final

Maximum/Frozen Local Tax Rate:	122.484%	Pay 2012 Final
Current Local Tax Rate: (Use lesser of Current or Max.)	122.484%	Pay 2012 Final
State-wide Tax Rate (Comm./Ind. only used for total taxes)	51.1000%	Pay 2012 Final
Market Value Tax Rate (Used for total taxes)	0.10349%	Pay 2012 Final

PROPERTY TAX CLASSES AND CLASS RATES:		
Exempt Class Rate (Exempt)		0.00%
Commercial Industrial Preferred Class Rate (C/I Pref.)		
First	$150,000	1.50%
Over	$150,000	2.00%
Commercial Industrial Class Rate (C/I)		2.00%
Rental Housing Class Rate (Rental)		1.25%
Affordable Rental Housing Class Rate (Aff. Rental)		0.75%
Non-Homestead Residential (Non-H Res.)		1.25%
Homestead Residental Class Rate (Hmstd. Res.)		
First	$500,000	1.00%
Over	$500,000	1.25%
Agricultural Non-Homestead		1.00%

BASE VALUE INFORMATION (Original Tax Capacity)

Map #	PID	Owner	Address	Land Market Value	Building Market Value	Total Market Value	Percentage Of Value Used for District	Original Market Value	Tax Year Original Market Value	Property Tax Class	Current Original Tax Capacity	Class After Conversion	After Conversion Orig. Tax Cap.	Area/Phase
	32-33-23-21-0009			97,700	0	97,700	40%	39,418	Pay 2012	C/I Pref.	591	C/I Pref.	591	
				0	0	0	100%	0	Pay 2012	C/I	-	C/I	-	
						0	100%	0	Pay 2012		-		-	
						0	100%	0	Pay 2012		-		-	
				97,700	0	97,700		39,418			591		591	

only 6.06 acres of the 15.02 acre parcel

Note:

1. Base values are pay 2013 based upon review of County website on 8-29-12.

EHLERS
LEADERS IN PUBLIC FINANCE

$50 Sq/Ft Valuation

City of East Bethel

60,000 sq/ft Manufacturing Facility

PROJECT INFORMATION (Project Tax Capacity)

Area/Phase	New Use	Estimated Market Value Per Sq. Ft./Unit	Taxable Market Value Per Sq. Ft./Unit	Total Sq. Ft./Units	Total Taxable Market Value	Property Tax Class	Project Tax Capacity	Project Tax Capacity/Unit	Percentage Completed 2012	Percentage Completed 2013	Percentage Completed 2014	Percentage Completed 2015	First Year Full Taxes Payable
	Manufacturing	50	50	60,000	3,000,000	C/I Pref.	59,250	1	50%	100%	100%	100%	2015
TOTAL					**3,000,000**		**59,250**						
Subtotal Residential				**0**	**0**		**0**						
Subtotal Commercial/Ind.				**60,000**	**3,000,000**		**59,250**						

Note:

1. Market values are based upon estimates from 'Ken Tolzman Commercial Assessor 651-464-4862 ($50 sq.ft).

TAX CALCULATIONS

New Use	Total Tax Capacity	Fiscal Disparities Tax Capacity	Local Tax Capacity	Local Property Taxes	Fiscal Disparities Taxes	State-wide Property Taxes	Market Value Taxes	Total Taxes	Taxes Per Sq. Ft./Unit
Manufacturing	**59,250**	**23,065**	**36,185**	**44,320**	**32,740**	**30,277**	**3,105**	**110,442**	**1.84**
TOTAL	**59,250**	**23,065**	**36,185**	**44,320**	**32,740**	**30,277**	**3,105**	**110,442**	

Note:

1. Taxes and tax increment will vary signficantly from year to year depending upon values, rates, state law, fiscal disparities and other factors which cannot be predicted.

2. If tax increment in received in 2013,then the district will be one year shorter.

WHAT IS EXCLUDED FROM TIF?

Total Property Taxes	**110,442**
less State-wide Taxes	**(30,277)**
less Fiscal Disp. Adj.	**(32,740)**
less Market Value Taxes	**(3,105)**
less Base Value Taxes	**(442)**
Annual Gross TIF	**43,878**

EHLERS
LEADERS IN PUBLIC FINANCE

$50 Sq/Ft Valuation
City of East Bethel
60,000 sq/ft Manufacturing Facility

60,000 sq/ft Manufacturing Facility

% of OTC	Project Tax Capacity	Original Tax Capacity	Fiscal Disparities Incremental	Captured Tax Capacity	Local Tax Rate	Annual Gross Tax Increment	Semi-Annual Gross Tax Increment	State Auditor 0.36%	Admin. at 10%	Semi-Annual Net Tax Increment	Semi-Annual Present Value	PERIOD ENDING Yrs.	Tax Year	Payment Date
							-	-	-	-				08/01/13
							-	-	-	-				02/01/14
100%	29,625	(591)	(11,303)	17,731	122.484%	21,718	10,859	(39)	(1,082)	9,738	9,176	0.5	2014	08/01/14
							10,859	(39)	(1,082)	9,738	18,172	1	2014	02/01/15
100%	59,250	(591)	(22,835)	35,823	122.484%	43,878	21,939	(79)	(2,186)	19,674	35,992	1.5	2015	08/01/15
							21,939	(79)	(2,186)	19,674	53,462	2	2015	02/01/16
100%	61,028	(591)	(23,527)	36,909	122.484%	45,208	22,604	(81)	(2,252)	20,270	71,108	2.5	2016	08/01/16
							22,604	(81)	(2,252)	20,270	88,409	3	2016	02/01/17
100%	62,858	(591)	(24,240)	38,027	122.484%	46,577	23,289	(84)	(2,320)	20,884	105,883	3.5	2017	08/01/17
							23,289	(84)	(2,320)	20,884	123,016	4	2017	02/01/18
100%	64,744	(591)	(24,974)	39,179	122.484%	47,988	23,994	(86)	(2,391)	21,517	140,321	4.5	2018	08/01/18
							23,994	(86)	(2,391)	21,517	157,287	5	2018	02/01/19
100%	66,686	(591)	(25,730)	40,365	122.484%	49,441	24,720	(89)	(2,463)	22,168	174,423	5.5	2019	08/01/19
							24,720	(89)	(2,463)	22,168	191,224	6	2019	02/01/20
100%	68,687	(591)	(26,509)	41,587	122.484%	50,937	25,469	(92)	(2,538)	22,839	208,194	6.5	2020	08/01/20
							25,469	(92)	(2,538)	22,839	224,831	7	2020	02/01/21
100%	70,748	(591)	(27,311)	42,845	122.484%	52,478	26,239	(94)	(2,614)	23,530	241,635	7.5	2021	08/01/21
							26,239	(94)	(2,614)	23,530	258,110	8	2021	02/01/22
100%	72,870	(591)	(28,137)	44,141	122.484%	54,066	27,033	(97)	(2,694)	24,242	274,751	8.5	2022	08/01/22
							27,033	(97)	(2,694)	24,242	291,065	9	2022	02/01/23
	Total						**412,290**	**(1,484)**	**(41,081)**	**369,725**				
		Present Value From	**02/01/2013**	**Present Value Rate**	**4.00%**		**324,574**	**(1,168)**	**(32,341)**	**291,065**				

Appendix E

Minnesota Business Assistance Form
(Minnesota Department of Employment and Economic Development)

A Minnesota Business Assistance Form (MBAF) should be used to report and/or update each calendar year's activity by April 1 of the following year.

Please see the Minnesota Department of Employment and Economic Development (DEED) website at http://www.deed.state.mn.us/Community/subsidies/MBAFForm.htm for information and forms.

Appendix F

Findings Including But/For Qualifications

The reasons and facts supporting the findings for the adoption of the Tax Increment Financing Plan for Tax Increment Financing District No. 1-1 as required pursuant to *M.S., Section 469.175, Subd. 3* are as follows:

1. *Finding that the Tax Increment Financing District No. 1-1 is an economic development district as defined in M.S., Section 469.174, Subd. 12.*

   Tax Increment Financing District No. 1-1 is a contiguous geographic area within the City's Development District No. 1, delineated in the TIF Plan, for the purpose of financing economic development in the City through the use of tax increment. The District is in the public interest because it will facilitate the construction of an approximately 60,000 square foot manufacturing facility in the City which will discourage commerce, industry, or manufacturing from moving their operations to another state or municipality; the development will increase employment in the state, and preserve and enhance the tax base of the state.

2. *Finding that the proposed development, in the opinion of the City Council, would not reasonably be expected to occur solely through private investment within the reasonably foreseeable future and that the increased market value of the site that could reasonably be expected to occur without the use of tax increment financing would be less than the increase in the market value estimated to result from the proposed development after subtracting the present value of the projected tax increments for the maximum duration of Tax Increment Financing District No. 1-1 permitted by the TIF Plan.*

   The proposed development, in the opinion of the City, would not reasonably be expected to occur solely through private investment within the reasonably foreseeable future: This finding is supported by the fact that the development proposed in this plan is a manufacturing facility that meets the City's objectives for economic development. The cost of land acquisition, site and public improvements and utilities makes development of the facility infeasible without City assistance. The site is currently vacant land. To complete a high-quality manufacturing development such as the proposed development, significant up-front costs are required to transform such land into a workable site. Additionally, City assistance is needed for this and any similar development within Development District No. 1 to create jobs outside the first and second ring suburbs of the Twin Cities, which is difficult to accomplish due to high gas prices and workforce availability. The developer was asked for and provided a letter and a proforma as justification that the developer would not have gone forward without tax increment assistance. While the developer has secured an amount of private financing for construction of the development, tax increment financing assistance was required to close the developer''s financing gap and produce a complete development.

   The increased market value of the site that could reasonably be expected to occur without the use of tax increment financing would be less than the increase in market value estimated to result from the proposed development after subtracting the present value of the projected tax increments for the maximum duration of the TIF District permitted by the TIF Plan: The above finding explained why the proposed development would not likely occur without tax increment assistance. It is possible that some development of the site would go forward without tax increment assistance, but the unique costs of this effort (described above and below) mean that without tax increment assistance, any alternative development would necessarily be carried out at a smaller scale, and most likely over a longer period of time. It is impossible to predict what an alternative market value would be if no tax increment assistance were provided, but it is certain that the alternative development would produce significantly less value than the comprehensive, high-quality development that is proposed under the TIF Plan. The City

reasonably determines that no other development of similar scope is anticipated on this site without substantially similar assistance being provided to the development.

Therefore, the City concludes as follows:

a. The City's estimate of the amount by which the market value of the entire District will increase without the use of tax increment financing is $0.

b. If the proposed development occurs, the total increase in market value will be $2,960,582 (see Appendix D and the table below)

c. The present value of tax increments from the District for the maximum duration of the district permitted by the TIF Plan is estimated to be $324,574 (see Appendix D and the table below).

d. Even if some development other than the proposed development were to occur, the Council finds that no alternative would occur that would produce a market value increase greater than $2,636,008 (the amount in clause b less the amount in clause c) without tax increment assistance.

But-For Analysis	
Current Market Value	39,418
New Market Value - Estimate	3,000,000
Difference	2,960,582
Present Value of Tax Increment	324,574
Difference	2,636,008
Value Likely to Occur Without TIF is Less Than:	**2,636,008**

3. *Finding that the TIF Plan for Tax Increment Financing District No. 1-1 conforms to the general plan for the development or redevelopment of the municipality as a whole.*

The Planning Commission reviewed the TIF Plan and found that the TIF Plan conforms to the general development plan of the City.

4. *Finding that the Tax Increment Financing Plan for Tax Increment Financing District No. 1-1 will afford maximum opportunity, consistent with the sound needs of the City as a whole, for the development of Development District No. 1 by private enterprise.*

The project to be assisted by the District will result in increased employment in the City and the State of Minnesota, increased tax base of the State, and add a high quality development to the City. Development District No. 1 surrounds State Highway No. 65, which is the main north-south thoroughfare for the City, and it connects the City with the greater Twin Cities Metropolitan Area. The tax incentives and other potential public assistance to be provided in Development District No. 1 are bolstered by the visibility of this development and by Tax Increment Financing District No. 1-1.

Tax Increment Financing District Overview

City of East Bethel

Tax Increment Financing District No. 1-1

The following summary contains an overview of the basic elements of the Tax Increment Financing Plan for Tax Increment Financing District No. 1-1. More detailed information on each of these topics can be found in the complete Tax Increment Financing Plan.

Proposed action:	Establishment of Tax Increment Financing District No. 1-1 (the "TIF District") and the adoption of a Tax Increment Financing Plan (TIF Plan). Establishment of Development District No. 1 (the "Development District") and the adoption of a Development Program (the "Development Program")
Type of TIF District:	An economic development district
Parcel Numbers:	A portion of 32-33-23-21-0009
Proposed Development:	The District is being created to facilitate the construction of a 60,000 square foot manufacturing facility in the City. Please see Appendix A of the TIF Plan for a more detailed project description.
Maximum duration:	The duration of the District will be 8 years after receipt of the first increment by the City. The date of receipt by the City of the first tax increment is expected to be 2014. Thus, it is estimated that the District, including any modifications of the TIF Plan for subsequent phases or other changes, would terminate after 2022, or when the TIF Plan is satisfied. If increment is received in 2015, the term of the District will be 2023. The City reserves the right to decertify the District prior to the legally required date
Estimated annual tax increment:	Up to $54,067

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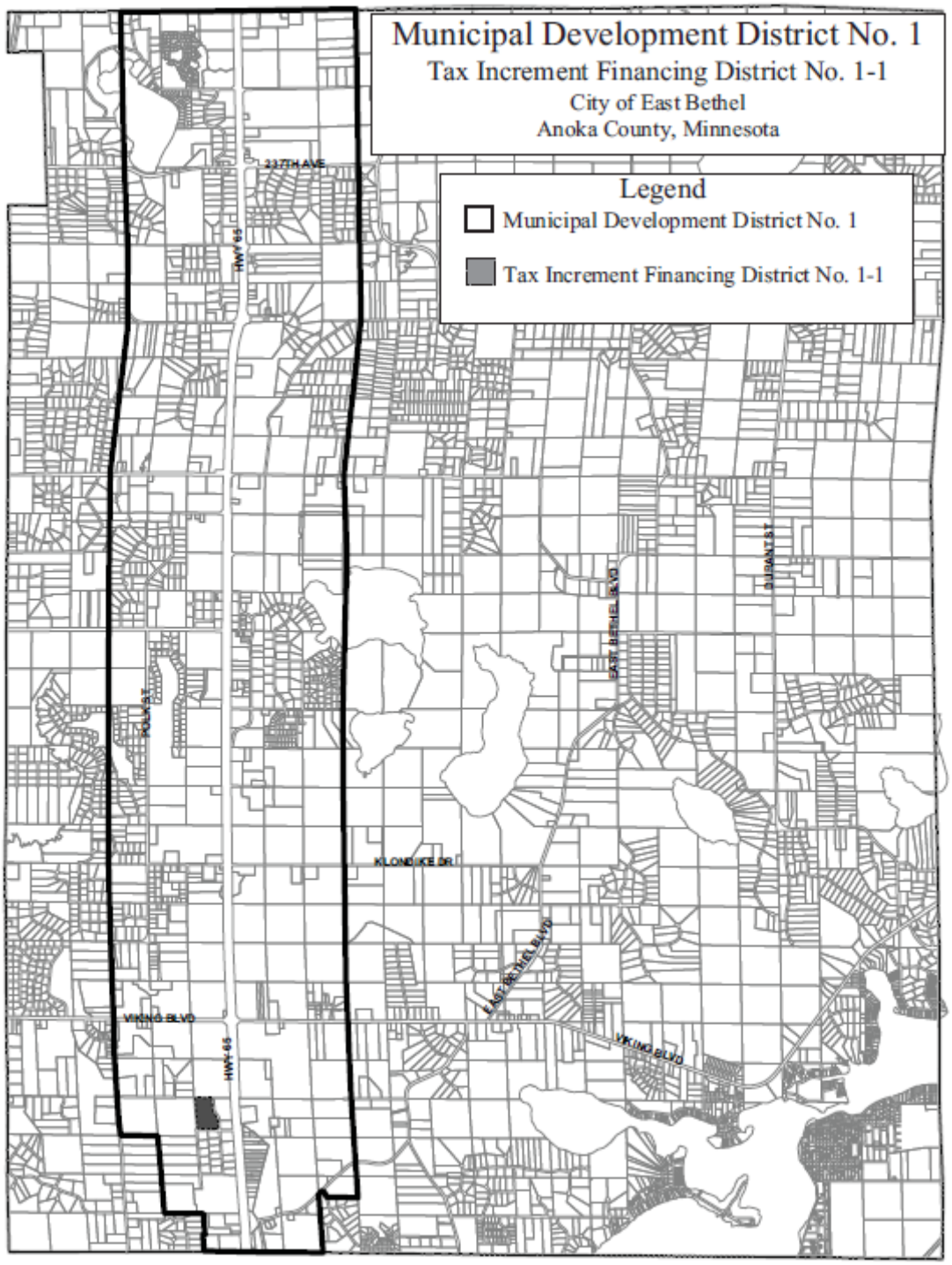
Authorized uses:	The TIF Plan contains a budget that authorizes the maximum amount that may be expended: Land/Building Acquisition.....$225,650 Site Improvements/Preparation.....$56,500 Utilities.....$50,000 Other Qualifying Improvements .....$0 Administrative Costs (up to 10%).....$41,080 PROJECT COSTS TOTAL .....$373,230 Interest .....$78,660 **PROJECT COSTS TOTAL.....$451,890** See Subsection 1-10, on page 1-6 of the TIF Plan for the full budget authorization.
Form of financing:	The project is proposed to be financed by a pay-as-you-go note.
Administrative fee:	Up to 10% of annual increment, if costs are justified.
Interfund Loan Requirement:	The City will be approving an interfund loan for up to $50,000 to pay for administrative expenditures prior to tax increment being generated.
4 Year Activity Rule *(§ 469.176 Subd. 6)*	After four years from the date of certification of the District one of the following activities must have been commenced on each parcel in the District: • Demolition • Rehabilitation • Renovation • Other site preparation (not including utility services such as sewer and water) If the activity has not been started by approximately October 2016, no additional tax increment may be taken from that parcel until the commencement of a qualifying activity.
5 Year Rule *(§ 469.1763 Subd. 3)*	Within 5 years of certification revenues derived from tax increments must be expended or obligated to be expended. Any obligations in the District made after approximately October 2017, will not be eligible for repayment from tax increments.

The reasons and facts supporting the findings for the adoption of the TIF Plan for the District, as required pursuant to *M.S., Section 469.175, Subd. 3,* are included in Exhibit A of the City resolution.

MAP OF DEVELOPMENT DISTRICT NO. 1 AND
TAX INCREMENT FINANCING DISTRICT NO. 1-1



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City of East Bethel
City Council
Agenda Information

* *

Date:
October 3, 2012

* *

Agenda Item Number:
Item 7.0 A 3

* *

Agenda Item:
Resolution 2012-63 Approving a Contract for Private Development and Awarding the Sale of, and providing the form, terms, covenants and instructions for, the issuance of the City's $225,000 Tax Increment Financing Note

* *

Requested Action:
Approval of Resolution 2012-63 Approving a Contract for Private Development and Awarding the Sale of, and providing the form, terms, covenants and instructions for, the issuance of the City's $225,000 Tax Increment Financing Note

* *

Background Information:
The City has been discussing assisting Aggressive Hydraulics with the development of their new 60,000 sq/ft manufacturing facility within the City for some time. Following are the main business points contained in the attached development agreement:

1. Aggressive Hydraulics will construct a 60,000 sq/ft manufacturing facility. Construction shall commence by December 31, 2012 and be completed by December 31, 2013.

