



City of Albertville Council Agenda

Tuesday, January 16, 2024

City Council Chambers

7 pm

PUBLIC COMMENTS -The City of Albertville welcomes and encourages public input on issues listed on the agenda or of general community interest. Citizens wishing to address the Council regarding specific agenda items, other than public hearings, are invited to do so under Public Forum and are asked to fill out a "Request to Speak Card." Presentations are limited to five (5) minutes.

1. Call to Order

2. Pledge of Allegiance – Roll Call

Pages

3. Recognitions – Presentations - Introductions

4. Public Forum – (time reserved 5 minutes)

5. Amendments to the Agenda

6. Consent Agenda

All items under the Consent Agenda are considered to be routine by the City staff and will be enacted by one motion. In the event an item is pulled, it will be discussed in the order listed on the Consent Agenda following the approval of the remaining Consent items. Items pulled will be approved by a separate motion.

- A.** Approve the January 2, 2024, regular City Council Meeting minutes as presented. 3-6
- B.** Authorize the Tuesday, January 16, 2024, payment of claims as presented, except bills specifically pulled which are passed by separate motion. The claims listing has been provided to City Council as a separate document and is available for public view at City Hall upon request. 7
- C.** Approve One-Day Temporary Consumption and Display Permit application for the Albertville Fire Relief Association and an exemption from prohibition of liquor consumption at the Albertville Fire Hall, located at 11350 57th Street NE for Saturday, February 17, 2024. 8-9
- D.** Adopt Resolution No. 2024-03 approving appointment of the Election Judges and Absentee Ballot Board for the Presidential Nominating Primary Election to be held on March 5, 2024. 10-12
- E.** Approve the renewal of THC retail establishment license for One Stop Smoke Shop for January 16, 2024, through December 31, 2024. 13
- F.** Approve the annual permit renewal for Consumption and Display of liquor for the Albertville City Hall building, located at 5959 Main Avenue NE, for the period of April 1, 2024, through March 31, 2025. 14
- G.** Adopt Resolution No. 2024-04 calling for a Public Hearing on the proposed Establishment of Tax Increment Financing District No. 21 within Municipal Development District No. 1; The proposed adoption of a Tax Increment Financing Plan relating thereto; and the proposed granting of a Business Subsidy. 15-18
- H.** Reduce Letter of Credit No. 750127757, held as security for Kingston Crossings to no less than \$87,700, conditioned on any outstanding balances owed to the City being paid in full. 19
- I.** Approve Payment Application No. 9 to Gridor Construction in the amount of \$402,763 for Wastewater System Improvements.

7. Public Hearing – None

8. Wright County Sheriff's Office – Updates, reports, etc.

9. Department Business

A. City Council

- 1. Committee Updates** (*STMA Arena, Planning, JPWB, Parks, Fire Board, FYCC, etc.*)

B. Building – None

C. City Clerk

- 1. Local Board of Appeals and Equalization Meeting Date** 20
(Motion to Set the meeting date for the Albertville Local Board Appeals and Equalization for April 15, 2024, at 6:15 pm.)

D. Finance – None

E. Fire – None

F. Planning and Zoning – None

G. Public Works/Engineering

- 1. Generator Installation Contract** 21
(Motion to Approve low bid in the Amount of \$61,977.00 from Design Electric, Inc. to install back-up generators at the fire hall and Albert Villas lift station.)

H. Legal

- * **1. Joint Powers Agreement with Wright County for Enforcement of Cannabis**
(Motion to approve Joint Powers Agreement between the County of Wright and the City of Albertville for the enforcement and regulation of Cannabis.)

I. Administration

- 1. City Administrator’s Update** 22-23
- * **2. Consideration of Agreement for Investigative Services for Albertville Outlet Mall TIF Analysis**
(Motion to approve consideration of Agreement for Investigative Services Albertville Outlet Mall TIF Analysis.)

10. Announcements and/or Upcoming Meetings

January 22	Joint Power Water Board, 6 pm
	Parks Committee, 7 pm
February 5	City Council, 7 pm
February 12	STMA Arena Board, 6 pm
February 13	Planning Commission, 7 pm
February 19	City Offices are closed in observance of President’s Day
February 20	City Council, 7 pm (Tuesday)

11. Adjournment

* **Items added at the City Council meeting.**



ALBERTVILLE CITY COUNCIL

REGULAR MEETING MINUTES

January 2, 2024 – 7 pm
Council Chambers
Albertville City Hall

1. Call to Order

Mayor Hendrickson called the meeting to order at 7 pm.

2. Pledge of Allegiance – Roll Call

Present: Mayor Hendrickson, Councilmembers Hayden, Cocking, Olson and Zagorski.

Staff Present: City Administrator Nafstad, Fire Chief Bullen, Finance Director Lannes, Utilities Superintendent Middendorf and City Clerk Luedke.

3. Recognitions – Presentations – Introductions – None

4. Public Forum

There was no one present for the public forum.

5. Amendments to the Agenda

City Clerk Luedke stated she had an amendment to the December 4, 2023, regular minutes item D1. "Adopt 2024 Property Tax Levy and 2024 Final Budget". She reported the motion should only reflect Councilmember Cocking was absent.

MOTION made by Councilmember Cocking, seconded by Councilmember Hayden to approve the January 2, 2024, agenda as amended. Ayes: Cocking, Hayden, Hendrickson, Olson and Zagorski. Nays: None. The motion carried.

6. Consent Agenda

All items under the Consent Agenda are considered to be routine by the City staff and will be enacted by one motion. In the event an item is pulled, it will be discussed in the order listed on the Consent Agenda following the approval of the remaining Consent items. Items pulled will be approved by a separate motion.

- A. Approve the December 4, 2023, Truth-in-Taxation Meeting minutes as presented.
B. Approve the December 4, 2023, regular City Council Meeting minutes as amended.
C. Approve the December 11, 2023, special City Council Meeting minutes as presented.
D. Authorize the Tuesday, January 3, 2023, payment of claims as presented, except bills specifically pulled which are passed by separate motion.
E. Adopt Resolution No. 2024-01, designating official Newspaper, Officials, Consulting Firms and Depositories for 2024.
F. Accept quote from Midstates Equipment & Supply in the amount of \$10,457.50 for the purchase and delivery of five pallets or 11,750 lbs. of Maxwell Nuvo 3405 sealant for bituminous crack filling.

6. Consent Agenda - continued

- G.** Approve an On-Sale Temporary Liquor License for the Church of St. Albert's Dinner event located at St. Albert Parish Center, 11458 57 Street on January 28, 2024.
- H.** Authorize the purchase of a Radio Base Station for the Fire Department/Fire Station.
- I.** Approve Payment Application No. 2 to Design Electric Inc in the amount of \$165,303.75 for the Albertville CSAH 19/37 Signal Project.
- J.** Approve Payment Application No. 8 to Gridor Construction in the amount of \$605,440 for Wastewater System Improvements.

MOTION made by Councilmember Cocking, seconded by Councilmember Olson to approve the January 2, 2024, Consent agenda as amended. Ayes: Cocking, Hayden, Hendrickson, Olson and Zagorski. Nays: None. The motion carried.

