



**AGENDA**  
**CLEARWATER CITY COUNCIL SPECIAL MEETING**  
**MONDAY, JUNE 29, 2020**

- 1. Call to Order: 7:00 p.m. via Zoom Web Conference**
- 2. Wright County Sheriff's Report**
- 3. Adopt COVID-19 Preparedness Plan**
- 4. Resignation of Liz Lindrud – Finance Director**
  - a. Accept Resignation of Finance Director**
  - b. Res 2020-39 – Approving Bank Signatories**
- 5. Mississippi Ridge Apartments Project**
  - a. Res 2020-40 – Approving Site Improvement Performance Agreement (SIPA)**
  - b. Res 2020-41 – Approving TIF Development Agreement**
- 6. Capital Improvement Planning Discussion**
- 7. Reminder – EDA Meeting July 8, 2020 at 8:00 a.m. via Zoom Web Conference**
- 8. Adjournment**



# Wright County Sheriff's Office

Sheriff Sean Deringer

3800 Braddock Ave. NE, Buffalo, MN 55313  
1-800-362-3667 Fax: 763-682-7610



Clearwater Monthly Report 2020

Printed on June 1, 2020

Incident Start Date/Time	Initial Call	CFS #	Final Incident	Case Number	How Reported
<b>911 Abandoned Total: 1</b>					
05/24/20 21:56	911 Abandoned	2020037523			911
<b>911 Hang-up Total: 2</b>					
05/04/20 08:39	911 Hang-up	2020032251			911
05/06/20 12:01	911 Hang-up	2020032769			911
<b>911 Open Line Total: 3</b>					
05/23/20 10:52	911 Open Line	2020037063	Unwanted Person	WP20013674	911
05/25/20 12:24	911 Open Line	2020037664			911
05/26/20 09:50	911 Open Line	2020037923			911
<b>Agency Assist Total: 2</b>					
05/10/20 14:29	Agency Assist	2020033785	Agency Assist	WP20012505	Phone
05/18/20 14:50	Agency Assist	2020035768	Agency Assist	WP20013197	Phone
<b>Animal Total: 3</b>					
05/15/20 21:04	Animal	2020035107			Phone
05/20/20 14:35	Animal	2020036292	Animal	WP20013387	Phone
05/21/20 21:43	Animal	2020036678	Animal	WP20013546	911
<b>Animal - Barking Dog Total: 1</b>					
05/12/20 22:52	Animal - Barking Dog	2020034360	Animal - Barking Dog	WP20012709	Phone
<b>Check Welfare Total: 5</b>					
05/01/20 18:13	Check Welfare	2020031713	Check Welfare	WP20011797	Phone
05/01/20 21:40	Check Welfare	2020031772	Check Welfare	WP20011821	Phone
05/07/20 15:47	Check Welfare	2020033080	Check Welfare	WP20012292	Phone
05/18/20 22:19	Check Welfare	2020035897	Check Welfare	WP20013246	Phone
05/21/20 15:52	Check Welfare	2020036584	Check Welfare	WP20013500	Phone
<b>Citizen Aid Total: 1</b>					
05/23/20 21:42	Citizen Aid	2020037232	Animal	WP20013728	Phone
<b>Civil Complaint Total: 8</b>					
05/01/20 12:33	Civil Complaint	2020031607	Civil Complaint	WP20011759	Phone
05/11/20 08:13	Civil Complaint	2020033914	Civil Complaint	WP20012550	Phone
05/14/20 11:46	Civil Complaint	2020034664	Civil Complaint	WP20012828	Phone
05/15/20 22:36	Civil Complaint	2020035143	CSC Sex Offense	WP20012996	Phone
05/18/20 06:30	Civil Complaint	2020035643	Civil Complaint	WP20013151	Phone
05/21/20 14:23	Civil Complaint	2020036558	Civil Complaint	WP20013486	Phone
05/26/20 15:01	Civil Complaint	2020038033	Civil Complaint	WP20013997	911
05/27/20 21:33	Civil Complaint	2020038405	Civil Complaint	WP20014130	Phone

Incident Start Date/Time	Initial Call	CFS #	Final Incident	Case Number	How Reported
<b>Civil Process Total: 2</b>					
05/01/20 16:19	Civil Process	2020031673			Officer
05/02/20 11:51	Civil Process	2020031885			Officer
<b>Commercial General Alarm Total: 4</b>					
05/15/20 11:04	Commercial General	2020034928	Commercial General Alarm	WP20012926	Phone
05/15/20 11:43	Commercial General	2020034950			Phone
05/16/20 09:39	Commercial General	2020035237	Commercial General Alarm	WP20013025	Phone
05/18/20 04:52	Commercial General	2020035637			Phone
<b>Court Order Violation Total: 1</b>					
05/29/20 16:00	Court Order Violation	2020038873	Court Order Violation	WP20014289	911
<b>Criminal Damage to Property Total: 3</b>					
05/07/20 15:55	Criminal Damage to	2020033086	Criminal Damage to Property	WP20012294	911
05/18/20 19:37	Criminal Damage to	2020035860	Criminal Damage to Property	WP20013232	Phone
05/28/20 17:16	Criminal Damage to	2020038623	Criminal Damage to Property	WP20014204	Phone
<b>DNR Wildlife Violations Total: 1</b>					
05/15/20 23:36	DNR Wildlife Violations	2020035158	DNR Wildlife Violations	WP20013000	Phone
<b>Domestic Disturbance Total: 1</b>					
05/28/20 09:01	Domestic Disturbance	2020038476	Disorderly	WP20014152	Phone
<b>Drugs Total: 1</b>					
05/07/20 22:56	Drugs	2020033162	Drugs	WP20012326	911
<b>Executive Order Total: 1</b>					
05/19/20 12:02	Executive Order	2020035985	Executive Order	WP20013284	Phone
<b>Extra Patrol; Phone Call Total: 1</b>					
05/20/20 20:35	Extra Patrol; Phone Call	2020036409	Extra Patrol	WP20013433	Phone
<b>Fraud - Checks - Cards Total: 2</b>					
05/21/20 14:56	Fraud - Checks - Cards	2020036568	Fraud - Checks - Cards	WP20013492	Phone
05/24/20 22:09	Fraud - Checks - Cards	2020037526	Fraud - Checks - Cards	WP20013838	911
<b>Harassment Total: 1</b>					
05/27/20 20:07	Harassment	2020038384	Harassment	WP20014119	Phone
<b>Indecent Exposure Total: 1</b>					
05/08/20 14:15	Indecent Exposure	2020033286	Juvenile - Complaint	WP20012363	Phone
<b>Juvenile - Complaint Total: 2</b>					
05/18/20 14:11	Juvenile - Complaint	2020035754	Juvenile - Complaint	WP20013193	Phone
05/24/20 00:24	Juvenile - Complaint	2020037267	Juvenile - Complaint	WP20013745	Phone
<b>Lost - Found Property Total: 3</b>					
05/14/20 18:48	Lost - Found Property	2020034791	Lost - Found Property	WP20012878	911
05/23/20 11:07	Lost - Found Property	2020037067	Lost - Found Property	WP20013673	
05/24/20 16:03	Lost - Found Property	2020037409	Lost - Found Property	WP20013794	

