

Mayor Hafften called the special council meeting to order at 5:05 p.m. in the council chambers of city hall at 6031 Main Street, Rockford, MN. The purpose of the special meeting was to hold public hearings required to finance the Rockford Mall acquisition.

Roll Call

The following members were present: Hafften, Graner Wenz and Martinson arrived at 5:30 p.m. Absent: Kesanen. Also in attendance were: Shannon Sweeney Financial Consultant of David Drown and Associates, Nancy Carswell and Dan Madsen Administrator.

Public hearing Intent to Issue GO Capital Improvement Plan Bonds and Proposal to Adopt a Capital Improvement Plan

Mayor Hafften opened the hearing at 5:05 p.m.

Sweeney reviewed the details of the capital improvement plan of 2014 – 2018.

Sweeney also reviewed the debt service limit and bond authority for Rockford and the proposed CIP bond will fall below the limit. The city previously issued a Capital Improvement Plan debt for the public works facility and library. The current proposed CIP issue of up to \$585,000 is meant to fund acquisition and renovation of costs associated with city hall facilities.

Eight factors were discussed as required by MN State Statute:

1. Condition of existing facility and need for repair or replacement.
2. Demand and need for the project.
3. Estimated cost.
4. Available public resources.
5. Overlapping debt in the city.
6. Project priority and relative benefits vs cost.
7. Operating costs.
8. Other alternatives considered.

Graner questioned where the city could use part of the tax exempt bond proceeds for updating the façade of the mall.

Madsen questioned if the city could shift \$145,000 of the acquisition for the city hall land acquisition and Sweeney said that could be done. Madsen also stated that the city could choose to wait to bond for the build out costs until there are firm design plans and costs for this and possibly some façade improvements.

No one from the public was present to provide comments or input.

Motion was made by Graner, seconded by Hafften to close the hearing and open the council meeting.

Motion carried-voting in favor: Graner, Hafften, and Wenz.

The hearing was closed at 5:20 p.m.

Resolution 14-15 Give preliminary approval for the Issuance of the city general obligation Capital Improvement Plan Bonds in an amount not to exceed \$585,000 and adopting the City of Rockford Capital Improvement Plan for 2014- 2018.

Motion was made by Graner seconded by Hafften to adopt Resolution 14-15 Give preliminary approval for the Issuance of the city general obligation Capital Improvement Plan Bonds in an amount not to exceed \$585,000 and adopting the City of Rockford Capital Improvement Plan for 2014- 2018.

Motion carried-voting in favor: Graner, Hafften, and Wenz.

Motion was made by Graner, seconded by Wenz to close the special meeting.

Motion carried-voting in favor: Graner, Hafften, and Wenz.

Public Hearing on Tax Abatement and Issuance of Bonds

Mayor Hafften opened the public hearing at 5:41 p.m.

Sweeney reviewed the tax abatement issue that is proposed to finance the acquisition and improvement of the Rockford Mall property. The city has identified 8 parcels located in the vicinity of the Rockford Mall which abatement property will be benefited by the Rockford Mall Project.

The city intends to pay for the Rockford Mall project through the issuance of approximately \$1,950,000 GO tax abatement bonds.

The council finds and determines that the public benefits to the city from the abatement will be at least equal to the costs to the city of the abatement, because the abatement will help redevelop and renew blighted areas and provide access to services for residents and the project will stimulate increases in the tax market values of the Rockford Mall property.

The proposed GO Tax Abatement Bond Issue will be payable over a period of 20 years at an amount will not to exceed \$1,950,000.

Graner asked how this will affect the taxpayers. Sweeney stated that \$240,000 will be a tax levy and is significant to about 17%. We have not started the bond payments in full until 2016 to give the city time to lease property and sell out lots.

Madsen voiced concern over the properties listed in the tax abatement area for the project. Sweeney explained that the properties are not affected by this in any way as the city will be responsible for paying the debt.

Motion was made by Wenz, seconded by Graner to close the public hearing and reopen the special council meeting.

Motion carried-voting in favor: Graner, Hafften and Wenz.

Resolution 14-16 Approving Property Tax Abatement for certain property locations in the City of Rockford

Motion was made by Graner, seconded by Wenz to adopt resolution 14-16 approving the tax abatement for certain property located in the city of Rockford.

Motion carried-voting in favor: Graner, Hafften, Martinson and Wenz.

Graner questioned whether the city was tied to a contract for build out of the city space with CPMI. Carswell stated no but those costs were used for the bond since the city held many workshop meetings with CPMI and they visited the mall spaces and were familiar with what the city wants in the event center. Graner stated that she would like to see the city purchasing some used equipment for the space and to be frugal in the redevelopment.

We need to have a plan designed for the city spaces.

Madsen recommended the council hold a workshop to discuss what the use of the space, priorities of the mall, rental of vacant spaces, sale of out lots and prices. Council agreed and Graner suggested Joanne Foust be invited to the workshop meetings as she will be working to fill vacant spaces.

Council decided to conduct a workshop meeting at 5:30 p.m. on February 25, 2014 to discuss the plans for the mall and another workshop on March 4th at 5:00 p.m. Madsen asked council what information council wants from staff for this meeting. Council stated that they would like to have the following information: rental per square foot, site map, map showing use of the mall, information on out lot prices, potential leads, etc.

Adjourn

Motion to adjourn was made Wenz, seconded Graner.

Motion Carried-voting in favor: Graner, Hafften, Martinson and Wenz.

The meeting was adjourned at 6 p.m.

Renee Hafften, Mayor

ATTEST:

Nancy Carswell, Administrator