7. Public Hearing – None

8. Wright County Sheriff's Office – Updates, reports, etc.

The Wright County deputy that was present reviewed the incidents that occurred in the City of Albertville within the last few weeks and answered questions from Council.

9. Department Business

A. City Council

1. Committee Updates (*STMA Ice Arena, Planning, JPWB, Parks, Fire Board, FYCC, etc.*)

Councilmember Zagorski provided an update from the Wright County Commissioner meeting in which the Commissioners discussed the process to establish watersheds within the County and the funding received for the I-94 Gap project. City Administrator Nafstad answered questions from Council regarding the grant funds received for the I-94 project.

There was Council discussion regarding the Parks Committee and the Central Park playground equipment design options that the Committee has been discussing. Councilmember Olson answered questions from the Council regarding the different equipment vendors. City Administrator Nafstad reported he planned to submit a grant application to the DNR to assist in funding the new playground equipment.

2. Approve 2024 Board and Committee Appointments

There was Council discussion regarding the various 2024 board and committee appointments.

MOTION made by Councilmember Zagorski, seconded by Councilmember Olson to adopt **Resolution No. 2024-02** appointing City Council Members to various Boards and Committees for 2024. Ayes: Cocking, Hayden, Hendrickson, Olson and Zagorski. Nays: None. The motion carried.

B. Building – None

C. City Clerk – None

D. Finance – None

E. Fire – None

F. Planning and Zoning – None

G. Public Works/Engineering

1. Approve Purchase of a Fiberglass Service Body and Service Crane

Utilities Superintendent Middendorf presented the staff report which included background information on past vehicle purchases. He reported the vehicle had been received so it was time to order the crane and utility box for it. Superintendent Middendorf said there was a cost change on the fiberglass body due the paint type therefore it would be \$35,487 instead of \$34,138. He answered questions from Council.

MOTION made by Councilmember Cocking, seconded by Councilmember Zagorski to approve purchase of a Brand FX Fiberglass Service Body from ABM Equipment in the amount of \$35,487 and a Liftmoore 5000X-20 WP Service Crain from ABM Equipment in the amount of \$39,476. State Bid Contract #221334. Ayes: Cocking, Hayden, Hendrickson, Olson and Zagorski. Nays: None. The motion carried.

2. Approve Purchase of a Toyota Electric Lift Truck

Utilities Superintendent Middendorf presented the staff report and reported the equipment was needed for the new wastewater treatment plant. He answered questions from Council.

City Administrator Nafstad provided information on the funding for the equipment and answered questions from Council.

MOTION made by Councilmember Hayden, seconded by Councilmember Zagorski to approve purchase of a Toyota Model 8FBH25 Forklift complete with Nexsys Battery system from Atlas Toyota in the amount of \$54,837. State Bid Contract #189064. Ayes: Cocking, Hayden, Hendrickson, Olson and Zagorski. Nays: None. The motion carried.

3. Approve Purchase of a 2024 Ford Super Duty F-250 4WD Regular Cab

Utilities Superintendent Middendorf presented the staff report and said this order was a replacement for the vehicle ordered last year in which the vendor did not place. He answered questions from Council regarding the utility box.

MOTION made by Councilmember Zagorski, seconded by Councilmember Cocking to approve purchase of a 2024 Ford Super Duty F-250 4X4 regular cab from Saxon Fleet Services in the amount of \$45,478. Ayes: Cocking, Hayden, Hendrickson, Olson and Zagorski. Nays: None. The motion carried.

H. Legal – None

I. Administration

1. City Administrator's Update

City Administrator Nafstad provided an update on the I-94 Gap project and correspondence sent to MnDOT following the last Council meeting. He reported he and Mayor Hendrickson would be meeting with the Assistant Commissioner and District Engineer to discuss the City's concerns with the I-94 project.

Announcements and/or Upcoming Meetings

January 8 STMA Arena Board, 6 pm
January 9 Planning Commission, 7 pm
January 15 City Hall closed in observance of Martin Luther King Jr. Day
January 16 City Council, 7 pm (Tuesday)
January 22 Joint Powers Water Board, 6 pm
Parks Committee, 7 pm
February 5 City Council, 7 pm

10. Adjournment

MOTION made by Councilmember Cocking, second by Councilmember Hayden to adjourn the meeting at 7:25 pm. Ayes: Cocking, Hayden, Hendrickson, Olson and Zagorski. Nays: None. The motion carried.

Respectfully submitted,

Kristine A. Luedke, City Clerk

January 16, 2024

SUBJECT: CONSENT – FINANCE – PAYMENT OF BILLS

RECOMMENDATION: It is respectfully requested that the Mayor and Council consider the following:

MOTION TO: Authorize the Tuesday, January 16, 2024, payment of the claims as presented except the bills specifically pulled, which are passed by separate motion. The claims listing has been provided to Council as a separate document. The claims listing is available for public viewing at City Hall upon request.

BACKGROUND: The City processes claims on a semi-monthly basis. The bills are approved through their respective departments and administration and passed onto the City Council for approval.

KEY ISSUES:

- **Account codes starting with 810 are STMA Arena Expenses/Vendors (bolded) and key issues will be presented in the claims listing document.**

POLICY/PRACTICES CONSIDERATIONS: It is the City's policy to review and approve payables on a semi-monthly basis.

FINANCIAL CONSIDERATIONS: City staff has reviewed and recommends approval of payments presented.

LEGAL CONSIDERATIONS: The Mayor and Council have the authority to approve all bills pursuant to Minnesota State Law, which requires all bills to be paid in a timely manner, generally within 30 days unless one party determines to dispute the billing.

Responsible Person: Tina Lannes, Finance Director

Submitted through: Adam Nafstad, City Administrator-PWD

Attachment:

- List of Claims (under separate cover)



Mayor and Council Request for Action

January 16, 2024

**SUBJECT: CONSENT – CITY CLERK – ALBERTVILLE FIRE RELIEF ASSOCIATION
TEMPORARY CONSUMPTION AND DISPLAY PERMIT**

RECOMMENDATION: It is respectfully requested that the Mayor and Council consider the following:

MOTION TO: Approve One-Day Temporary Consumption and Display Permit application for the Albertville Fire Relief Association and an exemption from prohibition of liquor consumption at the Albertville Fire Hall, located at 11350 57th Street NE for Saturday, February 17, 2024.

BACKGROUND: Annually, the Albertville Fire Relief Association holds a department-wide party and dinner event. Members and guests are allowed to consume alcoholic beverages at the event. No liquor retail sales will occur at the event, so a one-day temporary consumption and display permit must be obtained in order to consume alcoholic beverages. In addition, City Code Section 8-4-2 prohibits the following:

LIQUOR CONSUMPTION:

- A. Prohibited Areas: The consumption of alcohol is prohibited at the fire hall, the public works facility, the wastewater treatment facility and on any of the property on which those facilities are located unless the City has issued a permit for such consumption pursuant to subsection B of this section.

Therefore, the Albertville Fire Relief Association is requesting a one-day exemption from this prohibition.