Incident Start Date/Time	Initial Call	CFS #	Final Incident	Case Number	How Reported
<b>Medical - Bleeding - Lacerations Total: 1</b>					
05/01/20 18:02	Medical - Bleeding -	2020031712			911
<b>Medical - Chest Pain Total: 1</b>					
05/23/20 08:14	Medical - Chest Pain	2020037035			Phone
<b>Medical - Fall Under 6 Feet Total: 1</b>					
05/09/20 04:48	Medical - Fall Under 6	2020033450			911
<b>Medical - Headache Total: 1</b>					
05/09/20 21:03	Medical - Headache	2020033655	Medical - Headache	WP20012465	Phone
<b>Medical - Heart Problems Total: 1</b>					
05/24/20 14:39	Medical - Heart	2020037386			911
<b>Medical - Seizure Total: 1</b>					
05/20/20 12:17	Medical - Seizure	2020036251			911
<b>Medical - Sick Total: 2</b>					
05/27/20 18:37	Medical - Sick	2020038364			911
05/31/20 12:39	Medical - Sick	2020039452			911
<b>Medical - Unconscious - Fainting Total: 2</b>					
05/17/20 09:44	Medical - Unconscious -	2020035487	Death Investigation - Natural	WP20013100	911
05/27/20 20:24	Medical - Unconscious -	2020038388			911
<b>Motorist Aid Total: 1</b>					
05/24/20 22:38	Motorist Aid	2020037537			
<b>MVA - Injuries Total: 1</b>					
05/06/20 00:16	MVA - Injuries	2020032687	Vehicle Off Road	WP20012151	
<b>MVA - No Injuries Total: 4</b>					
05/01/20 13:28	MVA - No Injuries	2020031621	MVA - No Injuries	WP20011764	
05/18/20 00:30	MVA - No Injuries	2020035625	MVA - No Injuries	WP20013139	
05/26/20 14:16	MVA - No Injuries	2020038012	MVA - No Injuries	WP20013991	
05/29/20 17:33	MVA - No Injuries	2020038905	MVA - No Injuries	WP20014305	
<b>Neighborhood Dispute Total: 2</b>					
05/25/20 15:04	Neighborhood Dispute	2020037704	Neighborhood Dispute	WP20013897	
05/31/20 21:13	Neighborhood Dispute	2020039586	Neighborhood Dispute	WP20014571	911
<b>Noise Total: 3</b>					
05/08/20 23:24	Noise	2020033425	Ordinance Violation	WP20012412	
05/09/20 10:41	Noise	2020033508	Noise	WP20012426	
05/27/20 16:33	Noise	2020038331	Noise	WP20014100	
<b>Off-Road Vehicle Complaint Total: 3</b>					
05/05/20 11:33	Off-Road Vehicle	2020032519	Off-Road Vehicle Complaint	WP20012086	Phone
05/11/20 17:20	Off-Road Vehicle	2020034050	Off-Road Vehicle Complaint	WP20012592	Phone
05/17/20 18:32	Off-Road Vehicle	2020035574	Off-Road Vehicle Complaint	WP20013125	Phone

Incident Start Date/Time	Initial Call	CFS #	Final Incident	Case Number	How Reported
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**Off-Road Vehicle Complaint; Dispatch - CAD - Addressing Problems Total: 1**

05/12/20 18:22	Off-Road Vehicle	2020034308	Off-Road Vehicle Complaint	WP20012684	Phone
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**SIA Area Watch Total: 2**

05/21/20 22:19	SIA Area Watch	2020036687			
05/29/20 12:50	SIA Area Watch	2020038820			

**SIA Business Walk Through Total: 1**

05/14/20 18:40	SIA Business Walk	2020034789			
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**SIA City Council - City Hall Total: 2**

05/11/20 18:00	SIA City Council - City	2020034064			Officer
05/11/20 18:53	SIA City Council - City	2020034075			

**SIA Parks Total: 12**

05/01/20 16:17	SIA Parks	2020031671			
05/03/20 17:21	SIA Parks	2020032158			
05/04/20 13:48	SIA Parks	2020032309			
05/05/20 16:17	SIA Parks	2020032581			
05/06/20 16:22	SIA Parks	2020032844			
05/09/20 08:53	SIA Parks	2020033485			
05/15/20 08:06	SIA Parks	2020034894			
05/20/20 08:28	SIA Parks	2020036197			
05/26/20 16:20	SIA Parks	2020038051			
05/27/20 16:21	SIA Parks	2020038322			
05/29/20 12:25	SIA Parks	2020038811			
05/29/20 21:11	SIA Parks	2020038982			

**Squad Damage Total: 1**

05/11/20 09:42	Squad Damage	2020033933	Squad Damage	WP20012552	
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**Stolen - Vehicle Total: 1**

05/13/20 00:03	Stolen - Vehicle	2020034367	Civil Complaint	WP20012712	Phone
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**Stolen - Vehicle; Pursuit Total: 1**

05/02/20 01:49	Stolen - Vehicle; Pursuit	2020031825	Stolen - Vehicle	WP20011836	911
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**Suspicious - Circumstances Total: 2**

05/22/20 20:32	Suspicious -	2020036939	Traffic - Complaint	WP20013627	Phone
05/24/20 23:11	Suspicious -	2020037548	Civil Complaint	WP20013845	911

**Suspicious - Person - Vehicle Total: 5**

05/02/20 02:16	Suspicious - Person -	2020031829	Stolen - Vehicle	WP20011838	Phone
05/03/20 16:37	Suspicious - Person -	2020032147	Suspicious - Person - Vehicle	WP20011958	Phone
05/03/20 22:16	Suspicious - Person -	2020032209	Suspicious - Person - Vehicle	WP20011978	911
05/14/20 02:17	Suspicious - Person -	2020034591	Suspicious - Person - Vehicle	WP20012797	911
05/20/20 23:19	Suspicious - Person -	2020036438	Suspicious - Person - Vehicle	WP20013440	Phone

**Theft Total: 1**

05/26/20 12:46	Theft	2020037980	Theft	WP20013978	Phone
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Incident Start Date/Time	Initial Call	CFS #	Final Incident	Case Number	How Reported
<b>Theft - From Vehicle Total: 5</b>					
05/20/20 10:28	Theft - From Vehicle	2020036223	Theft - From Vehicle	WP20013362	911
05/22/20 06:39	Theft - From Vehicle	2020036720	Theft - From Vehicle	WP20013565	911
05/26/20 07:57	Theft - From Vehicle	2020037895	Theft - From Vehicle	WP20013949	Phone
05/27/20 06:28	Theft - From Vehicle	2020038185	Theft - From Vehicle	WP20014051	Phone
05/27/20 07:41	Theft - From Vehicle	2020038191	Theft - From Vehicle	WP20014055	Phone
<b>Theft - Shoplifting Total: 2</b>					
05/15/20 14:04	Theft - Shoplifting	2020034989	Theft - Shoplifting	WP20012947	Phone
05/18/20 15:24	Theft - Shoplifting	2020035781	Theft - Shoplifting	WP20013199	Phone
<b>Threats Total: 2</b>					
05/11/20 13:35	Threats	2020033987	Threats	WP20012569	Phone
05/23/20 20:10	Threats	2020037206	Threats	WP20013721	Phone
<b>Traffic Stop Total: 16</b>					
05/05/20 01:05	Traffic Stop	2020032441			Officer
05/05/20 23:06	Traffic Stop	2020032679			Officer
05/06/20 01:51	Traffic Stop	2020032693			Officer
05/08/20 22:04	Traffic Stop	2020033405	Traffic Stop	WP20012399	Officer
05/08/20 23:18	Traffic Stop	2020033424	Traffic Stop	WP20012411	Officer
05/15/20 01:30	Traffic Stop	2020034870			Officer
05/15/20 20:25	Traffic Stop	2020035096			Officer
05/16/20 12:52	Traffic Stop	2020035289			
05/23/20 17:05	Traffic Stop	2020037145	Traffic Stop	WP20013705	Officer
05/23/20 19:52	Traffic Stop	2020037202			Officer
05/24/20 13:57	Traffic Stop	2020037377			Officer
05/24/20 15:17	Traffic Stop	2020037398			Officer
05/25/20 20:41	Traffic Stop	2020037798			Officer
05/28/20 21:39	Traffic Stop	2020038693			Officer
05/29/20 15:57	Traffic Stop	2020038870	Traffic Stop	WP20014288	Officer
05/29/20 21:03	Traffic Stop	2020038978			Officer
<b>Warrant - Arrest Total: 2</b>					
05/14/20 21:07	Warrant - Arrest	2020034825	Warrant - Arrest	WP20012891	Officer
05/21/20 03:20	Warrant - Arrest	2020036456	Warrant - Arrest	WP20013445	Phone

**Total Records: 130**



## COVID-19 Preparedness Plan

The City of Clearwater is committed to providing a safe and healthy workplace for all our workers and customers. To ensure we have a safe and healthy workplace, we have developed the following COVID-19 Preparedness Plan in response to the COVID-19 pandemic. Managers and workers are all responsible for implementing this plan. Our goal is to mitigate the potential for transmission of COVID-19 in our workplaces and communities, and that requires full cooperation among our workers, management, and customers. Only through this cooperative effort can we establish and maintain the safety and health of all persons in our workplaces.