2. Aggressive Hydraulics is required to create one FTE job paying at least 150% of minimum wage with two years of occupancy of the facility.

3. City will issue a pay-as-you-go TIF Note to Aggressive Hydraulics in the amount of $225,000 at 5% interest. The Note will be assigned to Village Bank who will be providing the $225,000 in funds up front for the project. The Note will be paid from 90% of the tax increment generated from the project over a 9-year term. The Note can be prepaid at any time without penalty.

4. Aggressive Hydraulics is required to execute and record a minimum assessment agreement (MAA) that is valid through the term of the TIF District or repayment of the TIF Note, whichever is shorter. The MAA will be for $3,000,000 as of January 2, 2014 for taxes payable in 2015.

Attachment(s):

1. Resolution 2012-63 Development Agreement with Aggressive Hydraulics and Awarding the Sale & Issuance of the City's $225,000 Tax Increment Financing Note
2. Development Agreement for Development District No. 1

* *

Fiscal Impact:
None
*** ***

Recommendation(s):
Staff recommends adoption of Resolution 2012-63 Development Agreement with Aggressive Hydraulics

* *

City Council Action

Motion by:_____ Second by:_____

_____

_____

_____

Vote Yes:_____ Vote No:_____

No Action Required:_____

CITY OF EAST BETHEL
EAST BETHEL, MINNESOTA

RESOLUTION NO. 2012-63

RESOLUTION APPROVING A CONTRACT FOR PRIVATE DEVELOPMENT AND AWARDING THE SALE OF, AND PROVIDING THE FORM, TERMS, COVENANTS AND INSTRUCTIONS FOR, THE ISSUANCE OF THE CITY'S $225,000 TAX INCREMENT FINANCING REVENUE NOTE

BE IT RESOLVED by the City Council (the "Council") of the City of East Bethel, Minnesota (the "City"), as follows:

Section 1. Authorization; Award of Sale.

1.01. Authorization. The City has heretofore approved the establishment of Tax Increment Financing District No. 1-1, a economic development district (the "TIF District") within Development District No. 1 (the "Project"), and adopted a tax increment financing plan therefor for the purpose of financing certain improvements within the Project, all pursuant to Minnesota Statutes, Sections 469.124 through 469.133, as amended, and Sections 469.174 through 469.1799, as amended (the "TIF Act").

Pursuant to Section 469.178 of the TIF Act, the City is authorized to issue and sell its bonds for the purpose of financing a portion of the public development costs of the TIF District. Such bonds are payable from all or any portion of revenues derived from the TIF District and pledged to the payment of the bonds. The Council therefore finds and determines that it is in the best interests of the City that it issue and sell its Tax Increment Financing Revenue Note, in the total aggregate principal amount of $225,000 (the "Note"), for the purposes of financing certain public development costs of the TIF District.

1.02. Agreement Approved; Issuance, Sale, and Terms of the Note. The Council has reviewed that certain proposed Contract for Private Development (the "Agreement"), to be entered into between the City and AHI Investments, LLC, a Minnesota limited liability company (the "Developer"), and authorizes the Mayor and the City Administrator to execute such Agreement in substantially the form on file with the City, subject to modifications that do not substantially alter the substance of the transaction and are approved by such officials, provided that execution of the Agreement by such officials is conclusive evidence of their approval.

Pursuant to the Agreement, the Note shall be sold to the Developer and delivered at the time and subject to the conditions of Section ___ of the Agreement. The Note shall be dated as of the date of delivery and shall bear interest from the date of original issue to the earlier of maturity or prepayment, at an interest rate of five percent (5.0%) per annum. The consideration for the sale of the Note is the Developer incurring the Qualified Costs related to the Minimum Improvements (as such terms are defined in the Agreement). The Council acknowledges the Developer will immediately assign the Note (and all associated rights to receive Available Tax Increment under the Note) to Village Bank.

Section 2. Form of Note. The Note shall be in substantially the form attached hereto as Exhibit A.

Section 3. Terms, Execution and Delivery.

3.01. Denomination; Payment. The Note shall be issued as a single typewritten note numbered R-1. The Note shall be issuable only in fully registered form. Principal or and interest on the Note shall be payable by check or draft issued by the Registrar described herein.

3.02. Registration. The Council appoints the City Administrator to perform the functions of registrar, transfer agent and paying agent relating to the Note (the "Registrar"). The effect of registration and the rights and duties of the City and the Registrar with respect thereto shall be as follows:

(a) *Register*. The Registrar shall keep at its office a bond register in which the Registrar shall provide for the registration of ownership of the Note and the registration of transfers and exchanges of the Note.

(b) *Transfer of Note*. Upon surrender for transfer of the Note duly endorsed by the registered owner thereof or accompanied by a written instrument of transfer, in form reasonably satisfactory to the Registrar, duly executed by the registered owner thereof or by an attorney duly authorized by the transferee or transferees, a new Note will be issued in a like aggregate principal amount and maturity, as requested by the transferor. The Registrar may close the books for registration of any transfer after the fifteenth day of the month preceding each Payment Date and until such Payment Date.

(c) *Cancellation*. The Note surrendered upon any transfer shall be promptly cancelled by the Registrar and thereafter disposed of as directed by the City.

(d) *Improper or Unauthorized Transfer*. When the Note is presented to the Registrar for transfer, the Registrar may refuse to transfer the same until it is satisfied that the endorsement on such Note or separate instrument of transfer is legally authorized. The Registrar shall incur no liability for its refusal, in good faith, to make transfers which it, in its judgment, deems improper or unauthorized.

(e) *Persons Deemed Owners*. The City and the Registrar may treat the person in whose name the Note is at any time registered in the bond register as the absolute owner of the Note, whether the Note shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal of and interest on such Note and for all other purposes, and all such payments so made to any such registered owner or upon the owner's order shall be valid and effectual to satisfy and discharge the liability of the City upon such Note to the extent of the sum or sums so paid.

(f) *Taxes, Fees and Charges*. For every transfer or exchange of the Note, the Registrar may impose a charge upon the owner thereof sufficient to reimburse the Registrar for any tax, fee, or other governmental charge required by law to be paid with respect to such transfer or exchange.

(g) *Mutilated, Lost, Stolen or Destroyed Note*. In case the Note shall become mutilated or be lost, stolen or destroyed, the Registrar shall deliver a new Note of like amount, maturity date and tenor in exchange and substitution for and upon cancellation of such mutilated Note or in lieu of and in substitution for such Note lost, stolen or destroyed, upon the payment of the reasonable expenses and charges of the Registrar in connection therewith; and, in the case the Note is lost, stolen, or destroyed, upon filing with the Registrar of evidence satisfactory to it, in which both the City and the Registrar shall be named as obligees. The Note so surrendered to the Registrar shall be cancelled by it and evidence of such cancellation shall be given to the City. If the mutilated, lost, stolen or destroyed Note has already matured or been called for redemption in accordance with its terms, it shall not be necessary to issue a new Note prior to payment.

3.04. Preparation and Delivery. The Note shall be prepared under the direction of the City and shall be executed on behalf of the City by the signatures of the Mayor and the City Administrator. In case any officer whose signature shall appear on the Note shall cease to be such officer before the delivery of the Note, such signature shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until delivery. When the Note has been so executed, it shall be delivered by the City Administrator to the Developer.

Section 4. Security Provisions.

4.01. Pledge. The City pledges to the payment of the principal of and interest on the Note all Available Tax Increment, as defined in the Note. Available Tax Increment shall be applied to payment of the principal of and interest on the Note in accordance with the terms of the Note.

4.02. Bond Fund. Until the date the Note is no longer outstanding and no principal thereof or interest thereon (to the extent required to be paid pursuant to this Resolution) remains unpaid, the City shall maintain a separate and special "Bond Fund" to be used for no purpose other than the payment of the principal of and interest on the Note. The City irrevocably agrees to appropriate to the Bond Fund on or before each payment date all Available Tax Increment. Any Available Tax Increment remaining in the Bond Fund shall be transferred to the City's account for the TIF District, pursuant to the TIF Act, upon the payment of all principal and interest to be paid with respect to the Note.

4.03. Additional Obligations. While the Note is outstanding, the City shall not pledge or permit the pledge of all or any portion of the Available Tax Increment to the payment of principal of or interest on any other obligations of the City unless and to the extent such pledge is subordinate to the pledge under the Note, unless otherwise determined by the City Administrator.

Section 5. Certification of Proceedings. The officers of the City are authorized and directed to prepare and furnish to the Developer certified copies of all proceedings and records of the City, and such other affidavits, certificates and information as may be required to show the facts relating to the legality of the Note as the same appear from the books and records under their custody and control or as otherwise known to them, and all such certified copies, certificates and affidavits, including any heretofore furnished, shall be deemed representations of the City as to the facts recited therein.

Section 6. Effective Date. This Resolution is effective upon full execution of the Agreement between the City and the Developer. All capitalized but undefined terms herein shall have the definitions as provided in the Agreement.

Adopted this 3rd day of October, 2012 by the City Council of the City of East Bethel.

CITY OF EAST BETHEL

_____

Richard Lawrence, Mayor

ATTEST:

_____

Jack Davis, City Administrator

EXHIBIT A

FORM OF TAX INCREMENT FINANCING NOTE

UNITED STATES OF AMERICA
STATE OF MINNESOTA
COUNTY OF ANOKA

No. R-1 $225,000

CITY OF EAST BETHEL, MINNESOTA

TAX INCREMENT FINANCING REVENUE NOTE
(Aggressive Hydraulics Project)

Interest Rate: 5.00% Date of Original Issue: _____, 2012.

The City of East Bethel, Minnesota (the "City") for value received, certifies that it is indebted and hereby promises to pay to AHI Investments, LLC, a Minnesota limited liability company, or registered assigns (the "Owner"), the principal sum of Two Hundred Twenty Five Thousand and No/100 Dollars ($225,000.00), solely from the sources and to the extent set forth herein. This Note is issued pursuant to a Contract for Private Development, entered into by and between the City and the Owner and dated as of _____, 2012 (the "Agreement"), and an approving resolution, adopted by the City Council of the City on October 3, 2012 (the "Resolution"). Capitalized terms herein have the meanings provided in the Agreement unless the context clearly requires otherwise.

1. Payments. Principal and interest on this Note (the "Payments") shall be paid on August 1, 2014 and each August 1 and February 1 thereafter (the "Payment Dates"), to and including February 1, 2023, or such earlier Payment Date when principal has been paid in full, and shall be made in the amounts and solely from the sources set forth in Section 2 herein. Payments shall be applied first to accrued interest, and then to unpaid principal.

Payments are payable by mail to the address of the Owner or such other address as the Owner may designate, including the address of any assignee of this Note, upon thirty (30) days written notice to the City. Payments on this Note are payable in any coin or currency of the United States of America which, on the Payment Date, is legal tender for the payment of public and private debts.

2. Interest. Interest at the rate stated herein shall accrue on the unpaid principal from and after the date of issue of this Note. Interest shall be computed on the basis of a year of 360 days and charged for actual days principal is unpaid.

3. Available Tax Increment. Payments on this Note are payable solely from Available Tax Increment, which is a minimum of ninety percent (90%) of the Tax Increment that is attributable to the Minimum Improvements and received by the City from Anoka County in the six-month period immediately before each Payment Date.

Available Tax Increment shall not include any Tax Increment if, as of any Payment Date, there is an uncured Event of Default under the Agreement. Any amount of Available Tax Increment so withheld shall

be paid on the next scheduled Payment Date after the default is cured, unless this Note has been terminated in accordance with Section _____ of the Agreement.

The City shall have no obligation to pay principal of and interest on this Note on each Payment Date from any source other than Available Tax Increment, and the failure of the City to pay any scheduled Payments on any Payment Date shall not constitute a default hereunder as long as the City pays principal and interest hereon to the extent of Available Tax Increment. If on any Payment Date the Available Tax Increment is insufficient to make the Payment due on that date, the deficiency will be deferred and paid, without interest thereon, to the extent possible on any subsequent Payment Date on which the City has Available Tax Increment in excess of the Payment due on such date. The City shall have no obligation to pay any unpaid balance of principal or accrued interest that may remain after the final Payment Date hereunder.

The City makes no warranty or representation that Available Tax Increment will be sufficient to pay all or any portion of the principal or accrued interest on this Note. Payment of this Note may be on parity with or subordinate to one or more interfund loan obligations undertaken by the City to initially fund certain public infrastructure costs or administrative expenses within the TIF District.

4. Default. Upon an Event of Default by the Developer under the Agreement, the City may exercise the remedies with respect to this Note described in Section ___ of the Agreement.

5. Optional Prepayment. The principal sum and all accrued interest payable under this Note is prepayable in whole or in part at any time by the City without premium or penalty. No partial prepayment shall affect the amount or timing of any other regular Payment otherwise required to be made under this Note.

6. Nature of Obligation. This Note is one of an issue in the total principal amount of $225,000.00, issued to aid in financing certain public infrastructure and administrative costs of a project undertaken by the City pursuant to Minnesota Statutes, Sections 469.124 through 469.133, as amended, and is issued pursuant to the Agreement and the Authorizing Resolution, pursuant to and in full conformity with the Constitution and laws of the State of Minnesota, including Minnesota Statutes, Sections 469.174 through 469.1799, as amended. This Note is a limited obligation of the City and is payable solely from Available Tax Increment pledged to the payment hereof under the Authorizing Resolution. This Note shall not be deemed to constitute a general obligation of the State of Minnesota or any political subdivision thereof, including, without limitation, the City. Neither the State of Minnesota nor any political subdivision thereof shall be obligated to pay the principal of or interest on this Note or other costs incident hereto except out of Available Tax Increment, and neither the full faith and credit nor the taxing power of the State of Minnesota nor any political subdivision thereof is pledged to the payment of the principal of or interest on this Note or other costs incident hereto.

7. Registration and Transfer. This Note is issuable only as a fully registered note without coupons. As provided in the Authorizing Resolution, and subject to certain limitations set forth therein, this Note is transferable upon the books of the City kept for that purpose at the principal office of the City Administrator, by the Owner hereof in person or by such Owner's attorney duly authorized in writing, upon surrender of this Note together with a written instrument of transfer satisfactory to the City, duly executed by the Owner. Upon such transfer or exchange and the payment by the Owner of any tax, fee, or governmental charge required to be paid by the City with respect to such transfer or exchange, there will be issued in the name of the transferee a new Note of the same aggregate principal amount, maturing on the same dates.

IT IS HEREBY CERTIFIED AND RECITED that all acts, conditions, and things required by the Constitution and laws of the State of Minnesota to be done, to exist, to happen, and to be performed in order to make this Note a valid and binding limited obligation of the City according to its terms, have

been done, do exist, have happened, and have been performed in due form, time and manner as so required.

IN WITNESS WHEREOF, the City Council of the City of East Bethel, Minnesota has caused this Note to be executed with the manual signatures of its Mayor and City Administrator, all as of the Date of Original Issue specified above.

CITY OF EAST BETHEL, MINNESOTA

_____

Mayor

_____

City Administrator

PROVISIONS AS TO REGISTRATION

The ownership of the principal of and interest on the within Tax Increment Financing Revenue Note has been registered on the books of the Registrar in the name of the person last noted below.

Date of Registration	Registered Owner	Signature of City Administrator
_____	AHI Investments, LLC Federal ID #_____	_____

ASSIGNMENT

For value received, the undersigned hereby sells, assigns and transfers unto **VILLAGE BANK,** a Minnesota banking corporation, the within Tax Increment Financing Revenue Note and all rights thereunder, and does hereby irrevocably constitute and appoint _____ attorney to transfer the said Note on the books kept for registration of the within Note, with full power of substitution in the premises.

Dated: _____ _____

Notice: The assignor's signature to this assignment must correspond with the name as it appears upon the face of the within Note in every particular, without alteration or any change whatever.

Signature Guaranteed (Notary Stamp):

_____

The Bond Registrar will not effect transfer of this Note unless the information concerning the assignee requested below is provided.

Name and Address: **Village Bank**

_____

_____

(Include information for all joint owners if this Note is held by joint account.)

Please insert federal tax identification number of assignee

_____

CONTRACT

FOR

PRIVATE DEVELOPMENT

BETWEEN

THE CITY OF EAST BETHEL, MINNESOTA

AND

AHI INVESTMENTS, LLC

Dated: _____, 2012

This document was drafted by:

Eckberg, Lammers, Briggs, Wolff & Vierling, P.L.L.P. (AJP)
1809 Northwestern Avenue
Stillwater, Minnesota 55082
651.439.2878

TABLE OF CONTENTS

[To be provided]

CONTRACT FOR PRIVATE DEVELOPMENT

THIS CONTRACT FOR PRIVATE DEVELOPMENT (the "Agreement") is made as of the _____ day of _____, 2012, by and between the City of East Bethel, Minnesota, a municipal corporation and political subdivision organized under the laws of the State of Minnesota (the "City"), and AHI Investments, LLC, a Minnesota limited liability company (the "Developer").

RECITALS

WHEREAS, the City has undertaken a program to promote economic development and job opportunities and encourage the development of land which is underutilized within the City, and in connection therewith has created Development District No. 1 (the "Project Area" or the "Development District"), which approximately encompasses land adjacent to the entire length of State Highway 65 within the City, as well as Tax Increment Financing District No. 1-1 (the "TIF District"), which is located within the Project Area, all pursuant to Minnesota Statutes, Sections 469.124 through 469.133, as amended (the "Development District Act"), and 469.174 through 469.1799, as amended (the "TIF Act");

WHEREAS, the Developer has proposed the acquisition of a portion of a parcel of real property within the TIF District and the construction of an approximately 60,000 square foot manufacturing facility thereon;

WHEREAS, in order to achieve the objectives of the Development District and the TIF Plan, the City is prepared to reimburse the Developer for certain qualified costs incurred in the acquisition of the Property (defined herein) and construction of the Minimum Improvements, all as consistent with the goals and objectives of this Agreement; and

WHEREAS, the City believes that the development of the Project Area pursuant to this Agreement and the fulfillment generally of this Agreement is in the vital and best interests of the City and the health, safety, morals, and welfare of its residents, and in accord with the public purposes and provisions of applicable State and local laws and requirements under which the Development District and the TIF District have been undertaken and are being assisted; and

NOW, THEREFORE, in consideration of the mutual covenants and obligations of the City and the Developer, each party represents, covenants and agrees with the other as follows:

ARTICLE I

Definitions; Exhibits

Section 1.1. Definitions. The following terms shall have the meanings given in this Agreement, unless a different meaning clearly appears from the context:

"Administrative Expenses" means authorized and documented expenses incurred by the City with respect to the Minimum Improvements, the TIF Plan, or this Agreement, as defined in Section 469.174, Subdivision 14 of the TIF Act, and in amounts equal up to ten percent (10%) of the Tax Increment received by the City.