KEY ISSUES:

- The department-wide party and dinner will be held on February 17, 2024, starting at 5 pm at the Albertville Fire Hall located at 11350 57th Street NE.
- This is an annual event and the St. Michael Fire Department covers all Albertville Fire Department calls for the evening.
- This license is granted by the MN Department of Alcohol and Gambling Enforcement, but requires City approval of the permit prior to issuance.
- The Fire Relief Association has held previous consumption and display permits for their annual event.
- The Albertville Fire Relief Association is requesting a one-day exemption from City Code Section 8-4-2 related to prohibited areas for liquor consumption.

POLICY/PRACTICES CONSIDERATIONS: The Mayor and City Council have the authority to approve or deny liquor licenses.

FINANCIAL CONSIDERATIONS: There is no fee for the one-day temporary consumption and display permit.

Responsible Person: Kris Luedke, City Clerk

Submitted Through: Adam Nafstad, City Administrator-PWD

On File:

- One-Day Temporary Consumption and Display Permit application

January 16, 2024

SUBJECT: CONSENT – CITY CLERK – APPOINT ELECTION JUDGES AND ABSENTEE BALLOT BOARD FOR PNP ELECTION ON MARCH 5, 2024

RECOMMENDATION: It is respectfully requested that the Mayor and Council consider the following:

MOTION TO: Adopt Resolution No. 2024-03 approving appointment of the Election Judges and Absentee Ballot Board for the Presidential Nominating Primary (PNP) Election to be held on March 5, 2024.

BACKGROUND: As required per Minnesota Statute 204B.21, the Council needs to approve the appointment of the Election Judges for the upcoming election at least 25 days before March 5, 2024. The City is the responsible authority to conduct absentee voting for the Albertville residents and is required by Minnesota State Statute 203B.121 to establish an Absentee Ballot Board. The Absentee Ballot Board judges will have the responsibility for accepting/rejecting absentee ballots based on the criteria set by State Statute.

KEY ISSUES:

- The PNP Election will be held on Tuesday, March 5, 2024.
- Minnesota Statute 204B.21 requires that persons serving as election judges must be appointed by Council at least 25 days before the election.
- The City of Albertville is the responsible authority to conduct absentee voting for its residents and is required to establish an Absentee Ballot Board.

POLICY/PRACTICES CONSIDERATIONS: The Mayor and City Council has the authority to appoint the Election Judges and the Absentee Ballot Board for the March 5, 2024, PNP Election.

Responsible Person: Kris Luedke, City Clerk

Submitted through: Adam Nafstad, City Administrator-PWD

Attachment:

- Resolution No. 2024-03

**CITY OF ALBERTVILLE
COUNTY OF WRIGHT
STATE OF MINNESOTA**

RESOLUTION NO. 2024-03

**RESOLUTION APPROVING THE APPOINTMENT OF THE OF ELECTION
JUDGES AND ABSENTEE BALLOT BOARD FOR THE PRESIDENTIAL
NOMINATING PRIMARY ELECTION ON MARCH 5, 2024**

WHEREAS, Minnesota State Statute 204B.21 requires that persons serving as election judges be appointed by the City Council at least 25 days before the election; and

WHEREAS, the City of Albertville is the responsible authority to conduct absentee voting for such election and is required by Minnesota Statutes 203B.121, subd.2 to establish an Absentee Ballot Board.

NOW, THEREFORE, BE IT RESOLVED by the Albertville City Council that the individuals named on Exhibit A, and on file in the office of the City Clerk be appointed as the City of Albertville Election Judges and Absentee Ballot Board for the March 5, 2024, Presidential Nominating Primary Election.

BE IT FURTHER RESOLVED, that the City Clerk is with this, authorized to make any substitutions or additions as deemed necessary.

Adopted by the City Council of the City of Albertville this 16th day of January 2024.

Jillian Hendrickson, Mayor

ATTEST:

Kristine A. Luedke, City Clerk

Exhibit A

2024 Election Judges and Absentee Ballot Board

The following individuals are appointed to serve at the Presidential Nominating Primary Election on March 5, 2024:

Election Judges

Anderson, Rick
Bacon, Connie
Bacon, Randy
Barthel Dale
Bartholomew, David
Buhrmann, Paul
Coleman-Jenson, Beth
Gordon Jr., Bill
Jents, Charlotte
Kiazolu, Prince
Kimbler, Janet
Kimbler, Dick
O'Brien, Rick
Radde, Rhoda
Robeck, Carmen
Smeby, Erin
Swinehart, Jane
Swinehart, Steve
Wilkes, Sam

Absentee Ballot Board

Bartholomew, David
Becker, Maeghan
Buhrmann, Paul
Jones, Amy
Lannes, Tina
Moseng, Kristie
Smeby, Erin

Mayor and Council Request for Action

January 16, 2024

SUBJECT: CONSENT – CITY CLERK – APPROVE ANNUAL RENEWAL OF THC RETAIL ESTABLISHMENT LICENSE APPLICATION

RECOMMENDATION: It is respectfully requested that the Mayor and Council consider the following:

MOTION TO: Approve the renewal of THC retail establishment license for the One Stop Smoke Shop from January 16, 2024, through December 31, 2024.

BACKGROUND: At the August 7 City Council meeting, an ordinance was approved amending the City Code to allow for the regulation of THC products. One Stop Smoke Shop located at 11850 62nd NE, suite #300 has met the City Code requirements for the renewal of their retail license.

KEY ISSUES:

- The business previously met the eligibility standards set by Albertville City Code section 4-10-4.
- The license period for all THC retail licenses runs January 1 through December 31.
- The applicants have provided the THC license fee.

POLICY/PRACTICES CONSIDERATIONS: The Mayor and City Council have the authority to either approve or deny a THC license application.

FINANCIAL CONSIDERATIONS: Per the ordinance, the annual license fee for a THC license is \$250.

Responsible Person: Kris Luedke, City Clerk

Submitted Through: Adam Nafstad, City Administrator-PWD

On File:

- The THC license applications are on file in the Clerk’s Office and available upon request.

January 16, 2024

SUBJECT: CONSENT – CITY CLERK – CITY HALL CONSUMPTION AND DISPLAY PERMIT

RECOMMENDATION: It is respectfully requested that the Mayor and Council consider the following motion:

MOTION TO: Approve the annual permit renewal for Consumption and Display of liquor for the Albertville City Hall building, located at 5959 Main Avenue NE, for the period of April 1, 2024, through March 31, 2025.

BACKGROUND: Each year, the City of Albertville and the State of Minnesota Alcohol and Gambling Enforcement Division must approve the renewal of liquor licenses for establishments within Albertville. The City holds a Consumption and Display permit to allow for the consumption of liquor at events taking place within the Albertville City Hall building. These events may include weddings and receptions or events sponsored by local charitable groups. This license does not authorize liquor for resale at the events. If a charitable group wishes to hold a fundraiser by selling liquor, they must apply for their own temporary liquor license through the City.

POLICY/PRACTICES CONSIDERATIONS: It is the Mayor and City Council’s policy to review and approve or deny liquor permits and renewals.

FINANCIAL CONSIDERATIONS: The fee for this permit is \$250 annually and is budgeted.