Management and workers are responsible for implementing and complying with all aspects of this COVID-19 Preparedness Plan. The City of Clearwater managers and supervisors have our full support in enforcing the provisions of this policy and we encourage our workers to ask questions, raise safety and health concerns and offer suggestions related to the plan and its implementation.

Our workers are our most important assets. We are serious about safety and health and keeping our workers working at the City. Worker involvement is essential in developing and implementing a successful COVID-19 Preparedness Plan. We have involved our workers in this process by conducting staff meetings and discussing via email our plans for safely returning to work. We installed a glass window at our main customer service window following suggestions from staff. We also worked with our Fire Department to obtain masks for workers. Our COVID-19 Preparedness Plan follows State of Minnesota Industry Guidance for our business, Centers for Disease Control and Prevention (CDC) Guidelines, federal Occupational Safety and Health Administration (OSHA) standards related to safety and health precautions required in response to COVID-19 and applicable executive orders.

### **1. Policies and procedures that assist in the identification of sick workers and ensure sick workers stay home**

Workers have been informed and are encouraged to self-monitor for signs and symptoms of COVID-19. The following policies and procedures are being implemented to assess workers' health status prior to entering the workplace and for workers to report when they are sick or experiencing symptoms.

Any workers who are either running a fever or displaying other symptoms of COVID-19 are directed to stay at home. Workers who come to work who are visibly ill will be sent home by supervisors. Workers are asked to provide information to their supervisors if they are diagnosed with COVID-19 and will be required to self-quarantine.

The City of Clearwater has implemented leave policies that promote workers staying at home when they are sick, when household members are sick, or when they are required to isolate or quarantine themselves or a member of their household. Workers will be provided with 14 days of paid COVID-19 leave if they or an immediate household member is diagnosed with COVID-19. The City also complies with the FMLA and offers FMLA leave to eligible employees. Workers with underlying medical conditions or who have household members with underlying health conditions may request accommodations specific to their situation.

The City has also implemented a policy for informing workers if they have been exposed to a person with COVID-19 at their workplace and requiring them to quarantine for the required amount of time. Supervisors will inform employees if this occurs, and direction will be given on the protocols to follow. In addition, the Personnel Policy addresses the privacy of workers' health status and health information.

## **2. Social distancing – maintaining six feet of physical distancing**

Social distancing of six feet will be implemented and maintained between workers in the workplace through the following engineering and administrative protocols: Office staff have re-arranged desks/office space to allow social distancing. All workers have been directed to maintain social distances wherever possible. Customers are also required to maintain social distances when visiting the office. The City has installed a window at the front counter to aid in social distancing. Customers and staff are encourage to wear mask and masks have been made available to staff.

## **3. Worker hygiene and source controls**

Worker hygiene and source controls are being implemented at our workplaces at all times. Workers who appear to be ill will be sent home. Workers are encouraged to frequently wash hands and clean personal areas and equipment. Workers are asked to limit sharing of supplies as much as possible.

## **4. Workplace building and ventilation protocols**

Reopening the workplace includes necessary sanitation, assessment and maintenance of building systems including water, plumbing, electrical and HVAC systems. Our water and plumbing systems are regularly cleaned and tested by staff following state protocols for water and sewer sampling. No changes have been made to our electrical systems. We will plan to change out HVAC filters more frequently once the office is back to full staffing.

## **5. Workplace cleaning and disinfection protocols**

Regular housekeeping practices are being implemented, including routine sanitizing of the workplace and frequent sanitizing of high-touch areas. Workers have been instructed that personal equipment and tools should not be shared and, if shared, should be disinfected between users. Our regular contracted cleaner sanitizes shared spaces weekly. Workers will keep personal areas and equipment cleaned.

Appropriate and effective cleaning and disinfectant supplies have been purchased and are available for use in accordance with product labels, safety data sheets and manufacturer specifications, and are being used with required personal protective equipment for the product. The Deputy Clerk should be notified if supplies run low for re-ordering.

**6. Drop-off, pick-up and delivery practices and protocols**

Deliveries may be made in the front entrance/vestibule area outside of the staff areas. Workers will wash handles after handling deliveries.

**7. Communications, training and supervision practices and protocols**

This COVID-19 Preparedness Plan was communicated by email to all workers on [date] and necessary training was provided. Managers and supervisors are to monitor how effective the program has been implemented by regularly checking in with employees and communicating any developments to supervisors. Management and workers are to work through this new program together and update the training as necessary. This COVID-19 Preparedness Plan has been certified by the Clearwater City Council and was posted throughout the workplace on [date]. It will be updated as necessary.

**8. What customers and clients can do to minimize transmission of COVID-19**

Customers should use electronic means to conduct business whenever possible. The City can accept payments via mail, drop-box outside city hall, and via telephone with a credit card. Many other types of city business can be conducted remotely via web or email. Business meeting should be conducted electronically as much as possible until further notice.

**9. Additional protections and protocols for receiving and exchanging payment**

Payments can be made by mail, via the city drop-box outside city hall, or by telephone. If a payment must be made in person, the City has installed a window barrier between staff and customers, and customers are encouraged to wear masks.

**10. Additional protections and protocols for managing occupancy**

Public meetings will be conducted electronically until further notice. Daily occupancy is not normally an issue. However, some visitors may be asked to wait outside if occupancy becomes an issue at our service counter. Members of the public will not be permitted in staff areas without an appointment. The area will be cleaned following any appointments.

**11. Additional protections and protocols to limit face-to-face interactions**

Customers are encouraged to conduct business electronically whenever possible.

**12. Additional protection and protocols for distancing and barriers**

Staff areas are closed to the public. Occupancy limits are in place for public areas. Social distances are required to be maintained when visiting city hall.

Certified by:

[Signature]

City Administrator

**CITY OF CLEARWATER  
WRIGHT AND STEARNS COUNTIES, MINNESOTA**

A regular meeting of the City Council of the City of Clearwater, Minnesota, was called to order by Mayor Lawrence at 7:00 p.m. via Zoom Web Conference on Monday, June 29, 2020.

The following Council Members were present:       Lawrence, Petty, Scott, Crandall, and Kruchten.

The following Council Members were absent:       None.

A motion to adopt the following resolution was made by \_\_\_\_\_ and seconded by \_\_\_\_\_.

.....

**RESOLUTION 2020-39  
APPROVING SIGNATORIES FOR MUNICIPAL ACCOUNTS**

**WHEREAS**, due to recent staff turnover, the City desires to change its authorized signatories for municipal accounts.

**NOW, THEREFORE, BE IT RESOLVED**, that the Clearwater City Council hereby authorizes and approves the following signatories for all municipal accounts of the city:

- Andrea Lawrence-Wheeler – Mayor
- Kris Crandall – Council Member
- Annita Smythe – City Administrator/Clerk/Treasurer
- Deborah Petty – Deputy Clerk/Treasurer

**BE IT FURTHER RESOLVED** that any signatories other than those listed above are hereby revoked.

Council members voting in favor:

Opposed or Abstained:

Adopted by the City Council this 29<sup>th</sup> day of June, 2020.