"Affiliate" means any person directly or indirectly controlling or controlled by or under direct or indirect common control with a person and any purchaser of all or substantially all of the assets of such person. For this purpose, "control" means the power to direct management and policies, directly or

indirectly, whether through ownership of voting securities, by contract or otherwise, and the terms "controlling" and "controlled" have correlative meanings.

"Agreement" means this Agreement, as the same may be from time to time modified, amended, or supplemented.

"Authorizing Resolution" means the resolution of the City Council of the City authorizing issuance of the Note.

"Available Tax Increment" means, as determined on each date on which payment on the Note is due, a minimum of ninety percent (90%) of the Tax Increment that is received by the City in the six-month period immediately before each payment date.

"Bank" means Village Bank, a Minnesota banking corporation, the assignee of the Note from the Developer.

"Business Subsidy Act" means Minnesota Statutes, Sections 116J.993 to 116J.995, as amended.

"Certificate of Completion" means the certification provided to the Developer, substantially in the form attached hereto as Exhibit A.

"City" means the city of East Bethel, Minnesota.

"City Attorney" means Eckberg, Lammers, Briggs, Wolff & Vierling, P.L.L.P., the City's appointed legal advisor.

"Construction Plans" means the plans, specifications, drawings, and related documents relating to the construction work to be performed on the Property, to be submitted by the Developer and approved by the City.

"County" means the county of Anoka, Minnesota.

"Developer" means AHI Investments, LLC, a Minnesota limited liability company, or its permitted successors and assigns.

"Event of Default" means an action by the Developer listed in Article IX of this Agreement.

"Financial Advisor" means Ehlers & Associates, Inc., the City's appointed financial consultants.

"Minimum Assessment Agreement" means that certain Minimum Assessment Agreement, dated as of _____, 2012, by and between the City and the Developer, and certified to by the City Assessor, regarding a minimum market value for the Property and the Minimum Improvements.

"Minimum Improvements" means the construction on the Property of an approximately 60,000 square foot manufacturing facility, including acquisition of the underlying land and improvements to related infrastructure as described in the TIF Plan, in compliance with the requirements pertaining thereto as set forth in this Agreement.

"Mortgage" means any mortgage made by the Developer which is secured, in whole or in part, with the Property and which is a permitted encumbrance pursuant to the provisions of Article VII of this Agreement.

"Note" means the Tax Increment Financing Revenue Note, substantially in the form contained in the Authorizing Resolution.

"Project Area" or "Development District" means Development District No. 1, as established and created by the City.

"Property" means the real property described on Exhibit B attached hereto. After completion of the Minimum Improvements, the term "Property" shall include the Minimum Improvements.

"Qualified Costs" means the estimated following costs to be reimbursed to the Developer by the City out of Available Tax Increment:

(1) Cost of acquisition of the Property;

(2) Cost of site improvements and preparation of the Property;

(3) Utility costs to service the Property; and

(4) Such other costs as are incurred by the Developer and reasonably determined by the City to constitute Qualified Costs under the Tax Increment Act.

"State" means the State of Minnesota.

"Tax Increment" means that portion of the real property taxes which is paid with respect to the Property and which is remitted to the City as tax increment revenues pursuant to the Tax Increment Act.

"Tax Increment Act" or "TIF Act" means the Tax Increment Financing Act, Minnesota Statutes, Sections 469.174 through 469.1799, as amended.

"Tax Increment District" or "TIF District" means Tax Increment Financing District No. 1-1, as established and created by the City.

"Tax Increment Plan" or "TIF Plan" means the Tax Increment Financing Plan for the Tax Increment District, as it may be subsequently amended or supplemented.

"Termination Date" means (i) the date the TIF District terminates by law, or (ii) the date by which the City has received sufficient Tax Increment with respect to the Minimum Improvements to reimburse itself for the Administrative Expenses and the Developer for all principal and accrued interest on the Note, whichever date occurs first.

"Unavoidable Delays" means delays beyond the reasonable control of the party seeking to be excused as a result thereof which are the direct result of strikes, other labor troubles, prolonged adverse weather or acts of God, fire or other casualty to the Minimum Improvements, litigation commenced by third parties which, by injunction or other similar judicial action, directly results in delays, or acts of any federal, State or local governmental unit (other than the City in exercising its rights under this Agreement) which directly result in delays.

Section 1.2. Exhibits. The following exhibits are attached to and by reference made a part of this Agreement:

Exhibit A. Form of Certificate of Completion
Exhibit B. Legal Description of the Property
Exhibit C. Form of Investment Letter
Exhibit D. Form of Minimum Assessment Agreement

Section 1.3. Rules of Interpretation. This Agreement shall be interpreted in accordance with and governed by the laws of the State.

ARTICLE II

Representations and Warranties

Section 2.1. Representations by the City. The City makes the following representations as the basis for the undertaking on its part herein contained:

(a) The City is a municipal corporation and political subdivision under the laws of the State and has the power to enter into this Agreement and carry out its obligations hereunder.

(b) The activities of the City are undertaken to further the City's economic development goals, to increase the City's tax base, and to create employment opportunities within the City.

(c) The persons executing this Agreement and related agreements and documents on behalf of the City have the authority to do so and to bind the City by their actions.

(d) The City has received no notice or communication from any local, State or federal official that the activities of the Developer or the City in the Development District may be or will be in violation of any law or regulation. The City is aware of no facts the existence of which would cause it to be in violation of any local, State or federal law or regulation.

Section 2.2. Representations and Warranties by the Developer. The Developer represents and warrants that:

(a) The Developer is a limited liability company duly organized and in good standing under the laws of the State, is not in violation of any provisions of the laws of the State, is duly authorized to transact business within the State, has power to enter into this Agreement and has duly authorized the execution, delivery and performance of this Agreement.

(b) The Developer will secure adequate financing for construction of the Minimum Improvements and will provide adequate evidence of said financing to the City.

(c) The Developer has received no notice or communication from any local, State, or federal official that the activities of the Developer or the City in the Development District may be or will be in violation of any law or regulation. The Developer is aware of no facts the existence of which would cause the Developer to be in violation of or give any person a valid claim under any local, State, or federal law or regulation.

(d) To the best of the Developer's knowledge and belief, neither the execution and delivery of this Agreement, the consummation of the transactions contemplated hereby, nor the fulfillment of or compliance with the terms and conditions of this Agreement is prevented, limited by, or conflicts with or results in a breach of the terms, conditions, or provisions of any corporate or other restriction or any

evidences of indebtedness, agreement, or instrument of whatever nature to which the Developer is now a party or by which it is bound, or constitutes a default under any of the foregoing.

(e) The Developer will construct, operate and maintain the Minimum Improvements in accordance with the terms of this Agreement, the TIF Plan, and all local, State and federal laws and regulations including, but not limited to, environmental, zoning, building code and public health laws and regulations.

(f) The proposed development of the Minimum Improvements would not occur but for the tax increment financing assistance being provided hereunder.

(g) The Developer will obtain, in a timely manner, all required permits, licenses and approvals, and will meet, in a timely manner, all requirements of all applicable local, State and federal laws and regulations which must be obtained or met before the Minimum Improvements may be lawfully constructed. The Developer did not obtain a building permit for any portion of the Minimum Improvements before the date of approval of the TIF Plan.

(h) Whenever any Event of Default occurs and if the City shall employ attorneys or incur other expenses for the collection of payments due or to become due or for the enforcement of performance or observance of any obligation or agreement on the part of the Developer under this Agreement, and the City prevails in such action, the Developer agrees that it shall, within ten days of written demand by the City, pay to the City the reasonable fees of such attorneys and such other expenses so incurred by the City.

(i) So long as the Developer owns the Minimum Improvements, the Developer shall promptly advise the City in writing of all litigation or claims affecting any part of the Minimum Improvements and all written complaints and charges made by any governmental authority materially affecting the Minimum Improvements or materially affecting the Developer or its business which may delay or require changes in the construction, layout, or operation of the Minimum Improvements.

(j) The person or persons executing this Agreement and related agreements and documents on behalf of the Developer have the authority to do so and to bind the Developer by their actions.

(k) The Developer would not be willing to construct the Minimum Improvements but for the commitment by the City to grant the financial assistance outlined in this Agreement and the use of tax increment for such assistance is essential to the Developer's ability to carry out its obligations under this Agreement.

ARTICLE III

Financing of Minimum Improvements

Section 3.1. Financing of Minimum Improvements; Issuance of the Note. (a) In order to assist in making the development of the Minimum Improvements feasible, the City will, subject to the terms and conditions of this Agreement and the Authorizing Resolution, reimburse the Developer for up to $225,000 of the Qualified Costs. The City will have no obligations with respect to the Minimum Improvements except to pay or reimburse the Developer for Qualified Costs in accordance with this Section and the Authorizing Resolution.

(b) The Note shall be in an aggregate principal amount of $225,000, be in substantially the form set forth in the Authorizing Resolution, shall be dated as of the date of delivery, shall be payable with five percent (5%) interest per annum thereon, and shall have a final maturity no later than the Termination Date. The Developer's consideration in exchange for the City's issuance of the Note shall be the incurring by the Developer of Qualified Costs in an amount at least equal to the principal amount of the Note. The Developer expressly accepts all terms of the Authorizing Resolution, which are incorporated herein by reference.

(c) The Note will be issued within 30 days after satisfaction of the following conditions precedent:

(i) the Developer has submitted and the City has approved all information required by this Agreement;

(ii) there is no uncured Event of Default under this Agreement;

(iii) the Developer has provided the City with documentation in the form of contractor certifications, invoices, lien waivers, and such other documentation as the City reasonably requires, submitted by the Developer, showing the amount of Qualified Costs for which payment is sought and that the work for which payment is requested has been completed in accordance with approved plans therefor; and

(iv) the Developer has received a Certificate of Completion for the Minimum Improvements in accordance with Section 4.4 of this Agreement.

(d) The Developer understands and acknowledges that the City makes no representations or warranties regarding the amount of Available Tax Increment, or that said revenues pledged to the Note will be sufficient to pay all or any of the amounts payable on the Note. Any estimates of Tax Increment prepared by the City, or the City's financial advisors, consultants, agents, employees, or officers in connection with the TIF District or this Agreement are for the sole benefit of the City, and are not intended as representations on which the Developer or any purchaser of a Note may rely. The Developer further understands and acknowledges that no assistance is being provided by the City hereunder except through issuance of the Note, and that the Developer shall have no claim against any funds of the City.

(e) The parties hereto understand and acknowledge that the Note will be assigned to the Bank, upon receipt by the City of an investment letter from the Bank in a form reasonably acceptable to the City, as provided in Exhibit C hereto.

(f) The Developer understands and acknowledges that the City's obligation to pay or reimburse the Developer for Qualified Costs in accordance with this Section and the Authorizing Resolution results solely from this Agreement and the Developer's construction of the Minimum Improvements associated with the Property. Any subsequent development or developments associated with the Property shall be stand alone projects subject to a new contract for private development, note and other associated or required agreements or documents in the event the Developer should request financial assistance for such further development from the City.

(g) The estimate of Qualified Costs eligible for Available Tax Increment is based upon budget estimates submitted by the Developer. The Developer understands and acknowledges that if the Qualified Costs exceed the Available Tax Increment, the Developer will only be reimbursed for Qualified Costs in the principal amount of the Note, and accrued interest thereon.

Section 3.2. No Representation Regarding Available Tax Increment. The City's financial commitment for payment of the Note is a revenue obligation only and will be paid by the City only out of Available Tax Increment. The City makes no representations or warranties that the Available Tax Increment will be sufficient to pay the principal of and interest on the Note. The Developer acknowledges that Available Tax Increment is subject to calculation by the County and changes in State law, and that some or all of the Note may not be paid prior to the Termination Date. The Developer acknowledges that the estimates of Available Tax Increment which may have been made by the City or its agents, officers or employees are estimates only, are made for the sole use and benefit of the City, and are not intended for the Developer's reliance.

Section 3.3. Investment Letter. As a condition precedent to the City's having any obligation under this Agreement, the Developer shall deliver to the City, on or before the date of this Agreement, an investment letter executed by the Bank as assignee of the Note in substantially the form set forth at Exhibit C hereto.

Section 3.4. Payment of Costs. (a) Upon delivery to the Developer of appropriate billing statements, the Developer shall pay, upon demand by the City and subject to any escrow arrangements agreed to between the parties hereto, the ordinary and customary fees of the City Attorney and the Financial Advisor attributable to or incurred in connection with the establishment of the TIF District, the negotiation and preparation of this Agreement and any amendments thereto, the negotiation and preparation of any other documents and agreements in connection with the development contemplated hereunder, and all printing and publication costs paid or incurred by the City. Any other ongoing costs other than as set forth herein shall be treated as Administrative Expenses eligible to be reimbursed by Tax Increment pursuant to this Agreement.

(b) The terms of this Section are for the sole benefit of the City, and nothing in this Section shall be construed to limit the ability of the City to lawfully recover Administrative Expenses from Tax Increment during or after the termination of this Agreement.

Section 3.5. Soil Conditions; Hazardous Waste. The Developer has conducted its due diligence on the land constituting the Property, and agrees that it will indemnify, defend, and hold harmless the City and its governing body members, officers and employees from any and all claims or actions arising out of the presence, if any, of hazardous wastes, pollutants or contaminants on the Property.

Section 3.6. Records. The City and its representatives shall have the right at all reasonable times, after reasonable notice, to inspect, examine and copy all books and records of the Developer relating to the Minimum Improvements. These records shall be kept and maintained by the Developer until four years after the Termination Date.

ARTICLE IV

Construction of Minimum Improvements

Section 4.1. Construction of Minimum Improvements. The Developer agrees that it will construct the Minimum Improvements on the Property in substantial accordance with this Agreement and the Construction Plans and, at all times prior to the Termination Date and during which the Minimum Improvements are owned by the Developer, will operate and maintain, preserve and keep the Minimum Improvements or cause such improvements to be maintained, preserved and kept with the appurtenances and every part and parcel thereof, in good repair and condition. The City shall not have an obligation to operate or maintain the Minimum Improvements.

Section 4.2. Construction Plans. (a) The Developer has submitted and the City has approved preliminary plans related to the Minimum Improvements. Prior to making an application to the City for a building permit or permits in connection with any of the Minimum Improvements, the Developer will submit to the City for approval Construction Plans that are consistent with all preliminary plans. The Construction Plans shall provide for the construction of the Minimum Improvements and shall be in conformity with this Agreement and all applicable State and local laws and regulations. The City will approve the Construction Plans if: (i) they conform to all preliminary plans previously approved by the City; (ii) they conform to all applicable federal, State and local laws, ordinances, rules and regulations; (iii) they are adequate to provide for the construction of the Minimum Improvements; (iv) they conform to the State building code; and (v) there has occurred no uncured Event of Default on the part of the Developer. No approval by the City shall relieve the Developer of the obligation to comply with the terms of this Agreement or the terms of any applicable federal, State and local laws, ordinances, rules and regulations in the construction of the Minimum Improvements. No approval by the City shall constitute a waiver of an Event of Default.

(b) The Developer shall submit to the City for its approval any substantial changes in the Construction Plans, which shall include but not be limited to alterations to the building structures and layout and any reconfiguration of the Minimum Improvements upon the Property. The City shall approve changes in the Construction Plans in writing if, in the reasonable discretion of the City, the proposed change conforms to the requirements of this Section with respect to the original Construction Plans or is otherwise acceptable to the City. Such change in the Construction Plans shall be deemed approved by the City unless rejected, in whole or in part, by written notice from the City to the Developer, setting forth in detail the reasons therefor. Such rejection shall be made within 15 days after receipt of the written notice of such change from the Developer.

Section 4.3. Commencement and Completion of Construction. Subject to Unavoidable Delays, the Developer shall commence construction of the Minimum Improvements no later than December 31, 2012. Subject to Unavoidable Delays, the Developer shall have substantially completed the construction of the Minimum Improvements no later than December 31, 2013. All work with respect to the Minimum Improvements to be constructed or provided by the Developer on the Property shall be in conformity with the Construction Plans. The Developer shall make such reports to the City regarding construction of the Minimum Improvements as the City deems necessary or helpful in order to monitor progress on construction of the Minimum Improvements.

Section 4.4. Certificate of Completion. (a) After successful completion of the Minimum Improvements in accordance with the Construction Plans and all terms of this Agreement, the City will furnish the Developer with a Certificate of Completion. Such certification and determination shall not constitute evidence of compliance with or satisfaction of any obligation of the Developer to any holder of a Mortgage, or any insurer of a Mortgage securing money loaned to finance the Minimum Improvements, or any part thereof.

(b) The Certificate of Completion will be in recordable form in the proper County office for the recordation of instruments pertaining to the Property. If the City refuses or fails to provide any certification in accordance with the provisions of this Section, the City shall, within 30 days after written request by the Developer, provide the Developer with a written statement, indicating in adequate detail in what respects the Developer has failed to complete the Minimum Improvements in accordance with the provisions of the Agreement, or is otherwise in default, and what measures or acts will be necessary, in the opinion of the City, for the Developer to take or perform in order to obtain such certification.

(c) The construction of the Minimum Improvements shall be deemed to be complete at such time as the Developer is legally entitled to the issuance of a certificate of occupancy by the City with respect thereto.

Section 4.5. Reconstruction of Minimum Improvements. If (i) the Minimum Improvements are damaged or destroyed before or after completion thereof, but prior to the Termination Date, (ii) the net proceeds from applicable insurance policies are sufficient to pay all costs related thereto, and (iii) the holder of the applicable Mortgage consents thereto, then the Developer shall commence the reconstruction of the Minimum Improvements within 180 days of availability of such insurance proceeds. The Minimum Improvements shall be reconstructed in accordance with the approved Construction Plans, or such modifications thereto as may be requested by the Developer and approved by the City in accordance with Section 4.2 of this Agreement. The Developer's obligation to reconstruct the Minimum Improvements pursuant to this Section shall end on the Termination Date.

Section 4.6. Restrictions on Use. The Developer, for itself and its successors and assigns, agrees to devote the Property and the Minimum Improvements only to such land use or uses as may be permissible under the City's land use regulations.

ARTICLE V

Business Subsidy Act Requirements

Section 5.1. Compliance with Business Subsidy Provisions. Pursuant to the provisions of the Business Subsidy Act, the parties agree and represent to each other as follows:

(a) The subsidy provided by the City to the Developer pursuant to this Agreement is the Available Tax Increment to reimburse the Developer for a portion of the Qualified Costs. The value of the subsidy to the Developer is $225,000, the aggregate principal amount of the Note.

(b) The TIF District is an economic development district, as defined in the TIF Act.

(c) The public purposes of the subsidy are to (i) provide for development on underutilized land located within the City, (ii) increase net jobs in the City and the State, and (iii) increase the future tax base of the City and the State.

(d) The measurable, specific and tangible goals for the subsidy are to (i) secure construction of the Minimum Improvements on the Property, (ii) maintain the Minimum Improvements as a manufacturing facility for at least five (5) years as described in clause (g) below, and (iii) create the job and wage levels in accordance with Section 5.2 hereof.

(e) If the goals described in clause (d) above are not met, the Developer must make the payments to the City described in Section 5.3 hereof.

(f) The subsidy is needed because the cost of constructing the Minimum Improvements benefiting the Property are financially infeasible without public assistance, all as determined by the City.