Responsible Person: Kris Luedke, City Clerk

Submitted Through: Adam Nafstad, City Administrator-PWD

On File:

- MN AGED State Consumption and Display Permit Renewal Form

**CITY OF ALBERTVILLE
COUNTY OF WRIGHT
STATE OF MINNESOTA**

RESOLUTION NO. 2024-04

**RESOLUTION CALLING PUBLIC HEARING ON THE PROPOSED
ESTABLISHMENT OF TAX INCREMENT FINANCING DISTRICT NO. 21 WITHIN
MUNICIPAL DEVELOPMENT DISTRICT NO. 1; THE PROPOSED ADOPTION OF A
TAX INCREMENT FINANCING PLAN RELATING THERETO; AND THE
PROPOSED GRANTING OF A BUSINESS SUBSIDY**

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

1. Public Hearing. This Council shall meet on February 20, 2024, at approximately 7 p.m., to hold a public hearing on the following matters: (a) the proposed establishment of Tax Increment Financing District No. 21 within Municipal Development District No. 1; (b) the proposed adoption of a Tax Increment Financing Plan relating thereto, all pursuant to and in accordance with Minnesota Statutes, Sections 469.124 through 469.133, both inclusive, as amended, Minnesota Statutes, Sections 469.174 through 469.1794, both inclusive, as amended (collectively, the "Act"); and (c) the proposed granting of a business subsidy, pursuant to and in accordance with Minnesota Statutes, Sections 116J.993 to 116J.995, both inclusive, as amended (the "Business Subsidy Act").

2. Notice of Hearing; Filing of Tax Increment Financing Plan. The City Administrator is hereby authorized to cause a notice of the hearing, substantially in the form attached hereto as Exhibit A, to be published as required by the Act and the Business Subsidy Act and to place a copy of the proposed Tax Increment Financing Plan and a summary of the proposed business subsidy agreement on file in the City Administrator's Office at City Hall and to make such copies available for inspection by the public.

3. Consultation with Other Taxing Jurisdictions. The City Administrator is hereby directed to mail a notice of the public hearing and a copy of the proposed Tax Increment Financing Plan to Wright County and Independent School District No. 885 informing those taxing jurisdictions of the estimated fiscal and economic impact of the establishment of the proposed tax increment financing district.

Adopted by the City Council of the City of Albertville this 16th day of January 2024.

Jillian Hendrickson, Mayor

ATTEST:

Kristine A. Luedke, City Clerk

STATE OF MINNESOTA)
) ss.
COUNTY OF WRIGHT)

I, the undersigned, being the duly qualified and acting City Administrator of the City of Albertville, Minnesota, DO HEREBY CERTIFY that the attached resolution is a true and correct copy of an extract of minutes of a meeting of the City Council of the City of Albertville, Minnesota duly called and held, as such minutes relate to the calling of a public hearing on the City's proposed establishment of Tax Increment Financing District No. 21 within Municipal Development District No. 1, the proposed adoption of a tax increment financing plan relating thereto, and the proposed granting of a business subsidy.

WITNESS my hand on January 16, 2024.

Adam Nafstad, City Administrator

EXHIBIT A

**CITY OF ALBERTVILLE
COUNTY OF WRIGHT
STATE OF MINNESOTA**

NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN that the City Council (the "Council") of the City of Albertville, Wright County, Minnesota, will hold a public hearing on Tuesday, February 20, 2024, at 7 p.m., at the City Hall, 5959 Main Avenue NE, in the City of Albertville, Minnesota (the "City"), relating to the proposed establishment of Tax Increment Financing District No. 21 within Municipal Development District No. 1, and the proposed adoption of a Tax Increment Financing Plan therefor, all pursuant to and in accordance with Minnesota Statutes, Sections 469.124 through 469.133 and Sections 469.174 through 469.1794; and a proposed business subsidy to be granted by the City to Medart, Inc. for the proposed construction of a new 100,000 square foot industrial and office space facility to be located in the City (the "Project"), under Minnesota Statutes, Section 116J.993 to 116J.995 (the "Business Subsidy Act"). Copies of the proposed Tax Increment Financing Plan and a summary of the subsidy agreement are on file and available for public inspection at the office of the City Administrator at City Hall.

A person with residence in or the owner of taxable property in the City may file a written complaint with the City if the City fails to comply with the Business Subsidy Act. No action may be filed against the City for the failure to comply unless a written complaint is filed.

The property proposed to be included in Tax Increment Financing District No. 21 is described in the Tax Increment Financing Plan on file in the office of the City Administrator.

A map of Municipal Development District No. 1 and Tax Increment Financing District No. 21 is set forth below:

[INSERT MAP of Municipal Development District No. 1 and Tax Increment Financing District No. 21]

All interested persons may appear at the hearing and present their views orally or in writing prior to the hearing.