ATTEST:

APPROVED BY:

\_\_\_\_\_  
Annita M. Smythe, City Administrator

\_\_\_\_\_  
Andrea Lawrence, Mayor

**CITY OF CLEARWATER  
WRIGHT AND STEARNS COUNTIES, MINNESOTA**

A regular meeting of the City Council of the City of Clearwater, Minnesota, was called to order by Mayor Lawrence at 7:00 p.m. via Zoom Web Conference on Monday, June 29, 2020.

The following Council Members were present:       Lawrence, Petty, Scott, Crandall, and Kruchten.

The following Council Members were absent:       None.

A motion to adopt the following resolution was made by \_\_\_\_\_ and seconded by \_\_\_\_\_.

.....

**RESOLUTION 2020-40  
APPROVING SITE IMPROVEMENT PERFORMANCE AGREEMENT (SIPA)  
MISSISSIPPI RIDGE APARTMENTS PROJECT**

**WHEREAS**, the City Council recently approved the plat and site plan for new construction of a 52-unit apartment building; and

**WHEREAS**, the attached agreement has been prepared to govern the terms of the project; and

**WHEREAS**, staff recommends the approval of the attached agreement.

**NOW, THEREFORE, BE IT RESOLVED**, that the Clearwater City Council hereby approves the attached Site Improvement Performance Agreement (SIPA).

**BE IT FURTHER RESOLVED** that the Mayor and City Administrator are authorized to take such action as necessary to execute and record the agreement.

Council members voting in favor:

Opposed or Abstained:

Adopted by the City Council this 29<sup>th</sup> day of June, 2020.

ATTEST:

APPROVED BY:

\_\_\_\_\_  
Annita M. Smythe, City Administrator

\_\_\_\_\_  
Andrea Lawrence, Mayor

(reserved for recording information)

## SITE IMPROVEMENT PERFORMANCE AGREEMENT

### MISSISSIPPI RIDGE, LLC (FILE NO. 19005)

**AGREEMENT** dated \_\_\_\_\_, 2020, by and between the **CITY OF CLEARWATER**, a Minnesota municipal corporation (“City”), and **MISSISSIPPI RIDGE, LLC**, a Minnesota limited liability company (“Developer”).

1. **REQUEST FOR APPROVAL.** The Developer has asked the City to approve a site development plan (referred to in this Agreement as the “site plan”). The site plan is for property situated in the County of Wright, State of Minnesota, legally described as follows:

*Lot 1, Block 1, Clearwater Estates Plat Seven, according to the recorded plats thereof, Wright County, Minnesota*

2. **CONDITIONS OF APPROVAL.** The City approved the site plan under City Council Resolution 2020-06 dated January 13, 2020, with a condition that the Developer enter into this Agreement and comply with applicable ordinances, statutes, and regulations.
3. **PLANS.** The subject property shall be developed in accordance with the following plans. The plans shall not be attached to this Agreement, but are on file in the office of the City Administrator at Clearwater City Hall. If the plans vary from the written terms of this Agreement, the written terms shall control. The plans were received by the City on August 7, 2019; September 30, 2019; October 14, 2019; and October 15, 2019.

Plan A: Site Plan.

Plan B: Grading, Drainage and Erosion Control & Utility Plan.

Plan C: Landscape Plan.  
Plan D: Lighting Plan.  
Plan E: Details and Specifications Plan.

4. **IMPROVEMENTS.** The Developer shall install and pay for the following required site improvements:
- A. Sanitary sewer and any associated public street restoration
  - B. Watermains and hydrants and any associated public street restoration
  - C. Surface water facilities and any associated public street restoration
    - 1. Pipe
    - 2. Ponds
    - 3. Rain gardens (money held for 2 years from completion of construction)
    - 4. Other
  - D. Grading (except public trail grading), erosion control and retaining walls
  - E. Private trails and sidewalks
  - F. Driveway, curb cut, parking lot
  - G. Lighting
  - H. Signs
    - 1. Traffic control
    - 2. Fire lane
  - I. Landscaping (money held over winter season to verify survivability)
    - 1. Sod and seed
    - 2. Trees
    - 3. Other plantings
  - J. Record Plans (required for utilities and grading – must be submitted prior to release of this Agreement)
  - K. Other

Any public improvements shall be installed in accordance with the City's engineering guidelines/standard detail specifications. For these improvements, the Developer shall submit plans and specifications that have been prepared by a competent registered professional engineer to the City for approval by the city engineer or designated representative, which approval shall not be unreasonably withheld.

5. **SECURITY REQUIREMENTS.** To guarantee compliance with the terms of this Agreement and construction of all required public site improvements, the Developer shall furnish the City with a financial guarantee ("security") in the form of: 1) a letter of credit from a bank in a form reasonably approved by the City; and/or 2) a cash deposit or a combination thereof, in the amount of \$50,000.00. Any bank providing a letter of credit shall be subject to the approval of the City Administrator or their designated representative, which approval shall not be unreasonably withheld. The City may draw down the security, with written notice, following any uncured default of the terms of this Agreement or if the security would be allowed to lapse prior to the end of the required term. If the required improvements are not completed prior to the expiration of the security, the City may also draw it down. If the security is drawn down, the proceeds shall be used to cure the default.

Upon receipt of proof satisfactory to the City that work has been completed, with City approval, which shall not be unreasonably withheld, the security may be reduced from time to time by up to eighty percent (80%) of the financial obligations that have been satisfied. At least twenty percent (20%) shall be retained as security for the one-year warranty period after all required site improvements have been completed and record plans submitted and site work completed. Upon final acceptance by the City, the retained security will be released and site improvements approved.

- 6. CONSTRUCTION OF IMPROVEMENTS.** All labor and work shall be done and performed in accordance with typical industry standards and in strict conformance with the approved plans and specifications. No material deviations from the approved plans and specifications will be permitted unless approved in writing by the City Administrator or City Engineer. The Developer shall not do any work or furnish any materials not covered by the City approved plans and specifications and special conditions of this Agreement.

The Developer shall provide all surveying, construction control staking, construction administration, and inspection documentation for the above described improvements in order to ensure that the completed improvements conform to the approved plans and specifications.

Upon completion of all the work required, the City Administrator or City Engineer or their designated representative, a representative of the contractor, and a representative of the Developer's engineer will make a final inspection of the work for acceptance consideration.

Upon completion of the work, the Developer shall provide the City with record plans in conformance with the City of Clearwater guidelines for City records. These plans shall include the locations and ties to all sanitary sewer and water main services as well as gate valve boxes and manholes. Record plans shall be provided to the City for all stormwater facilities, ponding areas and final project grading.

The Developer shall provide one paper copy of the record plans for review. **After** final comments from the City have been completed, supply the City with two paper sets (22-inch by 34-inch) and email a PDF set of record drawings to the City Administrator, City Planner and City Engineer.

- 7. EROSION CONTROL.** Prior to initiating site grading, the erosion control plan (Plan B) shall be implemented by the Developer and inspected and approved by the City for compliance. Erosion control practices must comply with the Minnesota Pollution Control Agency's best management practices, local watershed and City requirements. All disturbed areas shall be restored in accordance with the NPDES permit and site storm water pollution prevention plan (SWPPP). Except as otherwise provided in the erosion control plan, seed shall be in accordance with the City's current seeding standards. The parties recognize that time is of the essence in controlling erosion. If the Developer does not comply with the erosion control plan and SWPPP, the City may take such action as it deems reasonably appropriate to control erosion at the Developer's expense. The City will endeavor to notify the Developer in

advance of any proposed action, but failure of the City to do so will not affect the Developer's and City's rights or obligations hereunder. If the Developer does not reimburse the City for any cost the City incurs for such work within 10 days after receipt of written notice, the City may draw down the security to pay costs incurred for corrective measures.