(g) The Developer must continue operation of the Minimum Improvements on the Property as a manufacturing facility for at least five (5) years after the date of issuance of the Certificate of Completion. Notwithstanding the preceding sentence, the Developer may move to another jurisdiction before the date five (5) years after the date of issuance of the Certificate of Completion, if, after a public hearing, the City Council of the City grants the Developer's request.

(h) The Developer does not have a parent corporation.

(i) The Developer has not received, and does not expect to receive, financial assistance from any other "grantor," as defined in the Business Subsidy Act, in connection with the construction of the Minimum Improvements.

Section 5.2. Job and Wage Goals. Within two (2) years after the date of issuance of the Certificate of Completion (the "Compliance Date"), the Developer shall cause to be created at least one (1) new full-time equivalent job on the Property (excluding any jobs previously existing in the State as of the date of this Agreement and relocated to the Property) and shall cause the wages for such employee to be no less than 150% of the current federal minimum wage, exclusive of benefits. Notwithstanding anything to the contrary herein, if the wage and job goals described in this Section are met by the Compliance Date, those goals are deemed satisfied despite the Developer's continuing obligations under Sections 5.1(g) and 5.4 hereof. The City may, after a public hearing, extend the deadline for meeting the goals in this Section by up to one (1) year, provided that nothing in this Section will be construed to limit the City's discretion regarding this matter.

Section 5.3. Remedies. If the Developer fails to meet the measurable, specific and tangible goals described in Section 5.1(d) hereof, the Developer shall repay to the City upon written demand a pro rata share of the amount of $225,000, representing the amount of the subsidy granted to the Developer, and interest on said amount at the implicit price deflator as defined in Minnesota Statutes, Section 275.70, Subdivision 2, accrued from the date of issuance of the Certificate of Completion to the date of payment. The term pro rata share means a percentage as calculated in the following scenario: if the failure relates to maintenance of the Minimum Improvements in accordance with Section 5.1(g) hereof, 60 less the number of months of operation as a manufacturing facility (where any month in which the manufacturing facility is in operation for at least 15 days constitutes a month of operation), commencing on the date of the Certificate of Completion and ending with the date the manufacturing facility ceases operation as determined by the City, divided by 60. A failure by the Developer to meet the job and wage goals described in this Section shall result in a total repayment of the subsidy, plus interest as calculated above, to the City.

Nothing in this Section shall be construed to limit the City's remedies under Article VIII hereof. In addition to the remedy described in this Section and any other remedy available to the City for failure to meet the measurable, specific and tangible goals stated in Section 5.1(d), the Developer agrees and understands that it may not a receive a business subsidy from the City or any grantor as defined in the Business Subsidy Act for a period of five (5) years from the date of the failure or until the Developer satisfies its repayment obligation under this Section, whichever occurs first.

Section 5.4. Reports. The Developer must submit to the City a written report regarding business subsidy goals and results by no later than March 1 of each year, commencing March 1, 2014, and continuing until the later of: (i) the date the goals stated Section 5.1(d) are met; (ii) 30 days after expiration of the five-year period described in Section 5.1(g); or (iii) if the goals are not met, the date the subsidy is repaid in accordance with Section 5.3. The report must comply with Section 116J.994, Subdivision 7 of the Business Subsidy Act. The City will provide information to the Developer regarding the required forms. If the Developer fails to timely file any report required under this Section, the City will mail the Developer a warning within one week after the required filing date. If, after 14 days of the postmarked date of the warning, the Developer fails to provide the City with a report, the Developer must pay to the City a penalty of $100 for each subsequent day until the report is filed. The maximum aggregate penalty payable under this Section is $1,000.

Section 5.5. Business Subsidy Criteria. Pursuant to Section 116J.994, Subdivision 2 of the Business Subsidy Act, the City has developed business subsidy criteria. A copy of the criteria will be filed with the Minnesota Department of Employment and Economic Development ("DEED") along with the City's first annual business subsidy report to DEED.

ARTICLE VI

Insurance

Section 6.1. Required Insurance. (a) The Developer agrees to provide and maintain at all times during the process of constructing the Minimum Improvements and, from time to time at the request of the City, will furnish the City with proof of payment of premiums on:

(i) Builder's risk insurance, written on the so-called "Builder's Risk -- Completed Value Basis," in an amount equal to one hundred percent (100%) of the insurable value of the Minimum Improvements at the date of completion, and with coverage available in nonreporting form on the so called "all risk" form of policy;

(ii) Comprehensive general liability insurance (including operations, contingent liability, operations of subcontractors, completed operations and contractual liability insurance) together with an Owner's Contractor's Policy with limits against bodily injury and property damage of not less than $1,000,000 for each occurrence (to accomplish the above required limits, an umbrella excess liability policy may be used); and

(iii) Workers' compensation insurance, with statutory coverage.

The policies of insurance required pursuant to clauses (i) and (ii) above shall be placed with financially sound and reputable insurers licensed to transact business in the State. The policy of insurance delivered pursuant to clause (i) above shall contain an agreement of the insurer to give not less than thirty (30) days' advance written notice to the City in the event of cancellation of such policy or change affecting the coverage thereunder. The City shall be named as an additional insured under the policies of insurance referred to in (i) and (ii) above.

(b) Upon completion of construction of the Minimum Improvements, and prior to the Termination Date, the Developer shall maintain, or cause to be maintained, at its cost and expense, and from time to time at the request of the City shall furnish proof of the payment of premiums on, insurance as follows:

(i) Insurance against loss and/or damage to the Minimum Improvements under a policy or policies covering such risks as are ordinarily insured against by similar businesses, including (without limiting the generality of the foregoing) fire, extended coverage, vandalism and malicious mischief, heating system explosion, water damage, demolition cost, debris removal, collapse and flood, in an amount not less than the full insurable replacement value of the Minimum Improvements. No policy of insurance shall be so written that the proceeds thereof will produce less than the minimum coverage required by the preceding sentence, by reason of coinsurance provisions or otherwise, without the prior consent thereto in writing by the City. The term "full insurable replacement value" shall mean the actual replacement cost of the Minimum Improvements and shall be determined from time to time at the request of the City, but not more frequently than once every three years, by an insurance consultant or insurer, selected and paid for by the Developer and approved by the City; and

(ii) Such other insurance, including worker's compensation insurance respecting all employees of the Developer, in such amount as is customarily carried by like organizations engaged in like activities of comparable size and liability exposure.

In lieu of any of the foregoing, the Developer may provide assurance to the City that the Developer has self-insured for the amounts and terms satisfying this Section.

(c) The parties agree that all of the provisions set forth in this Article shall terminate upon the Termination Date.

Section 6.2. Evidence of Insurance. All insurance required in this Article shall be taken out and maintained in responsible insurance companies selected by the Developer which are authorized under the laws of the State to assume the risks covered thereby. The Developer agrees to deposit with the City copies of policies evidencing all such insurance, or a certificate or certificates or binders of the respective insurers stating that such insurance is in force and effect. Unless otherwise provided in this Article, each policy shall contain a provision that the insurer shall not cancel nor materially modify the policy without giving written notice to the Developer and the City at least 30 days before the cancellation or modification becomes effective. In lieu of separate policies, the Developer may maintain a single policy, blanket or umbrella policies, or a combination thereof, having the coverage required herein, in which event the Developer shall deposit with the City a certificate or certificates of the respective insurers as to the amount of coverage in force upon the Minimum Improvements.

Section 6.3. Notification; Repair, Reconstruction and Restoration. So long as the Developer is the owner thereof and until the Termination Date, the Developer agrees to notify the City immediately in the case of damage exceeding $50,000 in amount to, or destruction of, the Minimum Improvements, or any portion thereof resulting from fire or other casualty. Subject to the rights of lenders, in such event the Developer shall forthwith repair, reconstruct, and restore the Minimum Improvements to substantially the same or an improved condition or value as it existed prior to the event causing such damage and, to the extent necessary to accomplish such repair, reconstruction, and restoration, the Developer will apply the net proceeds of any insurance relating to such damage received by the Developer to the payment or reimbursement of the costs thereof. In the event the Developer does not repair, reconstruct or restore the Minimum Improvements, the City shall have no further obligation to make payments on the Note.

The Developer shall complete the repair, reconstruction, and restoration of the Minimum Improvements, whether or not the net proceeds of insurance received by the Developer for such purposes are sufficient to pay for the same. Any net proceeds remaining after completion of such repairs, construction and restoration shall be the property of the Developer.

ARTICLE VII

Use of Tax Increment

Section 7.1. Use of Tax Increment. Except with respect to its obligations to the Developer under this Agreement in connection with Available Tax Increment, the City shall be free to use any Tax Increment it receives from the TIF District for any purpose for which such Tax Increment may lawfully be used under the TIF Act and pursuant to other general provisions of State law, and the City shall have no obligations to the Developer with respect to the use of such Tax Increment.

Section 7.2. Reimbursement of Tax Increment. Section 469.176, Subdivision 4c of the TIF Act limits the use of Tax Increment in an economic development district to specific permitted uses. Section 469.1771, Subdivision 3 of the TIF Act requires the City to pay the County for Tax Increment distributed

to the City and used to assist a project which does not qualify for tax increment assistance. If the City is required to pay Tax Increment to the County or any other governmental entity pursuant to Section 469.1771 of the TIF Act, or any other provision of the TIF Act, by reason of any Developer act or omission that is inconsistent with or contrary to the terms of this Agreement, the Developer agrees, for itself and its successors and assigns, to reimburse a similar amount to the City within 30 days' written notice from the City. This obligation to reimburse Tax Increment to the City shall run with the Property, and each subdivided part thereof, and shall bind the Developer and its successors and assigns. The City is authorized to undertake all necessary legal action to recover said amounts described in this Section from the Developer. Any sum owed under this Section but not reimbursed by the Developer or its successors and assigns shall remain a lien against the Property and the Minimum Improvements, or any part thereof, until paid.

Section 7.3. Right to Collect Delinquent Taxes. The Developer acknowledges that the City is providing substantial aid and assistance in furtherance of the completion of the Minimum Improvements through issuance of the Note. The Developer understands that the Available Tax Increment pledged to payment of the Note is derived from real estate taxes on the Property and the Minimum Improvements, which taxes must be promptly, timely, and fully paid. To that end, the Developer agrees for itself, its successors and assigns, in addition to the obligation pursuant to State statute to pay real estate taxes, that it is also obligated by reason of this Agreement, through the Termination Date, to pay before delinquency all real estate taxes assessed against the Property and the Minimum Improvements. The Developer acknowledges that this obligation creates a contractual right on behalf of the City to sue the Developer or its successors and assigns to collect delinquent real estate taxes, and any penalty or interest thereon, and to pay over the same as a tax payment to the County. In any such suit, the City shall also be entitled to recover its costs, expenses and reasonable attorney fees. Nothing in this Section shall prevent the Developer from contesting the amount of real estate taxes (whether because of valuation, classification or otherwise, but subject always to the requirements and restrictions of the Minimum Assessment Agreement) in accordance with State law.

Section 7.4. Reduction of Taxes. (a) The Developer agrees that through the Termination Date it will not cause a reduction in the real property taxes paid in respect of the Property through: (i) willful destruction of the Property or any part thereof; (ii) willful refusal to reconstruct damaged or destroyed property from insurance proceeds available to the Developer for such purposes; (iii) application for a deferral of real property tax on the Property pursuant to any law or regulation; or (iv) conveyance or transfer of the Property to any entity that is exempt from payment of real property taxes under State law.

(b) Subject always to the requirements and restrictions of the Minimum Assessment Agreement, the Developer may use any administrative or legal process provided under State law to seek a reduction of market value of the Property and the Minimum Improvements for ad valorem tax purposes, provided that (i) promptly upon filing any petition or claim with any tax official, the Developer shall provide written notice of such action to the City, and (ii) if the Developer files such a position or claim, the City will withhold payment of any Available Tax Increment (without interest) that is attributable to the tax payable year that is the subject of the petition or claim until the petition or claim is fully resolved such that the County has finally determined the amount of property taxes payable with respect to the Property for that year.

Section 7.5. Minimum Assessment Agreement. The parties hereto acknowledge and agree to execute that certain Minimum Assessment Agreement, a form of which is attached hereto as Exhibit D. The Minimum Assessment Agreement will provide that the minimum market value which shall be assessed for ad valorem tax purposes for the Property, together with the Minimum Improvements constructed thereon, shall be $3,000,000 as of January 2, 2014, for taxes payable in 2015, notwithstanding the progress of construction of the Minimum Improvements by such date, and said minimum value shall

remain in effect as of each January 2 thereafter until termination of the Minimum Assessment Agreement, which shall occur upon the earlier of the following: (i) the date of receipt by the City of the final payment from Anoka County of Tax Increment from the TIF District; or (ii) the date when the Note and any interfund loan or loans have been fully paid or defeased in accordance with their terms. The Minimum Assessment Agreement shall be recorded with the Anoka County Recorder's Office or the Registrar of Titles of Anoka County, as the case may be. The Developer shall pay all costs of recording.

ARTICLE VIII

Financing

Section 8.1. Mortgage Financing. (a) Before commencement of construction of the Minimum Improvements, the Developer shall submit to the City evidence of one or more commitments for financing which, together with committed equity for such construction, is sufficient for payment of said construction costs. Such commitments may be submitted as short-term financing, long term mortgage financing, a bridge loan with a long-term take-out financing commitment, or any combination of the foregoing.

(b) If the City finds that the financing is sufficiently committed and adequate in amount to pay the costs specified in paragraph (a) then the City shall notify the Developer in writing of its approval. Such approval shall not be unreasonably withheld and either approval or rejection shall be given within thirty (30) days from the date when the City is provided the evidence of financing. A failure by the City to respond to such evidence of financing shall be deemed to constitute an approval hereunder. If the City rejects the evidence of financing as inadequate, it shall do so in writing specifying the basis for the rejection. In any event the Developer shall resubmit adequate evidence of financing within ten (10) days after such rejection.

Section 8.2. Limitation Upon Encumbrance of Property. Prior to the issuance of the Certificate of Completion, the Developer agrees not to engage in any financing that creates any mortgage or other encumbrance or lien upon the Property or the Minimum Improvements, whether by express agreement or operation of law, or suffer any encumbrance or lien to be made on or attached to the Property or the Minimum Improvements, other than the liens or encumbrances directly and solely related to the acquisition, construction and equipping of the Minimum Improvements and approved by the City, which approval shall not be withheld or delayed unreasonably if the City determines that such lien or encumbrance will not threaten development of the Property or the Minimum Improvements.

ARTICLE IX

Prohibitions Against Assignment and Transfer; Indemnification

Section 9.1. Representation as to Development. The Developer represents and agrees that its undertakings pursuant to the Agreement are and will be for the purpose of development of the Property and not for speculation in land holding.

Section 9.2. Prohibition Against Developer's Transfer of Property and Assignment of Agreement. The Developer represents and agrees that prior to issuance of the Certificate of Completion for the Minimum Improvements:

(a) Except only by way of security for, and only for the purpose of obtaining financing necessary to enable the Developer or any successor-in-interest to the Property, or any part thereof, to perform its obligations with respect to making, owning or operating the Minimum Improvements under

this Agreement, and any other purpose authorized by this Agreement, the Developer has not made or created and will not make or create or suffer to be made or created any total or partial sale, assignment, conveyance, or lease, or any trust or power, or transfer in any other mode or form of or with respect to this Agreement or the Property or any part thereof or any interest therein, or any contract or agreement to do any of the same, without the prior written approval of the City, unless the Developer remains liable and bound by this Agreement, in which event the City's approval is not required. In the absence of a specific written agreement by the City to the contrary, no such transfer or approval by the City thereof shall be deemed to relieve the Developer or any other party bound in any way by this Agreement or otherwise with respect to the construction of the Minimum Improvements from any of its obligations with respect thereto. The provisions of this Section shall not limit transfers to Affiliates of the Developer.

(b) In the event the Developer, upon transfer or assignment of the Property or any portion thereof, seeks to be released from its obligations under this Agreement as to the portions of the Property that are transferred or assigned, the City shall be entitled to require, except as otherwise provided in this Agreement, as conditions to any such release that:

(i) Any proposed transferee shall have the qualifications and financial responsibility, in the reasonable judgment of the City, necessary and adequate to fulfill the obligations undertaken in this Agreement by the Developer as to the portion of the Minimum Improvements or the Property to be transferred.

(ii) Any proposed transferee, by instrument in writing satisfactory to the City and in form recordable among the land records, shall, for itself and its successors and assigns, and expressly for the benefit of the City, have expressly assumed all of the obligations of the Developer under this Agreement as to the portion of the Minimum Improvements or Property to be transferred and agreed to be subject to all the conditions and restrictions to which the Developer is subject as to such portion; provided, however, that the fact that any transferee of, or any other successor-in-interest whatsoever to, the Minimum Improvements or the Property, or any part thereof, shall not, for whatever reason, have assumed such obligations or so agreed, and shall not (unless and only to the extent otherwise specifically provided in this Agreement or agreed to in writing by the City) deprive the City of any rights or remedies or controls with respect to the Property or any part thereof or the construction of the Minimum Improvements; it being the intent of the parties as expressed in this Agreement that (to the fullest extent permitted at law and in equity and excepting only in the manner and to the extent specifically provided otherwise in this Agreement) no transfer of, or change with respect to, ownership in the Minimum Improvements or Property or any part thereof, or any interest therein, however consummated or occurring, and whether voluntary or involuntary, shall operate, legally or practically, to deprive or limit the City of or with respect to any rights or remedies or controls provided in or resulting from this Agreement with respect to the Minimum Improvements or Property that the City would have had, had there been no such transfer. In the absence of specific written agreement by the City to the contrary, no transfer or approval by the City thereof shall be deemed to relieve the Developer, or any other party bound in any way by this Agreement or otherwise with respect to the construction of the Minimum Improvements, from any of its obligations with respect thereto.

(iii) Any and all instruments and other documents involved in effecting the transfer of any interest in this Agreement or the Minimum Improvements or the Property governed by this Article shall be in a form reasonably satisfactory to the City.

(c) Any notice of rejection from the City shall contain detailed reasons for the rejection. The City's approval of any transfer shall not be unreasonably withheld. In the event the foregoing conditions

are satisfied, the Developer shall be released from its obligation under this Agreement as to the portion of the Minimum Improvements or the Property that is transferred, assigned or otherwise conveyed.

(d) After issuance of the Certificate of Completion for the Minimum Improvements, the Developer may transfer or assign any portion of the Property or the Developer's interest in this Agreement without the prior written consent of the City, provided that until the occurrence of the Termination Date, the transferee or assignee is bound by all the Developer's obligations hereunder. Prior to any such transfer or assignment, the Developer shall submit to the City written evidence of any such transfer or assignment, including the transferee or assignee's express assumption of the Developer's obligations under this Agreement. If the Developer fails to provide such evidence of transfer and assumption, the Developer shall remain bound by all of its obligations under this Agreement.

Section 9.3. Release and Indemnification Covenants. (a) Except for any grossly negligent act of the following named parties, the Developer releases from and covenants and agrees that the City and its governing body members, officers, agents, servants, and employees shall not be liable for, and agrees to indemnify and hold harmless the City and its governing body members, officers, agents, servants, and employees against any loss or damage to property or any injury to or death of any person occurring at or about or resulting from any defect in the Property and the Minimum Improvements.