BY ORDER OF THE CITY COUNCIL OF
THE CITY OF ALBERTVILLE, MINNESOTA

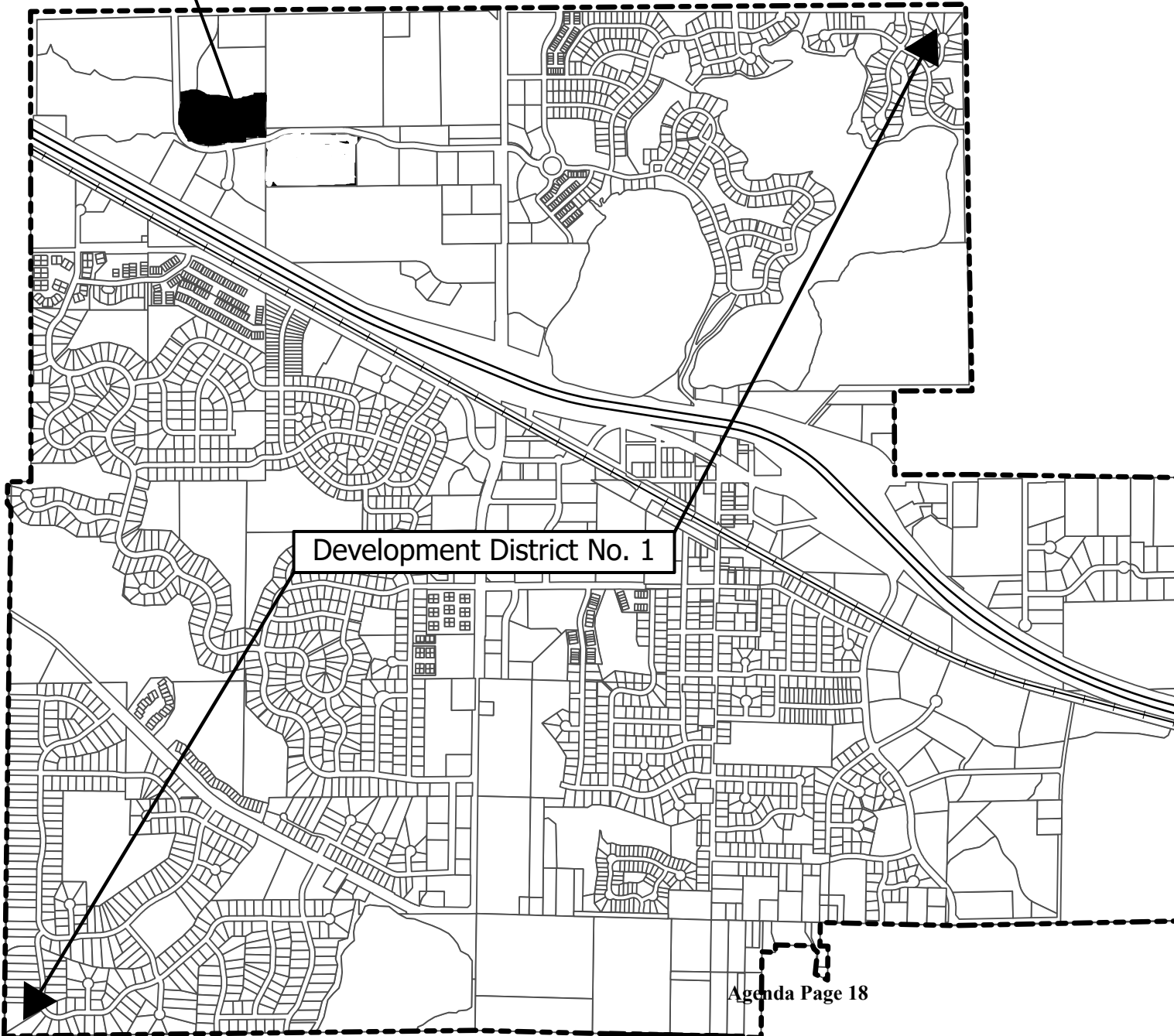
/s/ Kristine Luedke
City Clerk

Tax Increment Financing
District No. 21

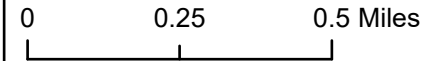
**Municipal Development
District No. 1**

 Tax Increment Financing District No. 21

 Albertville City Limits



Development District No. 1



January 16, 2024

SUBJECT: CONSENT – ADMINISTRATION – KINGSTON CROSSING – LETTER OF CREDIT REDUCTION NO. 2

RECOMMENDATION: It is respectfully requested that the Mayor and Council consider approval of the following motion:

MOTION TO: Reduce Letter of Credit No. 750127757, held as security for Kingston Crossings to no less than \$87,700, conditioned on any outstanding balances owed to the City being paid in full.

BACKGROUND: The Developer has requested a reduction to the Letter of Credit held for the Kingston Crossings development. The Letter of Credit is held as performance and warranty security for the site improvements and is currently in the amount of \$148,000.

Assuming the developer is current with all fees owed to the City and based on work completed to date, it is recommended that Letter of Credit No. 750127757 be reduced to no less than \$87,700. The reduced balance is consistent with the development agreement and is the required surety for the first year of the 2-year warranty period.

KEY ISSUES:

- \$87,700 will be held as surety for the first year of the 2-year warranty period and will be eligible for reduction in year.
- The LOC was previously reduced in December 2023 to an amount believed to be the minimum amount to be held as surety for the first year of the warranty period. Upon further review of the development agreement, the LOC can be reduced to \$87,700.
- The LOC will be eligible for further reduction upon the 1-year anniversary of the warranty period (December 7, 2024).

POLICY CONSIDERATIONS: It is City policy to have all Letter of Credit reductions approved by the City Council.

FINANCIAL CONSIDERATIONS: There are no financial implications for this request.

LEGAL CONSIDERATIONS: The City has the legal authority under the development agreement to reduce the Letter of Credit upon completion of the required improvements or deny requests for reduction if the required improvements are found unacceptable.

Submitted Through: Adam Nafstad, City Administrator-PWD

On File:

- LOC Reduction History

January 16, 2024

**SUBJECT: CITY CLERK – LOCAL BOARD OF APPEALS AND EQUALIZATION
MEETING DATE**

RECOMMENDATION: It is respectfully requested that the Mayor and City Council consider the following motion:

MOTION TO: Set the meeting date and time for the Albertville Local Board of Appeals and Equalization for April 15, 2024, at 6:15 pm.

BACKGROUND: The City Council serves as the Local Board of Appeals and Equalization (LBAE). This Board holds a public hearing where the public can question the value their property is assessed for. Property values are determined by Wright County Assessing staff and are based on sales data from the previous year. If a property owner does not agree with the Board's decision at the local level, they may appeal to the Wright County Board of Appeals and Equalization and then to Minnesota Tax Court if they are still not satisfied. The local Board must have at least one voting member that is a trained through the MN Department of Revenue and certified to Wright County.

KEY ISSUES:

- LBAE meeting dates are generally held prior to a regular City Council meeting in April of each year.
- Wright County Assessing staff has tentatively set the Albertville LBAE for April 15, 2024.
- In past years, the Council has set the meeting for 6:15 pm prior to the City Council meeting. Council should determine how much time to allow for the meeting.
- There will need to be a quorum of the Council present with at least one member trained by February 1, 2024.
- Albertville has two trained members: Councilmembers Olson and Zagorski.

POLICY/PRACTICES CONSIDERATIONS: The Mayor and City Council have the authority to set Local Board of Appeals and Equalization meeting dates and times.

Responsible Person: Kris Luedke, City Clerk

Submitted Through: Adam Nafstad, City Administrator-PWD

January 16, 2024

SUBJECT: PUBLIC WORKS/ENGINEERING – GENERATOR INSTALLATION CONTRACT

RECOMMENDATION: It is respectfully requested that the Mayor and Council consider the following motion:

MOTION TO: Approve low bid in the amount of \$61,977.00 from Design Electric, Inc. to install back-up generators at the fire hall and Albert Villas lift station.

BACKGROUND: The project bid is limited to construction and installation of generators at the fire hall and Albert Villas sanitary sewer lift station. The amount does not include the cost of the generators, which the City will procure separately.

Three (3) bids were submitted for the Villas Lift Station and Fire Station Standby Power project on January 9, 2024. The base bids ranged from \$61,977 to \$111,100. The low bid price is from Design Electric, Inc.

The following is a bid summary:

<u>Contractor</u>	<u>Villa Lift Station Bid</u>	<u>Fire Station Bid</u>	<u>Base Bid Total</u>
Design Electric, Inc	\$22,605.92	\$39,371.08	\$ 61,977.00
Vinco, Inc.	\$31,350.00	\$74,300.00	\$105,650.00
Killmer Electric Co.	\$39,900.00	\$71,200.00	\$111,100.00

Based on the summary above, it is recommended the project be awarded to Design Electric, Inc., in the amount of **\$61,977.00**.

KEY ISSUES:

- The bid amount is for installation and connection of the two generators and does not include purchasing the generators.
- The generators for both projects will be procured by the City under separate contracts.

FINANCIAL CONSIDERATIONS: The Villas lift station generator will be funded with ARPA funds and the Fire Hall generator will be funded with capital reserves designated for fire.

LEGAL CONSIDERATIONS: The Mayor and Council possess the authority to authorize municipal improvements, and to accept or reject bids for municipal improvements.