8. **STREET CLEANING.** The Developer shall provide street cleaning within and immediately adjacent to the development as required by the NPDES permit requirements and at other times if requested by the City following receipt of a written complaint.
9. **TIME OF PERFORMANCE.** The Developer shall install all required site improvements and restoration work by December 31, 2021.
10. **LICENSE.** The Developer hereby grants the City, its agents, employees, officers and contractors a license to enter the subject property to perform all work and inspections deemed reasonably appropriate by the City in conjunction with site development. Any revocation of this license prior to the completion of construction of all site improvements according to City approved plans and City's acceptance of all improvements and facilities shall be a breach of the terms of this Agreement. The City will make an effort to provide the Developer reasonable notice prior to entry unless there is an imminent threat to public health and safety.
11. **RESPONSIBILITY FOR COSTS.**
  - A. The Developer shall pay all actual, reasonable, third party out of pockets costs incurred by it or the City in conjunction with the development of the site, including but not limited to legal, planning, permitting, engineering and inspection expenses incurred in connection with approval of the site plan, the preparation of this Agreement, review of construction plans and documents.
  - B. The Developer shall hold the City and its officers, employees, and agents harmless from claims made by itself and third parties for damages sustained or costs incurred resulting from site approval and development except to the extent caused by the gross negligence or intentional act of the City or its officers, employees or agents. The Developer shall indemnify the City and its officers, employees, and agents for all costs, damages, or expenses which the City may pay or incur in consequence of such claims, including attorneys' fees.
  - C. The Developer shall reimburse the City for costs incurred in the enforcement of this Agreement, including engineering and attorneys' fees.
  - D. The Developer shall pay in full all bills submitted to it by the City for obligations incurred under this Agreement within 30 days after receipt of the City's invoice, including detailed statements or documentation regarding such charges. Bills not paid within 30 days after receipt shall accrue interest at the rate of 8% per year.

- E. The Developer has or shall, upon execution of this Agreement, deposit with the City a certified check, cash, or money order in the amount of \$ \_\_\_\_\_ (“Escrow Funds”). The Escrow Funds may be applied by the City, from time to time, to cover the City’s actual, out-of-pocket legal, administrative, inspection and engineering costs and expenses incurred in connection with this Agreement and the construction of the site improvements. The City may also use the Escrow Funds to cover the costs, including reasonable attorney’s fees, incurred by the City to enforce the requirements set forth in this Agreement. To the extent said Escrow Funds are inadequate to fully cover the City’s costs and expenses, including reasonable attorney’s fees, Developer shall be billed by the City for any shortage. The unused portion of the Escrow Funds, if any, shall be returned to the Developer, without interest, within forty-five (45) days after a written request for same is received by the City and the City has determined that all required public site improvements have been installed and accepted by the City, Developer has complied with all requirements of this Agreement and all of the City’s costs, expenses and attorney’s fees have been reimbursed to the City. At all times, the Developer shall maintain with the City a minimum deposit of \$300.00.
- F. In addition to the charges referred to herein, the following are the only charges that will be imposed regarding the project:
1. Sewer availability charges ("SAC") = \$171,340.00.
  2. Water access charges (“WAC”) = \$102,736.92.
  3. Costs of water meters necessary for the project, which are issued under a required Building/Plumbing permit.
  4. Building Permit and other required permit fees, which are set in accordance with State Building Code.

## **12. MISCELLANEOUS.**

- A. Third parties shall have no recourse against the City under this Agreement.
- B. If any portion, section, subsection, sentence, clause, paragraph, or phrase of this Agreement is for any reason held invalid, such decision shall not affect the validity of the remaining portion of this Agreement.
- C. The action or inaction of the City shall not constitute a waiver or amendment to the provisions of this Agreement. To be binding, amendments or waivers shall be in writing, signed by the parties and approved by the zoning administrator or city engineer or their designated representative. The City’s failure to promptly take legal action to enforce this Agreement shall not be a waiver or release.
- D. This Agreement shall run with the land and may be recorded against the title to the property. The Developer covenants with the City, its successors and assigns, that the Developer has fee title to the subject property and/or has obtained consents to this Agreement, in the form attached hereto, from all parties who have an interest in the property; that there are no unrecorded interests in the property; and that the

Developer will indemnify and hold the City harmless for any breach of the foregoing covenants.

- E. Certain retaining walls will require a building permit. Retaining walls that require a building permit shall be designed, stamped, signed and constructed in accordance with plans and specifications prepared by a qualified engineer licensed in the State of Minnesota. Following construction, a certification signed by the design engineer shall be filed with the building official evidencing that the retaining wall was constructed in accordance with the approved plans and specifications.
- F. Each right, power or remedy herein conferred upon the City is cumulative and in addition to every other right, power or remedy, express or implied, now or hereafter arising, available to the City, at law or in equity, or under any other Agreement, and each and every right, power and remedy herein set forth or otherwise so existing may be exercised from time to time as often and in such order as may be deemed expedient by the City and shall not be a waiver of the right to exercise at any time thereafter any other right, power or remedy.
- G. Breach of the terms of this Agreement by the Developer, including nonpayment of billings from the City, shall be grounds for denial of building permits and certificates of occupancy, and the halting of all work on the property.
- H. The Developer represents to the City that the development complies with all applicable city, county, state, and federal laws and regulations, including but not limited to: subdivision regulations, zoning ordinances, and environmental regulations. If the City reasonably determines that the development does not comply, the City may, at its option, refuse to allow construction or development work in the development until the Developer does comply. Upon the City's demand, the Developer shall cease work until there is compliance.

### **13. CONDITIONS OF APPROVAL.**

Prior to building permit:

- A. The Developer shall record the final plat and provide proof of recording at Wright County.
- B. The developer shall provide the required park dedication cash in lieu fee to the City. (Developer has asked for this provision to be waived by the City Council, as this fee has not been imposed on other projects since 2005).

- 14. DEVELOPER'S DEFAULT.** In the event of default by the Developer as to any of the work to be performed by it hereunder, which is not cured following 30 days' written notice to Developer, the City may, at its option, take action to have the work performed, perform the work and the Developer shall promptly reimburse the City for any expense incurred by the City, provided the Developer, except in an emergency as determined by the City, is first given notice of the work in default, not less than 48 hours in advance. This Agreement is a

license for the City to act, and it shall not be necessary for the City to seek a court order for permission to enter the land. When the City does any such work, the City may, in addition to its other remedies, assess the cost in whole or in part.

- 15. NOTICES.** Required notices to the Developer shall be in writing, and shall be either hand delivered to the Developer, its employees or agents, or mailed to the Developer by certified mail at the following address:

Michael Gohman  
Mississippi Ridge, LLC  
123 Riverside Drive SE  
St. Cloud, MN 56304

Notices to the City shall be in writing and shall be either hand delivered to the Clearwater City Administrator, or mailed to the City by certified mail in care of the Clearwater City Administrator at the following address:

City of Clearwater  
Attn: City Administrator  
PO Box 9  
605 County Road 75 NW  
Clearwater, MN 55320

*[Signature pages follow]*

**CITY OF CLEARWATER**

BY: \_\_\_\_\_  
Andrea Lawrence-Wheeler, Mayor

(SEAL)

AND \_\_\_\_\_  
Annita M. Smythe  
City Administrator/Clerk/Treasurer

STATE OF MINNESOTA            )  
  ( ss.  
COUNTY OF WRIGHT            )

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by Andrea Lawrence-Wheeler and Annita M. Smythe, the Mayor and City Administrator of the City of Clearwater, a Minnesota municipal corporation, on behalf of the corporation and pursuant to the authority granted by its City Council.