(b) Except for any willful or grossly negligent act of the following named parties, the Developer agrees to protect and defend the City and its governing body members, officers, agents, servants, and employees, now and forever, and further agrees to hold the aforesaid harmless from any claim, demand, suit, action or other proceeding whatsoever by any person or entity whatsoever arising or purportedly arising from this Agreement, or the transactions contemplated hereby or the acquisition, construction, installation, ownership, and operation of the Minimum Improvements. Any claim for indemnification hereunder must be made by the above named indemnified parties within two (2) years of receipt of the Certificate of Completion. Any claim for indemnification hereunder shall be after reimbursement to the City from any applicable insurance coverage. Further, the Developer must be given prompt notice of any such potential claim and must be given full opportunity to defend or compromise such claim.

(c) Except for any willful or grossly negligent act of the following named parties, the City and its governing body members, officers, agents, servants, and employees shall not be liable for any damage or injury to the persons or property of the Developer or its partners, officers, agents, servants or employees or any other person who may be about the Property or Minimum Improvements due to any act of negligence of any person.

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

ARTICLE X

Events of Default

Section 10.1. Events of Default Defined. Each of the following shall be an "Event of Default" under this Agreement:

(a) Transfer or sale of the Property or the Minimum Improvements or any part thereof in violation of Section 9.2 of this Agreement without the written consent of the City;

(b) If the Developer shall file a petition in bankruptcy or shall make an assignment for the benefit of its creditors or shall consent to the appointment of a receiver;

(c) Failure by any party to observe or perform any material covenant, condition, obligation or agreement on its part to be observed or performed under this Agreement or any other agreement required by this Agreement;

(d) Failure by the Developer to pay real estate taxes or special assessments on the Property or Minimum Improvements as they become due;

(e) If, due to the actions of the Developer, the Property or the Minimum Improvements or any portion thereof become exempt from payment of real estate taxes prior to the Termination Date.

Section 10.2. Remedies on Default. Whenever any Event of Default referred to in Section 10.1 of this Agreement occurs, the non-defaulting party may exercise its rights under this Section after providing thirty (30) days written notice to the defaulting party of the Event of Default, but only if the Event of Default has not been cured within said thirty (30) days or, if the Event of Default is by its nature incurable within thirty (30) days, the defaulting party does not provide assurances reasonably satisfactory to the non-defaulting party that the Event of Default will be cured and will be cured as soon as reasonably possible:

(a) Suspend further performance under this Agreement until it receives assurances that the defaulting party will cure its default and continue its performance under this Agreement.

(b) Cancel and rescind or terminate this Agreement.

(c) If the default occurs prior to completion of any portion of the Minimum Improvements, the City may withhold the Certificate of Completion with regard to the uncompleted portion.

(d) Take whatever action, including legal, equitable or administrative action, which may appear necessary or desirable to collect any payments due under this Agreement, or to enforce performance and observance of any obligation, agreement, or covenant under this Agreement.

Nothing in this Article shall limit the City's rights to exercise any remedy to which it is entitled under any other provision of this Agreement or the Authorizing Resolution.

Section 10.3. No Remedy Exclusive. No remedy herein conferred upon or reserved to any party in this Agreement is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the City to exercise any remedy reserved to it, it shall not be necessary to give notice, other than such notice as may be required in this Article.

Section 10.4. No Additional Waiver Implied by One Waiver. In the event any agreement contained in this Agreement should be breached by any party and thereafter waived by another party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other concurrent, previous or subsequent breach hereunder.

ARTICLE XI

Additional Provisions

Section 11.1. Conflict of Interest. No officer, official, or employee of the City shall have any personal financial interest, direct or indirect, in this Agreement, nor shall any such officer, official, or employee participate in any decision relating to the Agreement which affects his or her personal financial interests, directly or indirectly. No officer, official, or employee of the City shall be personally liable to the Developer, or any successor-in-interest, in the event of any default or breach or for any amount which may become due or on any obligation under the terms of this Agreement.

Section 11.2. Titles of Articles and Sections. Any titles of the several parts, articles, and sections of this Agreement are inserted for convenience of reference only and shall be disregarded in construing or interpreting any of its provisions.

Section 11.3. Notices and Demands. Except as otherwise expressly provided in this Agreement, a notice, demand, or other communication under this Agreement by either party to the other shall be sufficiently given or delivered if it is dispatched by registered or certified mail, postage prepaid, return receipt requested, or delivered personally; and

(a)	As to the City:	City of East Bethel 2241 221st Avenue NE East Bethel, Minnesota 55011 Attn: City Administrator
	With a copy to:	Eckberg, Lammers, Briggs, Wolff & Vierling, P.L.L.P. 1809 Northwestern Avenue Stillwater, Minnesota 55082 Attn: Andrew J. Pratt, Esq.
(b)	As to the Developer:	AHI Investments, LLC _____ _____ Attn: Paul Johnson
	With a copy to:	Randall & Goodrich, P.L.C. 2140 Fourth Avenue North Anoka, Minnesota 55303 Attn: Michael Haag, Esq.

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

Section 11.4. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall constitute one and the same instrument.

Section 11.5. Recording. The City may record this Agreement and any amendments thereto with the County Recorder. The Developer shall pay all costs for recording.

Section 11.6. Attorney Fees. Whenever any Event of Default occurs and if the City shall employ attorneys or incur other expenses for the collection of payments due or to become due, or for the

enforcement of performance or observance of any obligation or agreement on the part of the Developer under this Agreement, the Developer agrees that it shall, within ten (10) days' of written demand by the City, pay to the City the reasonable fees of such attorneys and such other expenses so incurred by the City.

Section 11.7. Governing Law; Venue. This Agreement shall be construed in accordance with the laws of the State. Any dispute arising from this Agreement shall be heard in the State or federal courts of Minnesota, and all parties waive any objection to the jurisdiction thereof, whether based on convenience or otherwise.

Section 11.8. Entire Agreement. This Agreement constitutes the entire agreement between the parties pertaining to its subject matter and it supersedes all prior contemporaneous agreements, representations, and understandings of the parties pertaining to the subject matter of this Agreement. This Agreement may be modified, amended, terminated, or waived, in whole or in part, only by a writing signed by all of the parties.

Section 11.9. Disclaimer of Relationships. The Developer acknowledges that nothing contained in this Agreement nor any act by the City or the Developer shall be deemed or construed by the Developer or by any third person to create any relationship of third-party beneficiary, principal and agent, limited or general partner, or joint venture between the City and the Developer.

Section 11.10. Modifications. This Agreement may be modified solely through written amendments hereto executed by the City and the Developer.

Section 11.11. Re-execution of Documents. The City and the Developer agree to re-execute any documents which may be necessary to correct an error or to enable said document to be filed of record.

(The remainder of this page is intentionally left blank.)

CITY OF EAST BETHEL, MINNESOTA

By: _____
Its: Mayor

By: _____
Its: City Administrator

STATE OF MINNESOTA)
) ss.
COUNTY OF ANOKA)

The foregoing instrument was acknowledged before me this ____ day of _____, 2012, by Richard Lawrence and Jack Davis, the Mayor and City Administrator, respectively, of the City of East Bethel, Minnesota, a municipal corporation and political subdivision under the laws of the State of Minnesota, on behalf of the City.

_____
Notary Public

AHI INVESTMENTS, LLC

By: _____
Its: _____

STATE OF MINNESOTA)
) ss.
COUNTY OF ANOKA)

The foregoing instrument was acknowledged before me this ____ day of _____, 2012, by Paul Johnson, the Chief Manager of AHI Investments, LLC, a Minnesota limited liability company, on behalf of the company.

_____
Notary Public

EXHIBIT A

CERTIFICATE OF COMPLETION
(Minimum Improvements)

The undersigned hereby certifies that the obligations set forth in Articles III and IV of that certain document titled "Contract for Private Development," dated _____, 2012 between the City of East Bethel, Minnesota, and AHI Investments, LLC, with respect to construction of the Minimum Improvements in accordance with the Construction Plans (as defined in said Contract for Private Development), have been fully satisfied and that such obligations are hereby released and forever discharged.

Dated: _____, 20__.

CITY OF EAST BETHEL, MINNESOTA

By: _____
Its: Mayor

By: _____
Its: City Administrator

STATE OF MINNESOTA)
) ss.
COUNTY OF ANOKA)

The foregoing instrument was acknowledged before me this ____ day of _____, 20__, by _____ and _____, the Mayor and City Administrator, respectively, of the City of East Bethel, Minnesota, a municipal corporation and political subdivision under the laws of the State of Minnesota, on behalf of the City.

_____
Notary Public

This document was drafted by:
Eckberg, Lammers, Briggs, Wolff & Vierling, P.L.L.P. (AJP)
1809 Northwestern Avenue
Stillwater, Minnesota 55082
651.439.2878

EXHIBIT B

LEGAL DESCRIPTION OF THE PROPERTY

[To be provided]

EXHIBIT C

FORM OF INVESTMENT LETTER

To: The City Council of the City of East Bethel, Minnesota (the "City"); City Administrator

Re: $225,000 Tax Increment Financing Revenue Note, Series 2012

The undersigned, with regard to $225,000 in principal amount of the above-captioned Note (the "Note") pursuant to a resolution of the City Council of the City of East Bethel, Minnesota (the "Resolution"), hereby represents to you and to Eckberg, Lammers, Briggs, Wolff & Vierling, P.L.L.P., Stillwater, Minnesota, Bond Counsel, as follows:

1. We have sufficient knowledge and experience in financial and business matters, including purchase and ownership of municipal and other obligations, to be able to evaluate the risks and merits of the investment represented by the above stated principal amount of the Note.

2. We understand that the Note is payable from and only from available tax increment revenues resulting from increases in the taxable value of certain real property located in a tax increment financing district operated by the City.

3. We acknowledge that no offering statement, prospectus, offering circular or other comprehensive offering statement containing material information with respect to the City and the Note has been issued or prepared by the City, and that, in due diligence, we have made our own inquiry and analysis with respect to the City, the Note and the security therefor, and other material factors affecting the security and payment of the Note.

4. We acknowledge that we have either been supplied with or have access to information, including financial statements and other financial information, to which reasonable investors would attach significance in making investment decisions, and we have had the opportunity to ask questions and receive answers from knowledgeable individuals concerning the City, the Note and the security therefor, and that as a reasonable investor we have been able to make our decision to purchase the above stated principal amount of the Note.

5. We represent to you that we are purchasing the Note for our own accounts and not for resale or other distribution thereof.

6. We acknowledge receipt of the Note on the date hereof. We further acknowledge that the right to receive Available Tax Increment (as defined in the Note) under the Note has been assigned to us from AHI Investments, LLC, the Developer in that certain Contract for Private Development, dated as of _____, 2012, and entered into by and between the City and AHI Investments, LLC.

VILLAGE BANK

Dated: _____, 2012.

By _____
Its _____

EXHIBIT D

FORM OF MINIMUM ASSESSMENT AGREEMENT

MINIMUM ASSESSMENT AGREEMENT

BETWEEN

THE CITY OF EAST BETHEL, MINNESOTA

AND

AHI INVESTMENTS, LLC

AND CERTIFIED BY:
EAST BETHEL CITY ASSESSOR

Dated: _____, 2012

This document was drafted by:

Eckberg, Lammers, Briggs, Wolff & Vierling, P.L.L.P. (AJP)
1809 Northwestern Avenue
Stillwater, Minnesota 55082
651.439.2878

MINIMUM ASSESSMENT AGREEMENT

THIS MINIMUM ASSESSMENT AGREEMENT (the "Agreement"), made on or as of the _____ day of _____, 2012, by and between the City of East Bethel, Minnesota, a municipal corporation and political subdivision existing under the laws of the State of Minnesota (the "City"), and AHI Investments, LLC, a Minnesota limited liability company (the "Developer").

WITNESSETH, that

WHEREAS, on or before the date hereof the City and the Developer entered into a Contract for Private Development, dated _____, 2012 (the "Development Agreement"), pursuant to which the City is to provide tax increment financing assistance to certain property (the "Property") located within Development District No. 1 and Tax Increment Financing District No. 1-1 of the City; and

WHEREAS, pursuant to the Development Agreement, the Developer is obligated to construct certain improvements upon the Property, including an approximately 60,000 square foot maintenance facility (the "Minimum Improvements"); and

WHEREAS, the Minimum Improvements are to be constructed on a portion of the Property legally described in Exhibit A attached hereto; and

WHEREAS, the City and the Developer desire to establish a minimum market value for the Property and the Minimum Improvements to be constructed thereon, pursuant to Section 469.177, Subdivision 8 of the TIF Act; and

WHEREAS, the City and the City Assessor (the "Assessor") have reviewed the preliminary plans and specifications for the Minimum Improvements and have inspected the Property;

NOW, THEREFORE, the parties to this Agreement, in consideration of the promises, covenants and agreements made by each to the other, agree as follows:

1. The minimum market value which shall be assessed for ad valorem tax purposes for the Property, together with the Minimum Improvements constructed thereon, shall be $3,000,000 as of January 2, 2014, for taxes payable in 2015, notwithstanding the progress of construction of the Minimum Improvements by such date, and said minimum value shall remain in effect as of each January 2 thereafter until termination of this Agreement under Section 2 hereof.

2. The minimum market value herein shall be of no further force and effect and this Agreement shall terminate on the earlier of the following: (i) the date of receipt by the City of the final payment from Anoka County of Tax Increment from the TIF District, or (ii) the date when the Note and any interfund loan have been fully paid or defeased in accordance with their terms. The events referred to in this Section shall be evidenced by a certificate or affidavit in recordable form executed by the City.

3. This Agreement shall be promptly recorded in the Anoka County land records by the Developer by no later than December 31, 2012. The Developer shall pay all costs of recording.

4. Neither the preambles nor provisions of this Agreement are intended to, nor shall they be construed as, modifying the terms of the Development Agreement between the City and the Developer.

5. This Agreement shall inure to the benefit of and be binding upon the successors and assigns of the parties.

6. Each of the parties has authority to enter into this Agreement and to take all actions required, and has taken all actions necessary to authorize the execution and delivery of this Agreement.

7. If any provision of this Agreement shall be held invalid and unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

8. The parties hereto agree that they will, from time to time, execute, acknowledge and deliver, or cause to be delivered, such supplements, amendments and modifications hereto, and such required further instruments as may be reasonably required for correcting any inadequate, or incorrect, or amended description of the Property or the Minimum Improvements or for carrying out the expressed intention of this Agreement, including, without limitation, any further instruments required to delete from the description of the Property such part or parts as may be included with a separate assessment agreement.

9. Except as provided in Section 8 of this Agreement, this Agreement may not be amended nor any of its terms modified except by a writing authorized and executed by all parties hereto, in compliance with Section 469.177, Subdivision 8 of the TIF Act.

10. This Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

11. This Agreement shall be governed by and construed in accordance with the laws of the State of Minnesota.

12. Capitalized but undefined terms in this Agreement shall have the meanings assigned in the Development Agreement.

(The remainder of this page is intentionally left blank.)

CITY OF EAST BETHEL, MINNESOTA

By: _____
Its: Mayor

By: _____
Its: City Administrator

STATE OF MINNESOTA)
) ss.
COUNTY OF ANOKA)

The foregoing instrument was acknowledged before me this ____ day of _____, 2012, by Richard Lawrence and Jack Davis, the Mayor and City Administrator, respectively, of the City of East Bethel, Minnesota, a municipal corporation and political subdivision under the laws of the State of Minnesota, on behalf of the City.

_____
Notary Public

AHI INVESTMENTS, LLC

By: _____
Its: _____

STATE OF MINNESOTA)
) ss.
COUNTY OF ANOKA)

The foregoing instrument was acknowledged before me this ____ day of _____, 2012, by Paul Johnson, the Chief Manager of AHI Investments, LLC, a Minnesota limited liability company, on behalf of the company.

_____
Notary Public

EXHIBIT A

LEGAL DESCRIPTION OF THE PROPERTY

[To be provided]

CERTIFICATION BY CITY ASSESSOR

The undersigned, having reviewed certain plans for the Minimum Improvements, and the market value assigned to the Minimum Improvements and the Property, as described in the Minimum Assessment Agreement to which this certification is attached, states as follows:

The undersigned assessor, being legally responsible for the assessment of the Property described as:

Commonly known name of property: Aggressive Hydraulics Parcel

Legal Description of Property: See Exhibit A to Minimum Assessment Agreement

certifies that the minimum market value set forth in the Minimum Assessment Agreement assigned to such Property and Minimum Improvements is reasonable.

Nothing herein shall limit the discretion of the undersigned assessor or any other public official or body having the duty to determine the market value of the above-described Minimum Improvements and Property for ad valorem tax purposes, to assign to such Minimum Improvements and Property a market value in excess of the minimum market value specified above and in the Minimum Assessment Agreement.

All capitalized but undefined terms herein are assigned definitions as provided in that certain Contract for Private Development, dated as of _____, 2012, by and between the City of East Bethel, Minnesota, and AHI Investments, LLC.

_____
Assessor
City of East Bethel, Minnesota

STATE OF MINNESOTA)
) ss.
COUNTY OF ANOKA)

The foregoing instrument was acknowledged before me this ____ day of _____, 2012, by _____, the City Assessor of the City of East Bethel, Minnesota.

_____
Notary Public

City of East Bethel
City Council
Agenda Information

* *

Date:
October 3, 2012

* *

Agenda Item Number:
Item 7.0 A. 4

* *

Agenda Item:
Resolution 2012-64 Authorization of an inter-fund loan for advance of certain costs in connection with tax increment district No. 1-1

* *

Requested Action:
Consider approval of Resolution 2012-64 Authorizing an inter-fund loan

* *

Background Information:
The City will be expending funds for various administrative costs in TIF District 1-1, primarily costs to create the TIF district and writing of the Development Agreement. These funds will be advanced to the TIF District from the HRA Fund. The reason for the advancement to this District is that the first increments (cash) generated in the District will not occur until 2014/2015.

Attached is a "blanket" resolution authorizing an interfund loan of up to $50,000 to TIF District 1-1 to pay for these costs. The reason for this blanket interfund loan resolution is so the City will not have to complete an interfund loan every time it is going to expend administrative costs in this District. It is anticipated that the actual costs may be less than $50,000 and that the District will generate sufficient tax increment over the term (9 years) to repay the City in full.

The City will reimburse itself (the HRA fund) for the above referenced costs (as they are advanced) in the current principal amount, together with interest at the rate of 4% per annum. The interest rate is set at the statutory maximum and will not be adjusted annually.

Attachment(s):

1. Resolution 2012-64 Authorizing an Inter-fund Loan

*** ***

Fiscal Impact:
Up to $50,000 will be transferred from the HRA fund and be repaid back over the term of the TIF district from the first 10% of tax increment that is generated from the project (beginning in 2014).

*** ***

Recommendation(s):

* *

City Council Action

Motion by:_____ Second by:_____

_____

_____

_____

Vote Yes:_____ Vote No:_____

No Action Required:_____

CITY OF EAST BETHEL
EAST BETHEL, MINNESOTA

RESOLUTION NO. 2012-64

RESOLUTION AUTHORIZING AN INTERFUND LOAN FOR ADVANCE OF CERTAIN COSTS IN CONNECTION WITH TAX INCREMENT FINANCING DISTRICT NO. 1-1

BE IT RESOLVED by the City Council (the "Council") of the City of East Bethel, Minnesota (the "City"), as follows:

Section 1. Background.