Submitted Through: Adam Nafstad, City Administrator-PWD

On File:

- Electrical and Construction Plan and Specifications



Mayor and Council Request for Action

January 16, 2024

SUBJECT: LEGAL – JOINT POWERS AGREEMENT WITH WRIGHT COUNTY FOR ENFORCEMENT OF CANNABIS

RECOMMENDATION: It is respectfully requested that the Mayor and Council consider the following:

MOTION TO: Approve Joint Powers Agreement between the County of Wright and the City of Albertville for the enforcement and regulation of Cannabis.

BACKGROUND: In the 2023 Legislative session, the Legislature passed and the Governor signed into law a bill legalizing the cultivation, manufacturing, sale and consumption of cannabis. The Wright County Attorney's Office along with the Sheriff's Office and the Public Health Division in the Health and Human Services Department has reviewed and discussed the implications of the recent cannabis bill within the County. The cannabis legislation was drafted in such a way that Wright County can only exercise enforcement over cannabis if the City of Albertville provides consent.

Wright County has reached out to the local jurisdictions to see which cities and townships were interested in partnering with them by providing their consent. The County has provided the attached proposed Joint Powers Agreement (JPA) which would permit the County to enforce and regulate cannabis within the City of Albertville. With the JPA, the County would assume the full cost of enforcement and not seek any reimbursement from the City but in turn would keep any fees received from the licensed holders. Albertville would still retain any Local Cannabis Government Aid allocated to City. The City would also maintain control over any local zoning regulations under the authority of Minn. Chapter 462.

Wright County anticipates this new area of regulation to look very similar to the County's regulation of tobacco products.

KEY ISSUES:

- Wright County has provided a JPA which would permit the County to enforce and regulate cannabis within the City.
- With the JPA, the County would assume the full cost of enforcement and maintain any fees received from the licensed holders. Albertville would still retain any Local Cannabis Government Aid allocated to City.
- The City would retain the ability to regulate cannabis via the passage of ordinances, but if Wright County passes a stricter ordinance, the most restrictive terms of the competing ordinances will apply.
- Wright County currently regulates the enforcement and licensing of tobacco products within Albertville.
- The Joint Powers Agreement can be terminated by either party upon 30 days' notice.

POLICY/PRACTICES CONSIDERATIONS: It is the City’s policy to evaluate and consider agreements on a case by case basis.

FINANCIAL CONSIDERATIONS: With the JPA, the County will assume the cost of enforcement and will not seek any reimbursement from the City but in turn would keep any fees received from the licensed holders. The Albertville would still retain any Local Cannabis Government Aid allocated to City.

LEGAL CONSIDERATIONS: The Mayor and the City Council have the authority to enter into a Joint Powers Agreement with Wright County for the enforcement and regulation of Cannabis.

Responsible Person: Kris Luedke, City Clerk

Submitted Through: Adam Nafstad, City Administrator-PWD

Attachments:

- Joint Powers Agreement

**JOINT POWERS AGREEMENT BETWEEN THE
COUNTY OF WRIGHT AND THE CITY OF ALBERTVILLE
FOR THE ENFORCEMENT AND REGULATION OF CANNABIS**

This agreement is made between the County of Wright and the City of Albertville for administration and regulation of cannabis as regulated under Minnesota Chapter 342 and the rules and regulations promulgated thereunder.

This agreement is authorized by Minnesota Statutes § 342.22, subdivision 1 and Minn. Stat. § 471.59.

The County of Wright and the City of Albertville agree that:

1. The County of Wright will act in place of the City of Albertville as the local government unit for the regulation and enforcement of cannabis under Minnesota Chapter 342 and any rules or regulations adopted under Minnesota Chapter 342 by the State of Minnesota or the Office of Cannabis Management.
2. The County of Wright is authorized to adopt, administer, and enforce within the jurisdictional limits of the City of Albertville any ordinances, laws, regulations, or registration requirements concerning cannabis including, but not limited to, the adoption of a moratorium.
3. The County of Wright is authorized and has the consent of the City of Albertville to register and enforce all registration requirements under Minnesota Statute §342.22. Any fees or penalties collected for registration and enforcement will remain entirely with the County of Wright. The parties will retain any Local Government Cannabis Aid allocated to them by the State of Minnesota.
4. The County of Wright will annually provide sufficient funding for the administration, enforcement and registration of the possession, sale and use of cannabis within the jurisdiction limits of the City of Albertville. Source of funds shall be through State grant funds, County cannabis aid funds, general revenue funds and the collection of fees and penalties as established by the County of Wright.
5. The City of Albertville shall retain all authority granted to it under Minnesota Chapter 462.
6. Any ordinance adopted by the County of Wright with regards to cannabis shall be construed to supersede any local municipal regulation or ordinance to the extent the local municipal regulation is less restrictive. Where the

conditions imposed by any ordinance provision are either more restrictive or less restrictive than comparable conditions imposed by any other law, ordinance, statute, resolution or regulation of any kind, the regulations which are more restrictive, or which impose higher standards or requirements shall prevail.

7. The parties to this agreement will be subject to and follow the terms of the Minnesota Government Data Practice Act as provided under Minnesota Statutes Chapter 13 for all requests for access to data. The County of Wright shall maintain all records, accounts and reports for the regulation and registration of cannabis.
8. The County of Wright shall account for any funds and the County of Wright shall provide a report of all receipts and disbursements upon request. If any surplus property or funds are obtained through this joint powers agreement they shall be distributed to the County of Wright in the event this agreement is terminated.
9. Wright County shall be solely responsible for the compensation of its employees and elected members, including specifically but not exclusively worker's compensation insurance and all taxes, while performing their duties under this agreement. The City of Albertville shall be solely responsible for the compensation of its employees and elected members, including specifically but not exclusively worker's compensation insurance and all taxes, while performing their duties under this agreement. No employee of Wright County shall become an employee of the City of Albertville, and no employee of the City of Albertville shall become an employee of Wright County, by virtue of this agreement.
10. All responsibilities not specifically set out to be jointly exercised by the Parties under this Agreement are hereby reserved to the Parties individually. Nothing in this Agreement shall act as a waiver by a participating Party of its individual power and legal authority to provide services.
11. Indemnification and Hold Harmless:

To the full extent permitted by law, actions by the Parties pursuant to this Agreement are intended to be and shall be construed as a "cooperative activity" and it is the intent of the Parties that they shall be deemed a "single governmental unit" for the purpose of liability, as set forth in Minnesota Statutes, Section 471.59, subd. 1a(a); provided further that for purposes of that statute, each Party to this Agreement expressly declines responsibility for the acts or omissions of the other Party.

The Parties of this Agreement are not liable for the acts or omissions of the other participants to this Agreement except to the extent to which they have agreed in writing to be responsible for acts or omissions of the other Parties.

This agreement may be amended by mutual agreement of the County of Wright and the City of Albertville by resolutions of their respective boards.

This agreement shall become effective upon signature of all duly authorized signatures, and shall remain in effect until terminated by agreement of the parties or thirty days after written notice of termination by either party.