\_\_\_\_\_  
NOTARY PUBLIC

**DEVELOPER:**

Mississippi Ridge, LLC

By: \_\_\_\_\_  
Michael Gohman, Manager

STATE OF MINNESOTA            )  
  ( ss.  
COUNTY OF \_\_\_\_\_ )

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_, by Michael Gohman, the Manager of Mississippi Ridge, LLC, a Minnesota limited liability company.

\_\_\_\_\_  
NOTARY PUBLIC

**CITY OF CLEARWATER  
WRIGHT AND STEARNS COUNTIES, MINNESOTA**

A regular meeting of the City Council of the City of Clearwater, Minnesota, was called to order by Mayor Lawrence at 7:00 p.m. via Zoom Web Conference on Monday, June 29, 2020.

The following Council Members were present:       Lawrence, Petty, Scott, Crandall, and Kruchten.

The following Council Members were absent:       None.

A motion to adopt the following resolution was made by \_\_\_\_\_ and seconded by \_\_\_\_\_.

.....  
**RESOLUTION 2020-41  
APPROVING TIF DEVELOPMENT AGREEMENT  
MISSISSIPPI RIDGE APARTMENTS PROJECT**

**WHEREAS**, the City Council recently approved Tax Increment Financing (TIF) District 1-1 for construction of a 52-unit apartment building; and

**WHEREAS**, the attached agreement has been prepared to govern the terms of the TIF financing; and

**WHEREAS**, staff recommends the approval of the attached TIF agreement.

**NOW, THEREFORE, BE IT RESOLVED**, that the Clearwater City Council hereby approves the attached TIF Agreement subject to non-material modifications if deemed necessary by the city’s drafting attorney.

**BE IT FURTHER RESOLVED** that the Mayor and City Administrator are authorized to take such action as necessary to execute and record the agreement.

Council members voting in favor:

Opposed or Abstained:

Adopted by the City Council this 29<sup>th</sup> day of June, 2020.

ATTEST:

APPROVED BY:

\_\_\_\_\_  
Annita M. Smythe, City Administrator

\_\_\_\_\_  
Andrea Lawrence, Mayor

TAX INCREMENT DEVELOPMENT AGREEMENT

BY AND BETWEEN

THE CITY OF CLEARWATER, MINNESOTA

AND

MISSISSIPPI RIDGE, LLC

This document drafted by:

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

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## DEVELOPMENT AGREEMENT

THIS AGREEMENT, made as of the \_\_\_\_ day of \_\_\_\_\_, 2020, by and between the City of Clearwater, Minnesota (the "City"), a municipal corporation organized and existing under the laws of the State of Minnesota and Mississippi Ridge, LLC (the "Developer"), a Minnesota limited liability ~~corporation~~company.

WITNESSETH:

WHEREAS, pursuant to Minnesota Statutes, Section 469.124 through 469.133, the City has formed Municipal Development District No. 1 (the "Development District") and has adopted a development program therefor (the "Development Program"); and

WHEREAS, pursuant to the provisions of Minnesota Statutes, Section 469.174 through 469.1794, as amended (hereinafter, the "Tax Increment Act"), the City has created within the Development District, Tax Increment Financing (Redevelopment) District No. 1-1 (Mississippi Ridge) (the "Tax Increment District"), and has adopted a tax increment financing plan therefor (the "Tax Increment Plan") which provides for the use of tax increment financing in connection with certain ~~development~~redevelopment within the Development District; and

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

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

WHEREAS, the requirements of the Business Subsidy Law, Minnesota Statutes, Section 116J.993 through 116J.995, do not apply to this Agreement pursuant to an exemption for housing; and

NOW, THEREFORE, in consideration of the premises and the mutual obligations of the parties hereto, each of them does hereby covenant and agree with the other as follows:

### ARTICLE I

#### DEFINITIONS

Section 1.1 Definitions. All capitalized terms used and not otherwise defined herein shall have the following meanings unless a different meaning clearly appears from the context:

Agreement means this [Tax Increment Development](#) Agreement, as the same may be from time to time modified, amended or supplemented;

Business Day means any day except a Saturday, Sunday or a legal holiday or a day on which banking institutions in the City are authorized by law or executive order to close;

City means the City of Clearwater, Minnesota;

County means Wright County, Minnesota;

Developer means Mississippi Ridge, LLC, its successors and assigns;

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

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

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

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

Legal and Administrative Expenses means the [third-party, out of pocket](#) fees and expenses incurred by the City in connection with the adoption of the Tax Increment Financing Plan, the preparation of this Development Agreement, and the issuance of the TIF Note, [all of which shall be evidenced by invoices, statements or other reasonable written evidence of such costs incurred by the City](#);

Note Payment Date means August 1, 2022, and each February 1 and August 1 of each year thereafter to and including February 1, 2037; provided, that if any such Note Payment Date should not be a Business Day, the Note Payment Date shall be the next succeeding Business Day;

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

Project means [acquisition of the Development Property](#), the demolition and clearing of an existing substandard golf course maintenance building located on the Development Property and the construction of an approximately 52 unit ~~senior~~ [multifamily residential](#) housing facility;

Site Improvements means the site improvements to be undertaken on the Development Property as identified on Exhibit C attached hereto;

Site Improvement Performance Agreement means the [Site Improvement Performance Agreement by and between the City and the Developer, dated \\_\\_\\_\\_\\_, 2020](#);

State means the State of Minnesota;

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

Tax Increment District means Tax Increment Financing (Redevelopment) District No. 1-1- (Mississippi Ridge), located within the Development District, which was qualified as a redevelopment district under the Tax Increment Act;

Tax Increment Financing Plan means the tax increment financing plan approved for the Tax Increment District by the City Council;

Tax Increments means 90% of the tax increments derived from the Development Property which have been received and retained by the City in accordance with the provisions of Minnesota Statutes, Section 469.177.

Termination Date means the earlier of (i) February ~~1~~2, 2037, (ii) the date the Reimbursement Amount and applicable interest is paid in full, (iii) the date on which the Tax Increment District expires or is otherwise terminated, or (iv) the date this Agreement is terminated or rescinded in accordance with its terms;

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

Unavoidable Delays means delays, outside the reasonable control of the party claiming its occurrence, which are the direct result of strikes, other labor troubles, material shortages, unusually severe or prolonged bad weather, pandemic affecting the State as determined by the Governor, acts of war or terrorism, acts of God, fire or other casualty to the Project, discovery of unknown hazardous materials or other concealed site conditions or delays of contractors due to such discovery, litigation commenced by third parties which, by injunction or other similar judicial action or by the exercise of reasonable discretion, directly results in delays, or acts of any federal, state or local governmental unit (other than the City) which directly result in delays.

## ARTICLE II

### REPRESENTATIONS AND WARRANTIES

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

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

duly and properly authorized by the City. This Agreement contains the valid and binding obligations of the City and is enforceable in accordance with its terms.

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

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

(4) To finance certain costs within the Tax Increment District, the City proposes, subject to the further provisions of this Agreement, to apply Tax Increments to reimburse the Developer for the ~~costs of the~~acquisition of the Development Property and the construction of certain Site Improvements in connection with the Project as further provided in this Agreement.

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

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

(1) The Developer is a Minnesota limited liability ~~corporation,~~company and has the power and authority to enter into this Agreement and to perform its obligations hereunder and, ~~by doing so, is will~~ not ~~in violation of any provisions of~~violate its articles, ~~bylaws of organization, member control agreement or operating agreement,~~ or the laws of the State and by proper action has authorized the execution and delivery of this Agreement by proper action of its officers.

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

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

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

(5) The Developer will cooperate with the City with respect to any litigation commenced by third parties with respect to the Project.