1.01. The City has heretofore approved the establishment of Tax Increment Financing District No. 1-1 (the "TIF District") within Development District No. 1 (the "Project"), and has adopted a Tax Increment Financing Plan (the "TIF Plan") for the purpose of financing certain improvements within the Project.

1.02. The City has determined to pay for certain costs identified in the TIF Plan consisting of land/building acquisition, site improvements/preparation, public utilities, interest and administrative costs (collectively, the "Qualified Costs"), which costs may be financed on a temporary basis from City funds available for such purposes.

1.03. Under Minnesota Statutes, Section 469.178, Subd. 7, the City is authorized to advance or loan money from the City's general fund or any other fund from which such advances may be legally authorized, in order to finance the Qualified Costs.

1.04. The City intends to reimburse itself for the Qualified Costs from tax increments derived from the TIF District in accordance with the terms of this resolution (which terms are referred to collectively as the "Interfund Loan").

Section 2. Terms of Interfund Loan.

2.01. The City hereby authorizes the advance of up to $50,000 from the HRA fund or so much thereof as may be paid as Qualified Costs, whichever is less. The City shall reimburse itself for such advances together with interest at the rate stated below. Interest accrues on the principal amount from the date of each advance. The maximum rate of interest permitted to be charged is limited to the greater of the rates specified under Minnesota Statutes, Section 270C.40 or Section 549.09 as of the date the loan or advance is authorized, unless the written agreement states that the maximum interest rate will fluctuate as the interest rates specified under Minnesota Statutes, Section 270C.40 or Section 549.09 are from time to time adjusted. The Interfund Loan interest rate shall be 4% and will not fluctuate.

2.02. Principal and interest ("Payments") on the Interfund Loan shall be paid semi-annually on each August 1 and February 1 (each a "Payment Date"), commencing on the first Payment Date on which the City has Available Tax Increment (defined below), or on any other dates determined by the City Administrator, and continuing until unpaid principal and accrued interest on the Interfund Loan is fully retired, through the date of last receipt of tax increment from the TIF District.

2.03. Payments on this Interfund Loan are payable solely from "Available Tax Increment," which shall mean, on each Payment Date, tax increment available after other obligations have been paid, or as determined by the City Administrator, generated in the preceding six (6) months with respect to the property within the TIF District and remitted to the City by Anoka County, all in accordance with

Minnesota Statutes, Sections 469.174 to 469.1799, all inclusive, as amended. Payments on this Interfund Loan may be subordinated to any outstanding or future bonds, notes or contracts secured in whole or in part with Available Tax Increment, and are on parity with any other outstanding or future interfund loans secured in whole or in part with Available Tax Increment.

2.04. The principal sum and all accrued interest payable under this Interfund Loan are pre-payable in whole or in part at any time by the City without premium or penalty. No partial prepayment shall affect the amount or timing of any other regular payment otherwise required to be made under this Interfund Loan.

2.05. This Interfund Loan is evidence of an internal borrowing by the City in accordance with Minnesota Statutes, Section 469.178, Subd. 7, and is a limited obligation payable solely from Available Tax Increment pledged to the payment hereof under this resolution. This Interfund Loan and the interest hereon shall not be deemed to constitute a general obligation of the State of Minnesota or any political subdivision thereof, including, without limitation, the City. Neither the State of Minnesota, nor any political subdivision thereof shall be obligated to pay the principal of or interest on this Interfund Loan or other costs incident hereto except out of Available Tax Increment, and neither the full faith and credit nor the taxing power of the State of Minnesota or any political subdivision thereof is pledged to the payment of the principal of or interest on this Interfund Loan or other costs incident hereto. The City shall have no obligation to pay any principal amount of the Interfund Loan or accrued interest thereon, which may remain unpaid after the final Payment Date.

2.06. The City may amend the terms of this Interfund Loan at any time by resolution of the City Council, including a determination to forgive the outstanding principal amount and accrued interest to the extent permissible under law.

Section 3. Effective Date. This resolution is effective upon the date of its approval.

Adopted this 3rd day of October, 2012 by the City Council of the City of East Bethel.

CITY OF EAST BETHEL

_____

Richard Lawrence, Mayor

ATTEST:

_____

Jack Davis, City Administrator

City of East Bethel
City Council
Agenda Information

* *

Date:
October 3, 2012

* *

Agenda Item Number:
8.0 A. 1

* *

Agenda Item:
Building Official's Report

* *

Requested Action:
Information Item

* *

Background Information:
Attached are two reports for your review:

1.) Building Department Monthly Report for August 2012
2.) Permit and Fee Report for 2012

As indicated in the reports, the Building Official and Administrative Assistant issued 65 permits, addressed 9 code violations, handled 371 calls and e-mails, performed 72 building and 4 septic system inspections and conducted 20 meetings with homeowners and contractors.

Attachment(s):
Building Official's August 2012 Report
2012 Permit and Fee Report
Building Department 2007-2012 Revenue Report

*** ***

Fiscal Impact:
Permit fees collected through August 2012 total $82,021. Revenue for fees from this department for 2012 were projected to be $100,100. The department is on track to equal or surpass the revenue projections for 2012.

Total permit fees collected through this date in 2011 were $51,805.

*** ***

Recommendation(s):

* *

City Council Action

Motion by:_____ Second by:_____

_____

_____

Vote Yes:_____ Vote No:_____

No Action Required:_____

BUILDING DEPARTMENT MONTHLY REPORT

	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13
B.O. Phone Calls & Emails	95					
Asst. Phone Calls & Emails	276					
Code Violations	9					
Code Vio. Resolved	6					
New Home Permits	1					
Other Residential Permits	55					
New Commercial Permits	0					
Other Commercial Permits	0					
Residential Plan Reviews	4					
Septic System Permits	4					
Building Inspections	72					
Sewer Connection Permits	0					
Sewer Inspections	0					
Water Connection Permits	0					
Water Connection Inspections	0					
Code Violation Inspections	26					
Meetings with homeowners and contractors	20					
City staff meetings	4					
Other meetings	Meeting with Oak Grove					

NOTE: This report does not show time for plan reviews for any of the permits issued.

	2007 Actual	2008 Actual	2009 Actual	2010 Actual	2011 Actual	2012 Budget
R 101-32210 Building Permits	$116,969	$100,372	$65,293	$53,353	$56,506	$70,000
R 101-32212 Septic System Install	$5,150	$5,220	$8,125	$7,760	$6,800	$6,000
R 101-32230 Plumbing Connection Permits	$3,781	$1,765	$1,185	$1,515	$1,175	$1,500
R 101-32255 ROW Permits	$6,750	$7,200	$6,600	$7,500	$4,800	$5,000
R 101-34104 Bldg Plan Reviews	$46,073	$222,425	$18,073	$14,429	$17,263	$15,000
R 101-34111 Contractor License	$100	$70	$55	$15	$20	$100
R 101-34112 Septic Pumping Tracking	$4,710	$3,015	$2,825	$1,370	$3,185	$2,500
	$183,533	$340,067	$102,156	$85,942	$89,749	$100,100

CITY OF EAST BETHEL
Permits Issued & Fees Report - Summary

Issued Date From: 8/1/2012 To: 8/31/2012
Permit Type: All Property Type: All Construction Type: All
Include YTD: Yes Status: Not Voided

Permit Kind		Permit Count	Dwell Units	Valuation	Revenue	Plan Check	State Surcharge	Park Fees	SAC Units	SAC Fees	Total Fees
Permit Type: BUILDING											
COMMERCIAL ADDITION											
	Period	0									
	YTD	2	0	44,544.00	701.20	454.48	22.27				1,177.95
COMMERCIAL CERTIFICATE OF OCCUPANCY											
	Period	0									
	YTD	1	0		50.00		5.00				55.00
COMMERCIAL DECK											
	Period	0									
	YTD	1	0	6,000.00	125.25	81.41	3.00				209.66
COMMERCIAL NEW CONSTRUCTION											
	Period	0									
	YTD	2	0	2,362,510.15	12,544.45	8,152.59	1,145.00				21,842.04
COMMERCIAL SIGN											
	Period	0									
	YTD	6	0	18,891.00	477.95		9.44				487.39
RESIDENTIAL ACCESSORY BUILDING											
	Period	0									
	YTD	9	0	77,408.00	1,658.00	942.48	63.70				2,664.18
RESIDENTIAL ADDITION											
	Period	0									
	YTD	6	0	102,023.08	1,602.25	1,002.46	51.02				2,655.73
RESIDENTIAL AIR CONDITIONING											
	Period	0									
	YTD	1	0		50.00		5.00				55.00
RESIDENTIAL ALTERATION											
	Period	0									

Permit Kind		Permit Count	Dwell Units	Valuation	Revenue	Plan Check	State Surcharge	Park Fees	SAC Units	SAC Fees	Total Fees
Permit Type: BUILDING											
	YTD	3	0	50,714.00	790.00	788.00	30.36				820.36
RESIDENTIAL BASEMENT FINISH											
	Period	0									
	YTD	4	0	48,000.00	841.00	549.03	24.00				1,414.03
RESIDENTIAL DECK											
	Period	4	0		4.00		20.00				624.00
	YTD	31	0		131.00		155.00				4,936.00
RESIDENTIAL DEMOLITION											
	Period	0	0								
	YTD	2	0		100.00		10.00				110.00
RESIDENTIAL GARAGE, DETACHED											
	Period	1	0	11,500.00	210.25	136.01	5.75				352.01
	YTD	3	0	40,900.00	714.75	462.63	20.45				1,197.83
RESIDENTIAL GAS LINE INSTALLATION											
	Period	0	0								
	YTD	1	0		50.00		5.00				55.00
RESIDENTIAL HVAC											
	Period	0	0								
	YTD	10	0		501.00		50.00				551.00
RESIDENTIAL INSPECTION FEES											
	Period	0	0								
	YTD	1	0		50.00						50.00
RESIDENTIAL IRRIGATION											
	Period	0	0								
	YTD	1	0		50.00		5.00				55.00
RESIDENTIAL NEW CONSTRUCTION											
	Period	2	0	522,000.00	3,792.70	2,463.96	261.00				6,527.66
	YTD	3	0	702,000.00	5,235.45	3,401.10	351.00				9,002.55
RESIDENTIAL POLE BUILDING											
	Period	1	0	20,160.00	336.25	217.91	10.08				564.24
	YTD	5	0	97,344.00	1,599.55	1,036.45	48.67				2,684.67

Permit Kind		Permit Count	Dwell Units	Valuation	Revenue	Plan Check	State Surcharge	Park Fees	SAC Units	SAC Fees	Total Fees
Permit Type: BUILDING											
RESIDENTIAL POOL, ABOVE GROUND											
	Period	0	0								
	YTD	1	0		51.00		5.00				56.00
RESIDENTIAL PORCH OR 3 SEASON											
	Period	0	0								
	YTD	1	0	10,000.00	182.25	117.81	5.00				305.06
RESIDENTIAL REMODEL											
	Period	1	0	5,000.00	112.25	72.31	2.50				187.06
	YTD	7	0	72,900.00	1,304.45	843.33	36.45				2,184.23
RESIDENTIAL REPAIR											
	Period	0	0								
	YTD	2	0	17,500.00	336.50	217.42	8.75				562.67
RESIDENTIAL ROOFING											
	Period	27	0		2,726.00		135.00				2,866.00
	YTD	82	0		8,280.00		410.00				8,735.00
RESIDENTIAL SIDING											
	Period	3	0		243.00		15.00				258.00
	YTD	21	0		1,701.00		105.00				1,806.00
RESIDENTIAL WATER SOFTENER											
	Period	0	0								
	YTD	1	0		50.00		5.00				60.00
RESIDENTIAL WIN/DR REPLA(no opening change)											
	Period	6	0		303.00		30.00				333.00
	YTD	33	0		1,715.50		165.00				1,880.50
Permit Type: BUILDING - Totals											
	Period	**45**	**0**	**558,660.00**	**7,727.45**	**2,890.19**	**479.33**				**11,711.97**
	YTD	**240**	**0**	**3,650,734.23**	**40,892.55**	**18,049.19**	**2,744.11**				**65,612.85**

Permit Type: MECHANICAL

RESIDENTIAL AIR CONDITIONING

Permit Kind		Permit Count	Dwell Units	Valuation	Revenue	Plan Check	State Surcharge	Park Fees	SAC Units	SAC Fees	Total Fees
Permit Type: MECHANICAL											
	Period	0	0								
	YTD	3	0		150.00		15.00				165.00
RESIDENTIAL FIREPLACE/ROUGH IN											
	Period	0	0								
	YTD	1	0		50.00		5.00				55.00
RESIDENTIAL HVAC											
	Period	6	0		300.00		30.00				330.00
	YTD	31	0		1,601.00		155.00				1,756.00
RESIDENTIAL NEW CONSTRUCTION											
	Period	1	0		50.00		5.00				55.00
	YTD	1	0		50.00		5.00				55.00
RESIDENTIAL REMODEL											
	Period	0	0								
	YTD	1	0	29,000.00	431.65		14.50				446.15
RESIDENTIAL WATER HEATER											
	Period	0	0								
	YTD	2	0		100.00		10.00				110.00
Permit Type: MECHANICAL - Totals											
	Period	**7**	**0**		**350.00**		**35.00**				**385.00**
	YTD	**39**	**0**	**29,000.00**	**2,382.65**		**204.50**				**2,587.15**
Permit Type: PLUMBING											
COMMERCIAL NEW CONSTRUCTION											
	Period	0	0								
	YTD	1	0	21,000.00	210.00		10.50				220.50
COMMERCIAL REPAIR											
	Period	0	0								
	YTD	1	0	800.00	50.00		0.50				50.50
RESIDENTIAL ADDITION											
	Period	0	0								

Permit Kind		Permit Count	Dwell Units	Valuation	Revenue	Plan Check	State Surcharge	Park Fees	SAC Units	SAC Fees	Total Fees
Permit Type: PLUMBING											
	YTD	1	0		50.00		5.00				55.00
RESIDENTIAL FIREPLACE/ROUGH IN											
	Period	1	0		50.00		5.00				55.00
	YTD	1	0		50.00		5.00				55.00
RESIDENTIAL NEW CONSTRUCTION											
	Period	1	0		105.00		5.00				110.00
	YTD	3	0		240.00		15.00				255.00
RESIDENTIAL REMODEL											
	Period	2	0		100.00		10.00				110.00
	YTD	10	0		500.00		50.00				560.00
RESIDENTIAL REPAIR											
	Period	0	0								
	YTD	1	0		50.00		5.00				55.00
RESIDENTIAL WATER HEATER											
	Period	1	0		50.00		5.00				55.00
	YTD	3	0		150.00		15.00				165.00
Permit Type: PLUMBING - Totals											
	Period	**5**	**0**		**305.00**		**25.00**				**330.00**
	YTD	**21**	**0**	**21,800.00**	**1,300.00**		**106.00**				**1,416.00**
Permit Type: RIGHT OF WAY											
COMMERCIAL RIGHT-OF-WAY											
	Period	3	0		900.00						900.00
	YTD	9	0		2,700.00						2,700.00
RESIDENTIAL RIGHT-OF-WAY											
	Period	1	0		300.00						300.00
	YTD	12	0		3,600.00						3,600.00
Permit Type: RIGHT OF WAY - Totals											
	Period	**4**	**0**		**1,200.00**						**1,200.00**
	YTD	**21**	**0**		**6,300.00**						**6,300.00**

Permit Kind		Permit Count	Dwell Units	Valuation	Revenue	Plan Check	State Surcharge	Park Fees	SAC Units	SAC Fees	Total Fees
Permit Type: SEPTIC SYSTEM											
RESIDENTIAL NEW CONSTRUCTION											
	Period	0	0								
	YTD	2	0		400.00						400.00
RESIDENTIAL NEW MOUND SYSTEM											
	Period	0	0								
	YTD	1	0		200.00						200.00
RESIDENTIAL REPAIR											
	Period	0	0								
	YTD	2	0		100.00		5.00				105.00
RESIDENTIAL SEPTIC ALTERNATIVE											
	Period	1	0								200.00
	YTD	4	0								800.00
RESIDENTIAL SEPTIC AT-GRADE											
	Period	0	0								
	YTD	2	0								400.00
RESIDENTIAL SEPTIC BED											
	Period	2	0								400.00
	YTD	9	0								1,800.00
RESIDENTIAL SEPTIC MOUND											
	Period	1	0								200.00
	YTD	2	0								400.00
RESIDENTIAL SEPTIC PERMIT											
	Period	0	0								
	YTD	1	0		200.00						200.00
RESIDENTIAL SEPTIC TRENCH											
	Period	0	0								
	YTD	9	0		200.00						1,800.00
Permit Type: SEPTIC SYSTEM - Totals											
	Period	**4**	**0**								**800.00**
	YTD	**32**	**0**		**1,100.00**		**5.00**				**6,105.00**

Permit Kind		Permit Count	Dwell Units	Valuation	Revenue	Plan Check	State Surcharge	Park Fees	SAC Units	SAC Fees	Total Fees
Report Total	Period	65	0	$558,660.00	9,582.45	2,890.19	539.33				14,426.97
	YTD	353	0	$3,701,534.23	51,975.20	18,049.19	3,059.61				82,021.00

City of East Bethel
City Council
Agenda Information

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Recommendation(s):
For Information Purposes Only.
* * * *

City of East Bethel
City Council
Agenda Information

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Date:
October 3, 2012

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Agenda Item Number:
8.0 D.1

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Agenda Item:
2013 Budget

* *

Requested Action:
Continue the Review of the 2013 Preliminary Budget and Levy

* *

Background Information:
Council approved a preliminary budget and levy on September 5, 2012 and submitted this to the Anoka County Auditor. The preliminary levy will be used to provide property taxpayers with parcel specific notices in November for pay 2013 taxes. The final 2013 Budget and levy is then adopted by City Council in December. The final levy adopted in December 2012 cannot be increased from the preliminary levy, but can be reduced.

At the September 19, 2012 City Council meeting, staff was directed to include the 2013 Budget as a discussion item on the agenda for the October 3rd meeting. In order to facilitate the discussion of opportunities to explore additional budget reductions, the following are items within the preliminary budget that Council may want to consider as possible reductions:

Central Services and Supplies, Item 101-48150-421, laser-fische scanner	$1,200
Trails Capital Fund, Proposed Annual Transfer from the General Fund	$5,000
Street Maintenance, 101-43220-101, Full Time Employee*	$21,000
Fire Department, 101-42210-214, Clothing and Uniforms	$2,100
101-42210-434, Training	$2,000
City Administration, 101-41320-433, Dues and Subscriptions	$1,000
Planning and Zoning, 101-41910-431, Equipment Replacement Charge	$1,000
Risk Management,101-48140-307, Professional Service Fees**	$1,500
Engineering, 101-43110-302, Engineering Fees	$2,000
Park Maintenance, 101-43201-103, Part Time Employee	$6,290

Parks Capital Fund, Proposed Transfer from the General Fund	$25,000
Total	$68,090

*We will be losing one employee from the Public Works Department between November and January 2013. If we don't fill this position until April 1, 2013 we can save $21,000. The consequences are we will be down one employee during the snow plowing season.
** Reduction due to insurance RFP as approved by Council on September 19, 2012.