WRIGHT COUNTY

County of Wright
Board Chair

Date

CITY OF ALBERTVILLE

Jillian Hendrickson, Mayor

Date

Kris Luedke, Clerk

Date

**CITY OF ALBERTVILLE
COUNTY OF WRIGHT
STATE OF MINNESOTA**

RESOLUTION NO. 2024-05

**RESOLUTION APPROVING JOINT POWERS AGREEMENT BETWEEN THE
COUNTY OF WRIGHT AND THE CITY OF ALBERTVILLE FOR THE
ENFORCEMENT AND REGULATION OF CANNABIS**

WHEREAS, Wright County and the City of Albertville desire to enter into a joint powers agreement titled “Joint Powers Agreement Between The County Of Wright And The City Of Albertville for The Enforcement And Regulation Of Cannabis” (“Joint Powers Agreement”); and

WHEREAS, under the Joint Powers Agreement Wright County will act as the local governmental unit for enforcement of cannabis laws and regulations within the City of Albertville; and

WHEREAS, the Joint Powers Agreement may be terminated by either party upon 30 days’ notice.

NOW THEREFORE BE IT RESOLVED that the City Council of the City of Albertville, Wright County, Minnesota, does hereby approve the Joint Powers Agreement and authorize the Mayor and Clerk to sign the Joint Powers Agreement.

Adopted by the City Council of the City of Albertville this 16th day of January 2024.

Aaron Cocking, Acting Mayor

ATTEST:

Kristine A. Luedke, City Clerk

GENERAL ADMINISTRATION

I-94 West Chamber State of the Cities Luncheon: The event will be held on Tuesday, January 30, 2024, from 11 am to 1 pm at Rockwoods Event Center in Otsego.

I-94 Corridor Coalition Legislative Preview: The event will be held on Friday, February 9, 2024, from 7:30 am to 9 am at 21st Century Bank Event Center in Rogers.

Absentee Voting: Absentee voting for the March 5 Presidential Nominating Primary (PNP) will begin on January 19. The Albertville City Hall is open 7 am to 5:30 pm Monday through Thursday for in-person voting and will be open on Saturday, March 2 from 9 am to 3 pm. Voters may also drop off their completed absentee ballots at the City Hall during this time.

Local Board of Appeals Training: Training is available online for the members of local appeal boards. Albertville currently has 2 certified, trained members. The deadline to complete the training is 5 pm on February 1, 2024. Cities must have at least one member trained by the deadline, or the Local Board of Appeals will lose its powers for 2024 at a minimum.

City's Domain Change: City staff is in the process of converting the City's domain address from ci.albertville.mn.us to .gov. Council and City staff's new email addresses have all been set up and are running simultaneously with the previous email addresses. Staff is also working with Granicus to update the City's website domain. The anticipated time frame for completion of the project is mid-March.

Code/Zoning Enforcement: The code enforcement regarding illegal land use on Potter's property located at the southwest corner of 60th Street NE and Mackenzie Avenue has been turned over to the City Attorney.

ENGINEERING/PUBLIC WORKS

I-94 Gap Project: The Mayor and I met with MnDOT staff to review Albertville's concerns with the proposed layout for the Gap project. MnDOT is reviewing options to address each concern and will be preparing a written response for the City's consideration.

53rd Street and CSAH 19 Signal: With the exception of final restoration and painting, the project is complete. Turf restoration and cross walk striping will be completed in the spring.

Tree Trimming and Pond Maintenance: Public works is taking advantage of the warm weather and has been trimming trees and performing pond and ditch maintenance.

WWTF Improvements: The project is progressing well. The building is fully enclosed and various trades and subcontractors will be working inside throughout the winter months.

Generator Improvements: The low bid to install and connect the generator at the fire hall and Villa lift station is included in the packet. Staff is working on procurement of the two generators, as well as, a trailer mounted generator.

Lift Station Upgrades: Public Works is working on 4 lift station upgrades. Generally, upgrades are related to control panels and electrical components. Eligible expenses can be paid with ARPA funds otherwise are paid with enterprise capital reserves.

2024 Street and Trail Improvements: Staff is working to identified street and trail segments to be included in the 2024 overlay project.



January 10, 2024

Adam Nafstad
City Administrator
City of Albertville
5959 Main Avenue
Albertville, MN 55301

AGREEMENT FOR INVESTIGATIVE SERVICES ALBERTVILLE OUTLET MALL TIF ANALYSIS

Thank you for the opportunity to submit our proposal to provide a TIF analysis for the outlet mall area in Albertville, Minnesota.

LHB is a full-service architecture, planning, and engineering firm with a total of 260 staff located in our Minneapolis, Duluth, and Cambridge, Minnesota, and Superior, Wisconsin offices.

Our Government Studio has extensive experience working with local governments on their planning, design, architectural and engineering needs. Having been personally involved on various city councils and planning commissions, I understand how cities function and the importance of maintaining the support of appointed and elected officials and community throughout the process.

Below outlines our previous experience, team credentials, and scope of services. This proposal, if approved, will service as the Agreement between LHB and Client.

I. PREVIOUS EXPERIENCE

LHB has significant experience with a variety of inspection and facility assessment projects, including the analysis of over 400 TIF Districts. Some examples include:

- City of Columbia Heights TIF Inspection Services
- City of St. Paul TIF Inspection Services
- City of St. Anthony Village, NW Quadrant TIF Inspection Services
- City of St. Louis Park TIF Inspection Services
- City of Mount TIF District "1-2" Inspection Services
- City of Osseo TIF Inspection Services
- City of New Richmond (Wisconsin) TIF Inspection Services
- Minnesota State System Facility Assessments
- State of Minnesota Facility Assessments
- Property Condition Assessments for the St. Paul Department of Planning and Economic Development (Franklin/Emerald Neighborhood)
- Condition Surveys for every DNR Facility in the State of Minnesota, 2014

II. TEAM CREDENTIALS

Michael A. Fischer, AIA, LEED AP – Project Principal/TIF Analyst

With over 36-years of experience serving as a Project Principal, Project Manager, Project Designer and Project Architect on planning urban design, educational, commercial, and governmental projects, he has become an expert on Tax Increment Finance District (TIF) analysis assisting over 100 cities with strategic planning for TIF Districts.

Michael completed a two-year Bush Fellowship, studying at MIT and Harvard in 1999, earning master's degrees in City Planning and Real Estate Development from MIT. He has served on more than 50 committees, boards, and community task forces, including City Council President in Superior, Wisconsin, Chair of the Duluth/Superior Metropolitan Planning Organization, and Chair of the Edina, Minnesota Planning Commission. Most recently, he served as a member of the Edina city council and Secretary of the Edina HRA. Michael has also managed and designed several award-winning architectural projects and was one of four architects in the Country to receive the AIA Young Architects Citation in 1997.

Phil Fisher - Inspector

For 35-years, Phil worked in the field of Building Operations in Minnesota including White Bear Lake Area Schools. At the University of Minnesota, he earned his Bachelor of Science in Industrial Technology. He is a Certified Playground Safety Inspector, a Certified Plant Engineer, and trained in Minnesota Enterprise Real Properties (MERP) Facility Condition Assessment (FCA). His FCA training was recently applied to the Minnesota Department of Natural Resources Facilities Condition Assessment project involving over 2,000 buildings.