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

(7) ~~The~~ Subject to Unavoidable Delays, the Developer shall commence construction of the Project by September 1, 2020 and, barring Unavoidable Delays, the Project will be substantially completed by December 31, 2021.

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

(9) Until the Termination Date, the Developer will not seek a reduction in the market value of the Project and the Development Property as determined by the County Assessor.

### ARTICLE III

#### UNDERTAKINGS BY DEVELOPER AND CITY

Section 3.1 Development Property, Site Improvements and Legal and Administrative Expenses. At the request of the City, the Developer shall pay the City the Legal and Administrative Expenses upon execution of this Agreement. ~~The cost~~ The cost of the acquisition of the Development Property and the construction of the Site Improvements and the Project shall be paid by the Developer. The City shall reimburse the Developer for the lesser of \$600,000 or the ~~costs~~ cost of the acquisition of the Development Property and the construction of the Site Improvements actually paid by the Developer (the "Reimbursement Amount") as further provided in Section 3.2 hereof.

Section 3.2 Reimbursement: TIF Note. The City shall reimburse for the costs identified in Section 3.1 through the issuance of the City's TIF Note in substantially the form attached to this Agreement as Exhibit B, subject to the following conditions:

(1) The TIF Note shall be dated, issued and delivered when the Developer shall have demonstrated in writing to the reasonable satisfaction of the City that (i) the Developer has incurred and paid the cost of the acquisition of the Development Property and Site Improvements, as described in and limited by Section 3.1 and shall have submitted a settlement statement or other evidence of payment of the costs of the Development Property and paid invoices for such costs in an amount not less than the Reimbursement Amount; and (ii) the construction of the Project is substantially complete.

(2) The unpaid principal amount of the TIF Note shall bear simple, non-compounding interest from the date of issuance of the TIF Note, at 5.00% per annum. Interest shall be computed on the basis of a 360 day year consisting of twelve (12) 30-day months.

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

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

(5) The TIF Note shall be a special and limited obligation of the City and not a general obligation of the City, and only Tax Increments shall be used to pay the principal and interest on the TIF Note. If, on any Note Payment Date, the Tax Increments for the payment of the accrued and unpaid interest on the TIF Note are insufficient for such purposes, the difference shall be carried forward, without interest accruing thereon, and shall be paid if and to the extent that on a future Note Payment Date there are Tax Increments in excess of the amounts needed to pay the accrued interest then due on the TIF Note.

(6) The City's obligation to make payments on the TIF Note on any Note Payment Date or any date thereafter shall be conditioned upon the requirement that (A) there shall not at that time be an Event of Default that has occurred and is continuing under this Agreement and (B) this Agreement shall not have been rescinded pursuant to Section 4.2(b).

(7) The TIF Note shall be governed by and payable pursuant to the additional terms thereof, as set forth in Exhibit B. In the event of any conflict between the terms of the TIF Note and the terms of this Section 3.2, the terms of the TIF Note shall govern. The issuance of the TIF Note pursuant and subject to the terms of this Agreement, and the taking by the City of such additional actions as bond counsel for the TIF Note may require in connection therewith, are hereby authorized and approved by the City.

#### ARTICLE IV

#### EVENTS OF DEFAULT

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

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

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

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

(4) If the Developer shall:

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

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

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

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

(E) the holder of any mortgage on the Development Property or any improvements thereon, or any portion thereof commences foreclosure proceedings as a result of any default under applicable mortgage documents.

Section 4.2 Remedies on Default. Whenever any Event of Default referred to in Section 4.1 occurs and is continuing, the City, as specified below, may take any one or more of the following actions after the giving of thirty (30) days' written notice to the Developer citing with specificity the item or items of default and notifying the Developer that it has thirty (30) days ~~within which to cure, or, if~~ said Event of Default. ~~If cannot reasonably be cured within the time, the Developer fails to give assurances reasonably satisfactory to the City that~~ the Event of Default ~~has not been~~ will be cured within ~~said thirty (30)~~ a period of time reasonably acceptable to the City, but in any event not to exceed ninety (60) days:

(1) The City may suspend its performance under this Agreement and the TIF Note until it receives assurances from the Developer, deemed adequate by the City, that the Developer will cure its default and continue its performance under this Agreement, and no interest shall accrue on the TIF Note while performance is suspended in accordance with this Section 4.2.

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

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

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

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

Section 4.5 Agreement to Pay Attorney's Fees and Expenses. Whenever any Event of Default occurs and the City shall employ attorneys or incur other expenses for the collection of payments due or to become due or for the enforcement or performance or observance of any obligation or agreement on the part of the Developer herein contained, the Developer agrees that it shall, ~~on~~ within 10 days after written demand therefor, pay to the City the reasonable fees of such attorneys and such other expenses so incurred by the City.

Section 4.6 Indemnification of City.

(1) The Developer releases from and covenants and agrees that the City, its governing body members, officers, agents, including the independent contractors, consultants and legal counsel, servants and employees thereof (hereinafter, for purposes of this Section, collectively the "Indemnified Parties") shall not be liable for and agrees to indemnify and hold harmless the Indemnified Parties against any loss or damage to property or any injury to or death of any person occurring at or about or resulting from any defect in the Project, provided that the foregoing indemnification shall not be effective for any actions of the Indemnified Parties that are not contemplated by this Agreement.

(2) Except for any willful misrepresentation or any willful or wanton misconduct of the Indemnified Parties, the Developer agrees to protect and defend the Indemnified Parties, now and forever, and further agrees to hold the aforesaid harmless from any claim, demand, suit, action or other proceeding whatsoever by any person or entity whatsoever arising or purportedly arising from the actions or inactions of the Developer (or ~~if~~ other persons acting on its behalf or under its direction or control) under this Agreement, or the transactions contemplated hereby or the acquisition, construction, installation, ownership, and operation of the Project; provided, that this indemnification shall not apply to the warranties made or obligations undertaken by the City in this Agreement or to any actions undertaken by the City which are not contemplated by this

Agreement but shall, in any event and without regard to any fault on the part of the City, apply to any pecuniary loss or penalty (including interest thereon from the date the loss ~~if~~ incurred or penalty is paid by the City at a rate equal to the Prime Rate) as a result of the Developer operating the Project ~~causing so that~~ the Tax Increment District ~~to~~ does not qualify or ~~cease~~ ceases to qualify as a "redevelopment district" under Section 469.174, Subdivision 12, of the Act or to violate limitations as to the use of Tax Increments as set forth in Section 469.176, Subdivision 4j.

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

## ARTICLE V

### DEVELOPER'S OPTION TO TERMINATE AGREEMENT

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

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

Section 5.3 Effect of Termination. If this Agreement is terminated pursuant to this Article V, this Agreement shall be from such date forward null and void and of no further effect; provided, however, the termination of this Agreement shall not affect the rights of either party to institute any action, claim or demand for damages suffered as a result of breach or default of the terms of this Agreement by the other party, or to recover amounts which had accrued and become due and payable as of the date of such termination. Upon termination of this Agreement pursuant to this Article V, the Developer shall be free to proceed with the Project at its own expense and without regard to the provisions of this Agreement; provided, however, that the City shall have no further obligations to the Developer with respect to reimbursement of the expenses set forth in Section 3.2.

## ARTICLE VI

### ADDITIONAL PROVISIONS

Section 6.1 Restrictions on Use. The Developer agrees for itself, its successors and assigns and every successor in interest to the Development Property, or any part thereof, that the Developer and such successors and assigns shall operate, or cause to be operated, the Project as a multifamily ~~senior~~residential housing facility and shall devote the Development Property to, and in accordance with, the uses specified in this Agreement.

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

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

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

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

Mississippi Ridge, LLC

=====  
=====

[123 Riverside Drive SE](#)  
[St. Cloud, MN 56304](#)  
[Attn: Michael Gohman](#)

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

City of Clearwater, Minnesota  
PO Box 9  
605 County Road 75 NW  
Clearwater, MN 55320

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

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

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

Section 6.7 Expiration. This Agreement shall expire on the Termination Date.