Provision of services for other municipalities could produce other potential sources of non-tax revenues. This item will be discussed as part of agenda item-Building Inspection Services for Oak Grove.

The proposals for reductions as listed above do not address the projected $91,000 bond payment deficit for 2013. Unless otherwise directed, this debt is proposed be paid from the General Fund which has an adequate reserve to pay the balance of the difference between available funds from the 2012 project cash balance carry-over ($241,812) and the projected 2013 SAC, WAC and assessment fees ($375,200) that will be derived from the Municipal Utilities Project and the bond payment of $708,388.

Attachment(s):
General Fund Revenue Summary
* * * *

GENERAL FUND REVENUE SUMMARY

	2010 Actual	2011 Actual	2012 Final Budget	May 2012 YTD	2013 Proposed Budget	2013 vs. 2012
FUND 101 GENERAL FUND						
R 101-31010 Current Ad Valorem Taxes-LL	$4,583,900	$4,428,762	$4,191,470	$0	$4,162,317	
R 101-31810 Franchise Taxes	$35,945	$37,875	$35,000	$13,070	$37,000	
R 101-32110 Alcoholic Beverages	$25,588	$29,795	$25,000	$21,430	$29,000	
R 101-32120 Garbage Hauler's License	$1,800	$1,800	$1,800	$0	$1,200	
R 101-32130 Contractor's License	$25	$20	$50	$0	$50	
R 101-32130 Tobacco Sales Licenses	$2,850	$3,300	$3,000	$0	$3,000	
R 101-32180 Other Permits/Licenses	$5,995	$4,188	$5,000	$1,050	$4,000	
R 101-32210 Building Permits	$53,353	$57,487	$70,000	$31,819	$60,000	
R 101-32212 Septic System Install	$7,760	$6,800	$6,000	$3,100	$6,500	
R 101-32230 Plumbing Connection Permits	$1,515	$1,175	$1,500	$795	$1,200	
R 101-32255 ROW Permits	$7,500	$4,800	$5,000	$4,500	$5,000	
R 101-33000 Misc Intergovernmental	$0	$15,260	$4,000	$0	$4,000	
R 101-33404 PERA Aid	$2,123	$2,123	$2,123	$0	$2,123	
R 101-33418 Muni State Aid St Maintenance	$167,531	$182,423	$182,422	$89,973	$175,000	
R 101-33420 State Aid-Fire Relief	$40,985	$39,383	$40,103	$0	$39,383	
R 101-34103 Zoning and Subdivision	$2,760	$4,396	$4,000	$3,405	$4,000	
R 101-34104 Bldg Plan Reviews	$14,429	$17,263	$15,000	$12,279	$15,000	
R 101-34105 Sale of Maps and Publications	$127	$144	$150	$75	$150	
R 101-34107 Assessment Search Fees	$160	$80	$60	$60	$60	
R 101-34109 Other General Gov't Charges	$51,351	$37,548	$93,000	$7,084	$93,000	
R 101-34110 Election Filing Fees	$35	$0	$20	$0	$0	
R 101-34111 Contractor License	$15	$20	$100	$45	$50	
R 101-34112 Septic Pumping Tracking	$1,370	$3,185	$2,500	$585	$2,500	
R 101-34202 Fire Protection Services	$6,285	$3,600	$4,000	$0	$3,000	
R 101-34940 Cemetery Revenues	$11,600	$8,775	$3,000	$600	$5,000	
R 101-35100 Court Fines	$56,369	$49,292	$58,000	$20,989	$50,000	
R 101-35105 Tobacco Violation Fines	$350	$0	$100	$150	$100	
R 101-35106 Liquor Violation Fines	$1,800	$500	$0	$250	$500	
R 101-36210 Interest Earnings	$3,985	$1,715	$5,000	$2,832	$2,000	
R 101-36220 Other Rents and Royalties	$9,230	$6,033	$7,500	$5,922	$6,000	
R 101-36240 Refunds and Reimbursements	$33,729	$34,674	$31,000	$16,344	$32,000	
TOTAL GENERAL FUND	$5,130,465	$4,982,416	$4,795,898	$236,357	$4,743,133	-1.10%
TAX SUMMARY						
R 101-31010 Taxes, General Fund	$4,532,030	$4,681,345	$4,191,470	$0	$4,162,317	
R 101-31010 Taxes, 2005 Public Safety Bonds	$144,457	$144,756	$147,328	$0	$149,638	
R 101-31010 Taxes, 2008 Sewer Revenue Bonds		$109,500	$158,000	$0	$180,000	
Total Proposed Levy	$4,676,487	$4,935,601	$4,496,798	$0	$4,491,955	-0.11%
City HRA Levy	$0	$126,058	$0	$0	$0	
County HRA Levy	$135,566	$187,920	$0	$0	$0	
City EDA Levy	$0	$0	$163,428	$0	$144,670	
Total Levies, City & Special Levies	$4,812,053	$5,249,579	$4,660,226	$0	$4,636,625	-0.51%

City of East Bethel
City Council
Agenda Information

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Date:
October 3, 2012

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Agenda Item Number:
Item 8.0 E.1

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Agenda Item:
Cooper's Lake Dock Ordinance

* *

Requested Action:
Consider amending City Ordinance Section 78-29 affecting private docks on City property

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Background Information:
Currently under City Ordinance Section 78-29, the City prohibits the placement of private docks on City property. Residents who own property adjacent to Cooper's Lake have requested permission to place docks on the parcel of public property that separates their lot from the open water around the eastern half of Cooper's Lake. To do so would require amending the current ordinance. If the ordinance is amended, a total of up to twelve properties could potentially apply for a dock permit on Cooper's Lake.

Staff has researched ordinances of other municipalities who allow such placements and have developed a draft ordinance to amend the current ordinance. The draft ordinance specifies Cooper's Lake only. There may be other bodies of water with public land adjacent to it that could potentially fall under the amended ordinance, but would have to be addressed individually and named specifically in the ordinance.

Staff is seeking input as to if the dock placements should be allowed and the ordinance amended, and if so, if any changes should be made to the draft ordinance to address any other possible concerns.

A sample application form has also been provided. The fee for the application can be determined if any changes are recommended to the current ordinance.

Attachment(s):

1) Ordinance 78-29 Prohibiting Docks on Private Property
2) Draft ordinance amendment permitting the placement of private docks on City property surrounding Cooper's Lake
3) Draft application permit for placement of private docks on City property
4) Map of Cooper's Lake

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Fiscal Impact:

None at this time. Possible revenue from permit fees if ordinance is amended.
* * * *

Sec. 78-29. - Private docks on city property.

(a)

Purpose. It is the intention of the city council to eliminate and prohibit privately owned docks, wharves, and similar structures on or projecting from property owned by the city or upon waters adjacent to property owned by the city.

(b)

Prohibition. No person may keep or maintain a dock, wharf or similar structure on or projecting from property owned by the city or upon waters adjacent to property owned by the city on or after May 1, 1999. Existing docks, wharves, or similar structures on or projecting from property owned by the city or on waters adjacent to property owned by the city will be removed no later than April 30, 1999. All such structures remaining after such date must be removed by the city and the residue will be sold or otherwise disposed of as provided by state statutes. All property attached or fastened to such a dock also will be sold or otherwise disposed of in accordance with state statutes. In the event the city suffers a cost of storage and/or sale which is not recovered from the sale, the city may maintain a cause of action against the owner of the dock and/or property to recover the remaining balance.

(Ord. No. 54C, § 1, 11-4-1998)

CITY OF EAST BETHEL
ANOKA COUNTY, MINNESOTA

ORDINANCE NO. 40, SECOND SERIES

AN ORDINANCE AMENDING SECTION 78-29 OF THE CODE OF ORDINANCES OF THE CITY OF EAST BETHEL, AFFECTING PRIVATE DOCKS ON CITY PROPERTY

The City Council of the City of East Bethel, Anoka County, Minnesota does hereby ordain as follows:

Section 1. Amendment. Section 78-29 of the Code of Ordinances of the City of East Bethel is hereby amended to delete the same in their entirety and substitute the following therefor:

SEC. 78-29. PRIVATE DOCKS ON CITY PROPERTY.

(a) ***Permit Required.*** No person shall construct, install, or maintain a dock, wharf, or similar structure on public property or upon public waters abutting public property without first obtaining a permit from the City of East Bethel.

(b) ***Term.*** Permits shall be issued on an annual basis and shall expire on November 30th of each year.

(c) ***Inspection.*** All docks shall be subject to an annual inspection by the City of East Bethel. If a dock does not meet the minimum requirements as listed in this ordinance, it shall be immediately brought into compliance by the permit holder or the permit shall be revoked.

(d) ***Fee.*** Application fees for dock permits shall be set annually by the East Bethel City Council.

(e) ***Application.*** An application for a permit must include the following:

(1) Name, Address, and Telephone number of the dock owner.

(2) Signature upon application binding the applicant to defend, indemnify, and hold the City of East Bethel harmless for any and all claims arising out of the existence of the dock.

(3) Provide proof of liability insurance as required in this ordinance.

(f) ***Restricted Placement.*** No private docks will be allowed on public property or allowed to be accessed through public property, except for the following location:
Cooper's Lake via John Anderson Memorial Park (Non-Motorized Use Only)

(g) ***Requirements.*** The following requirements must be provided and in place prior to the issuance of a dock permit.

(1) The permit holder must provide and install warning signs indicating "Private Property" or "No Trespassing".

(2) The permit holder must, at all times during the period of the permit, maintain liability insurance naming the City of East Bethel as an additional insured in a minimum amount of $1,500,000 (per Minnesota State Statute). The permit holder must immediately notify the City of East Bethel if this insurance is cancelled or lapses for any reason.

(3) The permit holder must defend, indemnify, and hold the City of East Bethel

harmless for any and all claims arising out of the existence of the dock.

(4) Docks must be structurally secure, being free of rotting, decaying, or severely distressed materials.

(5) No permanent or temporary structures may be located along the lake bank (examples include, but are not limited to; boat houses, fish houses, etc.)

(6) The permit holder must have their permit affixed to their dock at all times.

(h) ***Removal.*** In the event that any permit holder or non-permit holder is in violation of this ordinance, the City of East Bethel shall have the right to remove a dock or other personal property from the lake or public right-of-way after providing seven (7) days notice to the owner. All such structures remaining after such date will be removed by the City and the residue will be sold or otherwise disposed of as provided by state statutes. All property attached or fastened to such a dock and unclaimed by the owner thereof also will be sold or otherwise disposed of in accordance with state statutes and/or City policy. In the event the City suffers a cost of property storage and/or sale which is not recovered from the sale, the City may maintain a cause of action against the owner of the dock and/or property to recover the remaining balance.

(i) ***Duration and Effect.*** This ordinance does not provide anyone with any rights, other than those stated herein, on an annual basis. Each dock permit must be renewed by a separate application in each calendar year that terminates (as indicated above) on November 30th of each said year. The City of East Bethel has unlimited discretion and right, to not allow the installation of docks on the public property hereinabove stated at any time hereafter, except that if such decision to not allow docks is made during a calendar year prior to November 30th, the City shall give any permittee sixty (60) days prior written notice to remove its dock.

Section 2. Effective Date. This Ordinance shall be in full force and effect from and after its passage and publication according to law.

Adopted by the City Council of the City of East Bethel, Minnesota, this 3rd day of October, 2012.

For the City:

_____

Richard Lawrence, Mayor

Attest:

_____

Jack Davis, City Administrator

Adopted: October 3, 2012
Published: October 12, 2012
Effective: October 12, 2012

Dock Permit Application

City of East Bethel
2241 221st Ave NE
East Bethel, MN 55011
Phone: 763-367-7840
Fax: 763-434-9578
www.ci.east-bethel.mn.us

Application Fee: $0.00

APPLICANT: _____

ADDRESS: _____

CITY, STATE, ZIP: _____

PHONE #: _____ OTHER #: _____

DESCRIPTION OF DOCK: _____

_____

Please certify your agreement with the following provisions by initialing:

_____: I have received a copy of the City of East Bethel's Ordinance relating to docks on Cooper's Lake.

_____: I will, by the time of inspection of the dock, have installed warning signs indicating "No Trespassing" or "Private Property" on the dock.

_____: I agree to have and maintain at all times during the period of the permit, liability insurance naming the City of East Bethel as an additional insured in a minimum amount of $1,000,000 (per Minnesota State Statute). I must immediately notify the City of East Bethel if this insurance is cancelled or lapses for any reason. A copy certifying this insurance coverage is included with this application.

_____: I agree to defend, indemnify, and hold the City of East Bethel harmless for claims arising out of the existence of the dock and devices used to provide access to the dock.

_____: I acknowledge that in obtaining a dock permit, the City of East Bethel makes no warranty regarding the overall safety of the dock. It is the applicant's responsibility to ensure proper maintenance and care of the dock and devices used to access the dock.

_____ _____

Applicant (Signature) Date

For Office Use Only

Application Received: _____ Permit #: _____ Expires: November 30, _____

Coopers Lake

Disclaimer: This information is being distributed as demonstration data only. You should not use the data for any other purposes at this time. This information is to be used for reference purposes only.
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Printed 09/05/2012

City of East Bethel
City Council
Agenda Information

* *

Date:
October 3, 2012
* *

Agenda Item Number:
Item 8.0 E.2
* *

Agenda Item:
Cemetery Regulations
* *

Requested Action:
Consider adopting the City Cemetery Regulations
* *

Background Information:
The City of East Bethel currently owns, operates, and maintains three cemeteries within the city limits. Oak Leaf Cemetery, Old Bethel Cemetery, and East Bethel Cemeteries are all active cemeteries that require regular maintenance, grave opening and closing services during all seasons, and annual tree trimming and leaf collection. Staff would like to formalize a uniform set of regulations guiding the use and maintenance of these public properties.

Currently city staff is responsible for receiving and processing requests for purchasing cemetery plots, processing and planning grave openings, digging the burial or cremation plot, closing the plots after the burial ceremony, and maintaining the grounds of the cemetery. Opening and closing of the burial plots can occur during any season and on any day of the week. During winter months, the ground must be thawed by propane heater before the digging can take place. Weekends, evenings, and holiday burials require a staff person to work overtime for the closing of the grave.

The use of decorations and plantings around the plots is a concern that requires a definitive set of guidelines as to permissible uses. Monument repair and responsibility is another issue that needs to be addressed to clearly define the expectations of the City. Having a uniform set of cemetery regulations will also help with the processing and planning of the burial locations as well.

Attached is a proposed set of cemetery regulations that has been prepared to address the concerns that staff constantly deals with in maintenance of these properties.

The Park Commission has reviewed the proposed cemetery regulations and recommended adding the section on monuments for future, unsold plots. Their recommendation is to only allow monuments/markers that are at or below ground level so that maintenance activities can be performed with fewer obstructions. Existing plots and plots that have been sold but have not been used yet would still be permitted to place monuments/markers that are above ground level.

Attachment(s):

1) Proposed Cemetery Regulations

* *

Fiscal Impact:
None at this time.

* * * *

City of East Bethel

Cemetery Regulations

The purpose of these regulations is to provide a uniform set of rules for the use and visitation of the public cemeteries within the City of East Bethel. The regulations are designed to help improve the appearance and reduce the maintenance requirements for the cemeteries while maintaining respectful grounds for the deceased.

Management

1) Oak Leaf Cemetery, Old Bethel Cemetery, and East Bethel Cemetery are owned and operated by the City of East Bethel.
2) The City of East Bethel is responsible for the selling and recording of all plots.
3) The City of East Bethel is responsible for the opening and closing of all plots. The City of East Bethel is responsible for the maintenance of the cemetery grounds.
4) Prices for plots, plot digging, and other services provided at the city cemeteries are established in the annual fee schedule adopted by the East Bethel City Council.

Visitor Rules

1) Cemetery visitors will be allowed in the cemetery from sunrise to sunset.
2) No pets are allowed on the cemetery grounds.
3) No motorized vehicles will be allowed off designated roadways at any time with the exception of city maintenance personnel, monument setters, and vault company employees.
4) Any person disturbing the tranquility of the cemetery by noise or other improper conduct will be asked to leave the grounds or be subject to penalties.
5) All visitors are reminded that the cemetery is considered sacred ground for the deceased, and that a strict observance of all propriety and respect due such a place will be required.

Burial Rules

1) No interment shall take place without all laws of the State of Minnesota and the City of East Bethel having been complied with.
2) 72 hours notification will be required for grave opening services.
3) Interment will not be allowed unless in a cement or steel vault, excluding cremations.
4) Two adult interments in one grave (one on top of another) will not be permitted. An infant child or cremation will be allowed at the foot end of an adult grave.
5) For record keeping purposes and identification, cremated remains should not be buried on top of a vault. Only two cremated remains may be buried on a burial site. Center of location is to be 2.5’ from the side of the plot and 3’ from the end.

Monuments (Plots sold before October 3, 2012)

1) While reasonable care will be taken to protect monuments and markers, the City of East Bethel is not responsible for the damage done to monuments or property. Stone monuments are considered private property of the relatives of the deceased and they are therefore responsible for their care.
2) All monuments must have a cement base with a minimum 4” margin around the headstone and the base shall be inside of the lot line.
3) All large headstones are to be set on the west edge of the lot.
4) All markers placed on the east end (foot end) of the grave must be flush to the nominal ground level. At no time will above ground markers be allowed on the east end of a grave.
5) All monuments shall be of good grade marble, granite, or bronze materials built by reputable companies. All foundations for monuments and other structures must be of sufficient depth into the ground in order to support it.
6) All monuments must be set in line with other monuments so far as possible.

Monuments (Plots sold after October 3, 2012)

1) All markers, both headstones and footstones, must be flush to the nominal ground level.
2) While reasonable care will be taken to protect markers, the City of East Bethel is not responsible for the damage done to markers or property. Stone markers are considered private property of the relatives of the deceased and they are therefore responsible for their care.

Privileges and Restrictions for Plot Owners

1) No tree or shrub shall be planted, removed, cut down or trimmed on cemetery grounds without permission of the Public Works Manager.
2) All newly placed flowers, whether real or artificial, must be in approved above ground pot stands.
3) Grave decorations will be allowed for placement on ground only if kept within on foot of grave markers for the period of two weeks prior to Memorial Day and one week following Memorial Day. Following the final allowed date for such decorations, maintenance staff will remove and dispose of those not in approved stands.
4) At no time will jars, tin cans, unsightly plastic containers, fences, retaining walls, or any other objects be allowed in the cemeteries.
5) Perpetual care of cemeteries which cover mowing, tree trimming, grass trimming, and leaf removal will be assumed by city maintenance staff only.

City of East Bethel
City Council
Agenda Information

* *

Date:
October 3, 2012
* *

Agenda Item Number:
Item 8.0 G. 1
* *

Agenda Item:
Building Official and Inspection Services Contract
* *

Requested Action:
Consider the approval of contracting Building Official/Inspection Services to the City of Oak Grove
* *

Background Information:
The City of Oak Grove has indicated an interest in contracting Building Official and Inspection services from the City of East Bethel. There been three meetings with Oak Grove City Administrator, Rick Juba, to discuss this matter over the past few months. Mr. Juba was invited as an observer and did attend the interview process for the selection of our Building Official in July of this year. This was to provide the City of Oak Grove with some familiarity with the selection process and the candidate that was eventually recommended for hire as our Building Official.