III. SCOPE OF SERVICES

1. Survey the TIF District to Determine if it Meets Applicable Coverage Test

- a. To meet the coverage test, parcels consisting of 70 percent of the area of the district must be "occupied" by buildings, streets, utilities, or paved or gravel parking lots.
- b. A parcel is not considered "occupied" unless at least 15 percent of its total area contains improvements.

2. Conduct Visual Review of Building Interior and Exterior

- a. Obtain property owner's consent for inspection.
- b. Document property conditions relative to Minnesota Statutes Section 469.174 Subdivision 10.

3. Estimate Building Replacement Cost

- a. Replacement cost is the cost of constructing a new structure of the same square footage and type on the site.
- b. A base cost will be calculated by establishing the building class, type, and construction quality.
- c. Identify amenities, which increase the value of the building over the standard construction quality level.
- d. Review building permits for each parcel.
- e. The base cost and cost of amenities will be totaled to determine the replacement cost for the property.

4. Evaluate Building Existing Condition

- a. Evaluate condition of the building based on Minnesota Statutes Section 469.174 Subdivision 10 definition of structurally substandard:
 - i. "Structurally substandard shall mean containing defects in structural elements or a combination of deficiencies in essential utilities and facilities, light and ventilation, fire protection including adequate egress, layout and condition of interior partitions, or similar factors, which defects, or deficiencies are of sufficient total significance to justify substantial renovation or clearance."

5. Determine Building(s) Code Deficiencies

- a. Determine technical conditions, which are not in compliance with current building code applicable to new buildings.
- b. Provide opinion of probable cost to correct identified deficiencies.
- c. Compare cost of deficiency corrections to replacement value of building.

6. Prepare and Deliver Report:

- a. Full Redevelopment TIF Report
- b. Deliver final reports in .pdf format via Email.

IV. ASSUMPTIONS

1. LHB will inspect four buildings on the interior and exterior.
2. A full TIF report will be prepared based on the findings from the field visit.
3. Client will provide the following:
 - a. A list of all parcels affected, including name of owner and current known business or resident name and address.
 - b. Available information regarding the requirements of the engagement, and reports on the condition of the structures.
4. LHB shall be entitled to rely upon the information provided by the Client.
5. A building is not considered structurally substandard if it is in compliance with building code applicable to new buildings or could be modified to satisfy the code at a cost which is less than 15 percent of its replacement cost.

V. STANDARD OF CARE

LHB shall perform its services consistent with the professional skill and care ordinarily provided by other professionals practicing in the same or similar locality under the same or similar circumstances. LHB shall perform its services in a timely manner consistent with the professional skill and care required for the orderly progress of the engagement.

Any report prepared by LHB represents a professional opinion based upon information available and arrived at in accordance with generally accepted professional standards. Other than as contained in the report, LHB makes no express or implied warranty.

Short of complete deconstruction to examine every element at every location, no assessment can reveal all conditions which may exist. Additional testing, assessment, or demolition may uncover conditions which would make it necessary to modify LHB's conclusions or recommendations.

Any report prepared for the purpose described in this Agreement is for the exclusive use by those to whom the report is addressed. LHB will not and cannot be held liable for the unauthorized reliance upon this report by any third party.

VI. COMPENSATION

We propose to provide services on an hourly basis with the following key staff:

- Project Principal, Michael Fischer \$290/hour
- Project Manager \$185/hour
- Project Architect/Inspector \$165/hour
- Project Coordinator \$ 125/hour

Compensation shall be on an hourly basis, not to exceed Nine Thousand Eight Hundred Dollars (\$9,800), including reimbursable expenses, for the inspection of four buildings and Final TIF Report.

VII. PAYMENT TERMS

Payments are due and payable upon receipt of our invoice. Unpaid balances 60-days after invoice date shall bear interest at the rate of 8% per annum or 0.67% per month on the unpaid balance.

Failure to make timely payment to LHB is a material breach of this Agreement and may, at LHB's sole discretion, result in a suspension or termination of services, and may, at LHB's sole discretion, result in the termination of the Client's limited license authorization to use LHB's copyrighted Instruments of Service.

VIII. ADDITIONAL SERVICES

If there is a material change in the circumstances or conditions that affect the scope of work, schedule, allocation of risks or other material terms, LHB shall notify Client. Client and LHB shall promptly and in good faith enter into negotiation to address the changed conditions including equitable adjustment to compensation. The fees and costs for any additional services will be based upon LHB's 2024 Standard Hourly Rate Schedule and 2024 Reimbursable Expenses Schedule.

IX. SCHEDULE

LHB can proceed to start the Work upon receipt of a signed copy of this Agreement.

The final report typically requires 30 to 45 days to complete from the time we inspect the buildings. We can make preliminary conclusions prior to our full report being completed, if necessary, to allow other consultants and the client to begin their work.

X. CONSEQUENTIAL DAMAGES

LHB and Client waive consequential damages for claims, disputes or other matters in question arising out of, or relating to, this Agreement.

XI. LIMITATION OF LIABILITY

To the maximum extent permitted by law, Client agrees to limit LHB's liability for Client's damages to the sum of Ten Thousand Dollars (\$10,000) or LHB's fee, whichever is greater. This limitation shall apply regardless of the cause of action or legal theory pled or asserted.

XII. USE OF LHB'S DOCUMENTS

The documents prepared by LHB, including Documents in electronic format, are solely for use with respect to this Project. All Documents prepared or furnished by LHB pursuant to this Agreement are the Instruments of Service to the Project and LHB shall retain all common law, statutory and other reserved rights, including copyright. LHB grants to Client a nonexclusive limited license solely for the purposes of evaluating and executing the Project. Client shall not assign, delegate, sublicense, or otherwise transfer any license granted herein to another party.

To the extent the documents are transferred or are modified, supplemented or otherwise altered by Client, subsequent design professional, or any other party, Client agrees to indemnify, defend and hold LHB harmless for any claims, demands, damages or causes of action arising out of such transfer or modification, supplementation or alteration.

XIII. OTHER CONDITIONS

The laws of the State of Minnesota shall govern this Agreement. Any provision of this agreement later held to violate a law or regulation shall be deemed void. All remaining provisions shall continue in force.

Client recognizes that materials prepared by others may be subject to copyright protection and warrants to LHB that any documents provided by Client do not infringe upon the copyright held by another.

Unless the parties mutually agree otherwise, the parties shall endeavor to settle disputes by mediation. A demand for mediation shall be filed, in writing, within a reasonable period of time after a claim, dispute or other matter in question has arisen.

LHB and the Client, acting through the Client's legal representative, will, to the fullest reasonable extent, cooperate and coordinate efforts in preparing necessary responses to any third-party challenges to the inspections. The Client agrees to pay LHB its regular hourly rates spent as a result of a third-party legal challenge.

If the terms and conditions of this Agreement are acceptable, please sign and return a copy to LHB.

LHB, INC.



Signature

Michael Fischer

Printed Name

Its: Vice President

Title

CITY OF ALBERTVILLE



Signature

Kristine A. Luedke

Printed Name

Its: City Clerk

Title

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