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

Section 6.9 Assignability of Agreement and TIF Note. The Developer may transfer or assign the Project, the Development Property, the Developer's rights and obligations under this Agreement and/or the TIF Note ~~may be assigned~~ only with the consent of the City which consent shall not be unreasonably withheld.

Section 6.10 Estoppel Certificates. The City agrees that it will, from time to time, upon request by Developer, execute and deliver to Developer and to any parties designated by Developer, within ten (10) business days following demand therefor, an estoppel certificate certifying (i) that this Agreement is unmodified and in full force and effect (or if there had been modifications, that the same are in full force and effect as so modified), and (ii) that there are no defaults hereunder (or specifying any claim defaults).

*[Signature pages follow]*

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

CITY OF CLEARWATER, MINNESOTA

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

By \_\_\_\_\_  
Its City Clerk

(SEAL)

This is a signature page to the Development Agreement by and between the City of Clearwater and Mississippi Ridge, LLC

MISSISSIPPI RIDGE, LLC

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

Gohman, Manager

This is a signature page to the Development Agreement by and between the City of Clearwater and Mississippi Ridge, LLC

## EXHIBIT A

### Description of Development Property

The property located in the City of Clearwater, Wright County, Minnesota ~~with the following~~, parcel identification number R104-041-001010, legally described as follows:

~~PARCEL NO.~~

~~104-041-001010~~ Lot 1, Block 1, Clearwater Estates Plat Seven

EXHIBIT B

Form of TIF Note

No. R-1

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

UNITED STATES OF AMERICA  
STATE OF MINNESOTA  
COUNTY OF WRIGHT  
CITY OF CLEARWATER

TAX INCREMENT REVENUE NOTE  
(MISSISSIPPI RIDGE, LLC PROJECT)

The City of Clearwater, Minnesota (the "City"), hereby acknowledges itself to be indebted and, for value received, hereby promises to pay the amounts hereinafter described (the "Payment Amounts") to Mississippi Ridge, LLC (the "Developer") or its registered assigns (the "Registered Owner"), but only in the manner, at the times, from the sources of revenue, and to the extent hereinafter provided.

The principal amount of this Note shall equal from time to time the principal amount stated above, as reduced to the extent that such principal installments shall have been paid in whole or in part pursuant to the terms hereof; provided that the sum of the principal amount listed above shall in no event exceed \$600,000 as provided in that certain [Tax Increment Development Agreement](#), dated as of \_\_\_\_\_, \_\_\_\_\_, 2020, as the same may be amended from time to time (the "Development Agreement"), by and between the City and the Developer. The unpaid principal amount hereof shall bear interest from the date of this Note at the simple non-compounded rate of five and no hundredths percent (5.00%) per annum. Interest shall be computed on the basis of a 360 day year consisting of twelve (12) 30-day months.

The amounts due under this Note shall be payable on August 1, 2022, and on each February 1 and August 1 thereafter to and including February 1, 2037, or, if the first should not be a Business Day (as defined in the Development Agreement) the next succeeding Business Day (the "Payment Dates"). On each Payment Date the City shall pay by check or draft mailed to the person that was the Registered Owner of this Note at the close of the last business day of the City preceding such Payment Date an amount equal to the Tax Increments (hereinafter defined) received by the City during the six month period preceding such Payment Date. All payments made by the City under this Note shall first be applied to accrued interest and then to principal. This Note is prepayable by the City, in whole or in part, on any date.

The Payment Amounts due hereon shall be payable solely from 90% of tax increments (the "Tax Increments") from the Development Property within the City's [Tax Increment Financing \(Redevelopment\) District No. 1-1 \(Mississippi Ridge\)](#) (the "Tax Increment District") within its [Municipal Development District No. 1](#) which are paid to the City and which the City is

entitled to retain pursuant to the provisions of Minnesota Statutes, Sections 469.174 through 469.1794, as the same may be amended or supplemented from time to time (the "Tax Increment Act"). This Note shall terminate and be of no further force and effect following the last Payment Date defined above, on any date upon which the City shall have terminated the Development Agreement under Section 4.2(2) thereof or the Developer shall have terminated the Development Agreement under Article V thereof, the date the Tax Increment District is terminated, or on the date that all principal and interest payable hereunder shall have been paid in full, whichever occurs earliest.

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

The City's payment obligations hereunder shall be further conditioned on the fact that no Event of Default under the Development Agreement shall have occurred and be continuing at the time payment is otherwise due hereunder, but such unpaid amounts shall become payable if said Event of Default shall thereafter have been cured; and, further, if pursuant to the occurrence of an Event of Default under the Development Agreement the City elects to cancel and rescind the Development Agreement, the City shall have no further debt or obligation under this Note whatsoever. Reference is hereby made to all of the provisions of the Development Agreement, including without limitation Section 3.2 thereof, for a fuller statement of the rights and obligations of the City to pay the principal of this Note, and said provisions are hereby incorporated into this Note as though set out in full herein.

This Note is a special, limited revenue obligation and not a general obligation of the City and is payable by the City only from the sources and subject to the qualifications stated or referenced herein. This Note is not a general obligation of the City, and neither the full faith and credit nor the taxing powers of the City are pledged to the payment of the principal of this Note and no property or other asset of the City, save and except the above-referenced Tax Increments, is or shall be a source of payment of the City's obligations hereunder.

This Note is issued by the City in aid of financing a project pursuant to and in full conformity with the Constitution and laws of the State of Minnesota, including the Tax Increment Act.

This Note may be assigned only with the consent of the City. In order to assign the Note, the assignee shall surrender the same to the City either in exchange for a new fully registered note or for transfer of this Note on the registration records for the Note maintained by the City. Each permitted assignee shall take this Note subject to the foregoing conditions and subject to all provisions stated or referenced herein.

IT IS HEREBY CERTIFIED AND RECITED that all acts, conditions, and things required by the Constitution and laws of the State of Minnesota to be done, to have happened, and to be performed precedent to and in the issuance of this Note have been done, have happened, and have been performed in regular and due form, time, and manner as required by law; and that this Note, together with all other indebtedness of the City outstanding on the date

hereof and on the date of its actual issuance and delivery, does not cause the indebtedness of the City to exceed any constitutional or statutory limitation thereon.

IN WITNESS WHEREOF, City of Clearwater, Minnesota, by its City Council, has caused this Note to be executed by the manual signatures of its Mayor and City Clerk and has caused this Note to be dated as of \_\_\_\_\_.

\_\_\_\_\_  
City Clerk

\_\_\_\_\_  
Mayor

## CERTIFICATION OF REGISTRATION

It is hereby certified that the foregoing Note was registered in the name of Mississippi Ridge, LLC, and that, at the request of the Registered Owner of this Note, the undersigned has this day registered the Note in the name of such Registered Owner, as indicated in the registration blank below, on the books kept by the undersigned for such purposes.

NAME AND ADDRESS OF  
REGISTERED OWNER

DATE OF  
REGISTRATION

SIGNATURE OF CITY  
CLERK

Mississippi Ridge, LLC  
~~P.O. Box 370~~  
~~Clearwater~~ 123 Riverside Drive SE  
~~, MN 55320~~  
St. Cloud, MN 56304

\_\_\_\_\_

## EXHIBIT C

### Site Improvements

Demolition of existing golf course maintenance building  
Landscaping, including irrigation  
Foundations and Footings  
Grading/earthwork  
Engineering  
Survey  
Environmental Testing  
Soil Borings  
Site Preparation  
On Site Utilities  
Storm Water/Ponding  
Outdoor Lighting  
Parking, Driveway and Sidewalk Improvements