Exploration of the potential of contracting building inspection services has been endorsed by the Oak Grove City Council and they are waiting on a proposal from the City of East Bethel to consider their decision to move forward on this matter. Oak Grove currently contracts this service with Inspectron, Inc. Oak Grove has expressed an interest to contract this service with East Bethel due to the excellent working relationship between our Cities, our common geography and an expectation of better services on their behalf.

Attached is the current contract between Oak Grove and Inspectron. Unless Council or the City Attorney recommend any changes, this document would be the template for a proposed contract with Oak Grove for the Building Official and Inspection Services Agreement. When reviewing the hourly charges stated in the attached contract, our cost for wages and benefits for our Building Official are $48.20/hr. and our proposed costs for a Building Inspector will be $35.60/hr. As part of our proposal and at Oak Grove's request, we would provide office hours at the Oak Grove City Hall from 8:30 to noon, one day per week or provide the same number of hours at another time that is mutually agreeable to both parties.

In order to provide this service to Oak Grove, the City would have to continue our current Building Inspectors position. Funding for this position is provided in the preliminary 2013 Budget. In the event that an agreement for services is not executed with Oak Grove, the City of East Bethel would need, at a minimum, a portion of this position to address the work load within our own Building Department. Entering into this agreement with Oak Grove would assure funds

to cover this as a full time position. $74,000 for wages and benefits has been budgeted for this position for 2013.

Nick Schmitz, the City Building Official, has been involved with the meetings and discussions of this proposal with Oak Grove. Mr. Schmitz sees no issues or reductions in services to East Bethel residents with this agreement provided we continue the position of City Building Inspector.

Attachment(s):
Sample Contract and Proposal for Services
* * * *

BUILDING OFFICIAL AND INSPECTION SERVICES CONTRACT

This agreement is entered into this 9th day of May 2011 by and between Inspectron Inc., a Minnesota corporation with its principle place of business located 15120 Chippendale Ave., Rosemount, MN 55068 (hereinafter "Inspectron") and Oak Grove MN a Statutory Minnesota City, with its principle offices located at 19900 Nightingale Street NW Cedar, MN 55011 (hereinafter "City").

WHEREAS, the City has enacted the Minnesota Building Code (the "Code");

WHEREAS, the City requires designation of a building official, provision of building inspection services to ensure compliance with the Code, and provision of Subsurface Sewage Treatment System ("ISTS") inspections and services;

WHEREAS, Inspectron and or its employees are licensed to serve as the City's building official and provide such inspection services;

WHEREAS, the City desires to enter into an agreement for the purchase of building official and building inspection services with Inspectron; and

WHEREAS, Inspectron desires to provide such services to the City.

NOW THEREFORE, upon adequate consideration, the receipt and sufficiency of which is acknowledged, the parties hereto agree as follows:

1. **Inspection services**. During the term of this agreement, Inspectron agrees to perform inspection services as outlined in the proposal dated March 18, 2011 (attached hereto as Exhibit A), and as further detailed below:

   a. Provide all services necessary to fulfill designation as the City's building official;
   b. Provide Code inspections as required by Minnesota Statutes and local ordinance;
   c. Provide re-inspections as required;
   d. Issue occupancy permits upon final completion of the structure;
   e. Review building plans for compliance with building code requirements;
   f. Review ISTS designs for compliance with MN Rules 7080 and local ordinance, approve designs for installation; complete all required paperwork associated with ISTS installations; and
   g. Provide ISTS inspections as required by applicable law and local ordinance.

Inspectron further agrees to assist in zoning enforcement matters as requested, including making interpretations, inspecting non-compliant sites, notifying violators, and follow-up as necessary to gain compliance. Such zoning enforcement work shall be compensated at the hourly rate for additional services as indicated in Exhibit A.

2. **Condition of Inspection Services**

   a) City agrees to provide Inspectron with access to pertinent information, records, systems and data, as determined necessary in the discretion of Inspectron. The city shall provide all required forms. Inspectron shall assist in the responsibilities of administration and enforcement of its zoning ordinance by reviewing all building permits for final zoning approval and land use. City shall hold Inspectron harmless and indemnify Inspectron from any and all claims that arise or may arise from zoning, land use, ordinances or incomplete or incorrect information on the permit application. Such indemnification and hold harmless shall specifically include damages, claims costs and reasonable attorney fees.

b) Inspectron shall perform the services under this contract at such location and at such times as Inspectron deems appropriate while providing the coverage requested by the City.

c) Inspectron shall provide all tools, transportation, and communication devices it deems necessary to carry out the field services of this agreement.

d) Inspectron agrees to proceed diligently and in accordance with its usual course and manner of business. Inspectron may at its discretion retain subcontractors in the performance of this agreement. Inspectron shall notify the City in the event a sub-contractor will be used. Inspectron agrees to perform additional services, to which the parties agree during the term of this contract under the terms and conditions of this agreement.

3. **Term of Agreement.** This agreement is effective commencing May 9, 2011 and shall consist of a period of twelve months of service. This agreement may be extended, in writing, upon the terms and conditions contained herein.

4. **Payment.** In consideration of such consulting work, the City agrees to pay to Inspectron under the following schedule:

a) In accordance with the proposal attached as Exhibit A.

Hourly charges are inclusive of equipment charges, communication charges and overhead.

Work will be billed on a monthly basis and shall be due and payable upon receipt of such billing. The City upon receipt of such billing shall pay within 30 days.

Payments more than 30 days delinquent shall accrue a 1.5 percent monthly finance charge.

5. **Modification of Proposal.** Notwithstanding the terms outlined in the proposal attached as Exhibit A, the City does not by this Agreement, contract with Inspectron for a minimum number of hours per week. The number of hours required of Inspectron inc. shall be at the sole discretion of Inspectron while providing the time necessary to carry out the terms of this agreement

6. **Confidentiality.** City agrees that it will not reveal divulge or make known to any person, firm, or corporation any secret or confidential information during or after the term of this agreement. Confidential information shall be defined as knowledge, systems, practices or other information submitted in writing or other tangible form designated as confidential by Inspectron. The City shall use such confidential information for the limited purposes of this agreement.

7. **Relationship.** Nothing in this agreement shall be construed to create employment, a partnership, joint venture, license or agency relationship and neither party shall have the right or authority to bind the other. For the purpose of this Agreement, Inspectron shall be deemed an independent contractor. Inspectron employees shall not be entitled to any employment benefits customarily given to City employees.

8. **Inspectron Employees.** The City agrees that it will not hire any of Inspectron's employees, who have provided services under this agreement, during the term of this contract or for a period of one year after the expiration or termination of this agreement, without the express written consent of Inspectron. In the event the City hires such Inspectron employee(s) (with or without express written consent of Inspectron); the City shall notify Inspectron and pay a fee of ten (10%) percent of the employee's 1st year annual salary with the City. Such payment shall be due upon the commencement of employment with the City.

9. **Termination.** This agreement may be terminated by either party upon thirty (30) days written notice. Such termination shall not affect the rights and obligations of the parties accrued prior to the termination date or rights under paragraph 3 and 4.

10. **Assignability**. This agreement shall not be assignable by either party without the written consent of the non-assigning party.

11. **Law.** This contract shall be governed by the law of the State of Minnesota. The parties agree that the venue of any legal action arising under the agreement shall be Anoka County, Minnesota. The parties further agree that in the event either party brings an action against the other to enforce any condition or covenant of this agreement the prevailing party shall be entitled to recover its court costs and reasonable attorney fees in the judgment rendered in such action.

12. **Severability**. If any provision of this agreement shall be held by any court to be illegal, invalid or unenforceable, such provision shall be construed and enforced as if it had been more narrowly drawn so as to be legal, valid or enforceable. Such illegality, invalidity or unenforceability shall not have effect upon or impair the enforceability of any other provision of this agreement.

13. **Indemnification**. Inspectron shall indemnify, hold harmless the City its officers and employees against any and all liability, loss, cost, damages, expenses, claims or actions resulting from omission or negligent acts of Inspectron employees during the performance of this Agreement.

The City shall indemnify, hold harmless Inspectron its officers and employees against any and all liability, loss, cost, damages, expenses, claims or actions resulting from omission or negligent acts of City employees during the performance of this Agreement.

Inspectron shall further indemnify the City against all liability and loss in connection with, and shall assume full responsibility for, payment of all federal, state and local taxes or contributions imposed or required under employment insurance, social security and income tax laws with respect to Inspectron employees engaged in performance of this Agreement.

14. **Entire Agreement**. This agreement constitutes the entire agreement between the parties. This agreement may be amended only by written agreement of both the City and Inspectron.

IN WITNESS WHEREOF, the parties hereto have executed this agreement on the day and year first written above.

City

By: _____
Its: Mayor

Inspectron, Inc.

By: Ron Raymond
Its: President

Attest:

By: _____
Its: City Clerk

EXHIBIT A

Inspectron Inc.

Mission Statement

"To deliver cost-effective, professional and comprehensive building inspection, plan review and project management services that ensure safe homes, businesses and communities"

Proposal for Building Inspection Services

To

City of Oak Grove
Anoka County
State of Minnesota

March 18, 2011

Proposal

Building Inspection Scope of Services

Inspectron will provide full Building Code Administration, Onsite Sewage Treatment Service administration and Zoning Enforcement. This shall include but not be limited to full building department administration, plan review, permit issuance, field inspections, correction notice issuance and re-inspection, certificate of occupancy issuance, monthly, quarterly and annual reports to City Clerk, City Council and outside agencies. We will also interact with project developers, contractors and general public on specific project issues; complaints; and code questions. Inspectron Inc. will calculate the project valuation for determination of state surcharge and building permit fees for every valuation based permit.

Residential service shall be considered 1 & 2 family dwelling units. Any structure containing more than 2 dwelling units shall be considered commercial buildings.

Permits will be issued for all construction work as required in MN State Building Code Chapter 1300.00120. These permits will include but not be limited to:

1. New construction, addition, alteration, repair, remodel, modification, demolition, or moving of all non-residential and accessory structures.
2. Roofing, siding, window replacement.
3. Signs
4. Plumbing new, addition, alteration, remodel, repair or modification.
5. Mechanical new, addition, alteration, remodel or modification.
6. Fire Suppression Systems
7. Fire Alarm Systems

The service will also include coordinating with the planning department for review of permit applications with the City's Zoning ordinance and land use compliance. This will involve routing all permit applications to the planners for compliance with setback dimensions, lot coverage limits and minimum lot dimensions. The project will be field inspected by Inspectron Inc. to insure compliance with the Zoning Ordinance dimensional standards.

The average turn around time for all non-maintenance projects will be 5–7 days after receipt of all necessary information. Project proponents will be encouraged to use handout materials from Inspectron's website for completion of project plans to avoid delays and "code surprises" upon application for building permit.

A plan submittal checklist will be provided to all permit applicants outlining required submittals to accompany the application. Written plan review comments are provided to every applicant when plan review is performed.

Our office receptionist will schedule all inspections when the permit holder calls Inspectron's Rosemount office at 1-800-322-6153 or 651-322-6626. A 24-hour notice is

required for all inspection. All inspections will be scheduled within 24 hours of the time requested.

Computerization

Inspectron Inc. utilizes Permit Works to track permit and inspection activity. Inspectron will create a data base within its software by obtaining a complete property data base download from Anoka County and setting up the permit and inspection sets within the data base. This permit software will be utilized for all residential and non-residential permits issued.

Computerized permits and inspection cards will be generated with the approval and release of all building permits.

Computerized permit activity and inspection activity reports will be provided with the monthly billing for City Clerk and Council review.
A copy of the monthly permit activity report will be submitted to the County Assessor when requested.

Inspectron will prepare the electronic surcharge reports for submittal to the State Treasurer. The City shall forward the report with appropriate fees.

Inspectron, Inc. will provide effective, efficient and expedient service by utilizing its team of inspectors and plan review staff for inspections and plan reviews. Additional staff will be hired to supplement as needed. Ron Wasmund will serve as the Building Official of Record. Ron Wasmund will also serve as the Project Manager.

Fee Schedule

Inspectron Inc. proposes to use the 1997 UBC Table 1-A fee schedule to establish building permit fees. Inspectron Inc. will review the fee schedule with the City Clerk regularly for conformity with the needs of the City.

The building permit fee will be calculated on the valuation of the proposed project. The building official will calculate the project valuation using the Construction Cost Data published by the State Building Codes and Standard Division annually around the month of May.

Not followed

A plan review fee of 65% of the building permit fee will be charged for every project which in the sole discretion of the building official requires a plan to be submitted to demonstrate or clarify the project being permitted.

In addition to the building permit and plan review fees the applicant must also pay a surcharge fee in accordance with Minnesota Statutes 16B.70

Separate plumbing and mechanical permits will be required in addition to the building permit for all construction projects that involve installation or changes to the plumbing and mechanical systems.

Over the Counter Permits
Inspectron will develop an over the counter permits for the immediate issuance of minor maintenance permits such as roofing, siding, windows, furnace and water heater replacement. Inspectron Inc will authorize and train designated City staff for the issuance of the OTC permits if desired. Costs associated with printing the carbonless reproduction forms shall be the responsibility of the City.

Terms
Payment for permits will be made by the applicants directly to the City. If authorized Inspectron Inc. will accept the payment for the City with all checks made payable to the City of Oak Grove.

Inspectron will have personnel available as needed 5 days per week to cover the building inspection services outlined in the Building Inspection Scope of Services. This schedule will be adjusted as necessary to meet the needs of the public and City staff.

Inspectron, Inc. will provide the services listed in the Building Inspection Scope of Services for 70% of the building permit fee plus 100% of the plan review fee. Services will be billed to the City on a monthly basis. A report of all building permit activity will be provided with the billing

All transportation, communication, tools and insurance costs will be the direct responsibility of Inspectron, Inc. All records will be maintained in accordance with the City's adopted record retention schedule, at the office of Inspectron, Inc. The records will be available to the City for examination at anytime during normal business hours or any other pre-arranged time. Records for all closed projects will be delivered to the City on a quarterly basis.

Inspections requested outside of normal business hours, M-F 8:00 a.m. to 5:00 p.m. will be billed to the contractor at $60.00 per hour in addition to the permit fee. A 1-hour minimum will apply. Inspectron Inc. will retain 100% of this fee.

Additional plan review required by changes, additions or revisions to an approved plan will be billed to the contractor at $60.00 per hour in addition to the permit fee. A 1-hour minimum will apply. Inspectron Inc. will retain 100% of this fee. Minor adjustments or changes to the plan that do not affect the scope or structural elements of the project will not require additional review.

Inspectron will bill the City an hourly rate of $55.00 per hour for all other services requested by the City.

Inspectron Inc. at the direction of the City Council will also perform General Nuisance zoning enforcement and assist the City with development of a procedure and necessary forms to carry out this responsibility. This will include any junk and blight sweeps made in residential neighborhoods.

Inspectron Inc. will provide Fire suppression plan review and inspection on all systems that may be required by the Building or Fire code. We will do this work as required for the hourly rate of $55.00.

The terms of this agreement will be reviewed and adjusted on an annual basis. Reduction in contract fee terms shall be sufficient cause for immediate termination of the service contract at Inspectron's discretion.

Respectfully Submitted,

Ron Wasmund

Ron Wasmund
President
Inspectron Inc.

BUILDING INSPECTION AND RELATED SERVICES
CONSULTANT INFORMATION SHEET

1. Trade Name of Business:

   Inspectron Inc .

2. Legal Name of Business (if the Trade Name is an Assumed Name):

   Inspectron Inc.

3. Business Address:

15120 Chippendale Ave .	Rosemount	MN	55068
Street	City	State	Zip

4. Business Telephone: (Please list all applicable phone numbers in which you can be reached regarding this application):

   651-322-6626 Cell 612-719-3370

5. Name(s) of Person(s) Authorized to Represent the Business:

Name	Title
Ron Wasmund	President
Patti Wasmund	Business Manager

City of East Bethel
City Council
Agenda Information

* *

Date:
October 3, 2012

* *

Agenda Item Number:
Item 8.0 G.2

* *

Agenda Item:
URRWMO Vacancy

* *

Requested Action:
Consider requesting applications for the URRWMO vacancy

* *

Background Information:
Jarod Trost has resigned from his position as an East Bethel representative on the Upper Rum River Watershed Management Organization (URRWMO). The following excerpt from the WMO by-laws outlines the procedure for appointments:

"Upper Rum River Watershed Management Organization
2.1 Establishment: There is hereby established the "Upper Rum River Watershed Management Organization" whose membership shall be appointed in accordance with the provisions of this section and whose duties shall be to carry out the purposes contained herein. The Upper Rum River Watershed Management Organization (hereinafter "Organization") shall be constituted as described in Section 2.2.

2.2 Membership Appointment: Each party to this Agreement shall appoint two (2) representatives to serve as members of the Organization board. Each representative of a party to this agreement who is current in the payment of their share of operating expenses shall have one (1) vote. Representatives appointed to the Organization board shall be evidenced by a resolution or certified copy of official meeting minutes of the governing body of each party and filed with the Organization.

2.3 Alternate Members: One (1) alternate member of the Organization board may be appointed by appropriate resolution or certified copy of official meeting minutes of the governing body of each party to this Agreement, filed with the Organization. The alternate member may attend any meeting of the Organization board when a regular member representing that party is absent and vote on behalf of the party the member represents. If an Organization board member is also an officer of the Organization, the alternate member shall not be entitled to serve as such officer.

2.4 Term: The members of the Organization board shall be filled by the governing body of the party whose membership position on the board is vacant. Removal of a board member or alternate board member shall be at the sole discretion of the appointing authority. The term of appointment is at the sole discretion of the appointing authority.

2.5 Vacancies: The Organization shall notify the Board of Water and Soil Resources of member appointments and vacancies in member positions within thirty (30) days. A vacancy on the Organization board shall be filled by ninety (90) days after the vacancy occurs by the governing body of the party whose membership position on the board is vacant."

There is only one more URRWMO meeting scheduled for 2012 and that date is November 7, 2012. The next scheduled meeting is January 9, 2013. We will post this vacancy on the website. I will be available to substitute for Mr. Trost at the November meeting if an appointment is not made by that date.

Council could request applications for this position and interview candidates at the October 17, 2012 meeting or direct staff to substitute in this position until an appointment can be made.

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PUBLIC FORUM SIGN UP SHEET

October 3, 2012

The East Bethel City Council welcomes residents and property owners to the Public Forum. The purpose of the forum is to provide residents and property owners an opportunity to respectfully inform the Council of issues they are concerned about.

The following guidelines apply to the Public Forum:

1. A resident/property owner may address the Council on any matter not on the agenda during the Public Forum portion of the agenda.
2. A person desiring to speak must sign up prior to the time the Council reaches the Forum on the agenda.
3. The Mayor will invite speakers up to the podium/microphone.
4. Once the Mayor has recognized the speaker, the speaker should state his/her name, address, and phone number.
5. Each speaker should attempt to limit their presentation to 3 minutes.
6. If a group of persons wish to address the Council regarding the same issue, the group should elect a spokesperson to present the group's issue to the Council.
7. The Council will listen to the issue but will not engage in dialogue or a Q & A session. If a majority of the Council would like to address the issue in more detail, it can be added to the agenda or can be addressed during the regular agenda of a future meeting.

NAME	ADDRESS	PHONE NUMBER	TOPIC

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