

**January 7, 2014**

**FOR YOUR INFORMATION . . . .**

This section is to highlight projects and events that do not require Council action but are necessary to keep you informed. Commission/Committee minutes will be contained in this section when they are available.

City Administrators Report

This will be included in the first Council Packet of each month.

Planning Commission Agenda Packet

EDA Agenda Packet

Public Works Commission Agenda

Cable Commission Agenda Packet

Library Board Agenda Packet

Post Bulletin Article on New Pool

# ADMINISTRATORS REPORT

## January 7, 2014

Following is a brief update on the main projects I have been working on:

- My Last Meeting:** I want to thank the Council, staff, and citizens again for making my time in Cannon Falls so enjoyable. I have truly enjoyed working with all of you and wish you the best of luck in the future.
- My Projects:** I am working on preparing memos for each of the projects I'm working on so my successor can hit the ground running. In addition I am updating staff on the various projects so they will be continued on after I leave and before my replacement starts.
- Administrator Search:** To date we have 32 applications for the position. I will work on pointing the applications and getting them to the Personnel committee on the 7<sup>th</sup>. From there the Committee will select semifinalists to interview with a panel made up of the Committee, Assistant Administrator Endres, and a local business leader. After the first interview the Committee will select a finalist(s) to meet with the full Council.
- New Pool Project:** Working with Goodhue County I have the process in place for the new pool project. Absentee voting begins on January 16<sup>th</sup>. Before I go I will prepare an information piece for the newspaper and web site. In addition SEH, Bossardt, and USAquatics will attend public information sessions at 5:30pm before the January 21<sup>st</sup> and February 18<sup>th</sup> Council meetings to present project information and answer any questions the public has.
- 52/24 Access Issue:** The week of the Council meeting I will be meeting with the Commissioner's Office and District 6 to discuss our options. At this time the Commissioner's Office has directed District 6 to review all possible access alternatives and bring them to the meeting for review. Before I leave we will know if we have any chance of working with District 6 or if we will need to pursue legislative action.

**South of School Project:** The work is for the most part completed. Some home owners have already connected to City services and others will do so in the spring. In the spring the final clean-up work will occur along with the rest of the East Side project.

**Mulvihill Development:** Staff is meeting with MNDOT soon to discuss access to the Development. We will have a Development Agreement worked out this winter to allow for the first set of homes to be built this spring.

**Road Renaming:** The City, County, and Township have met and decided on names for all the roads in the 52 interchange project area. Goodhue County is working on creating a map and I will share that with the Council when available.

**Illegal Access to Driver's License Data Base:**

This continues to evolve as the numerous lawsuits around the state work their way through the courts. The latest ruling has thrown out all the claims against the effected Cities based on a number of reasons. This bodes well for the other cases if the same case law is applied. I will keep the Council updated as this continues.

**Hwy. 19 Project:** The crosswalk at the Park n Ride lot will be bid this winter for construction in the spring. MNDOT is reviewing the traffic patterns at the new downtown intersection and may put in striping that has cars stop for the lights farther back then the intersection. This allows for trucks to safely make the tight turns.

**CSAH 24 Project:** This project continues to move forward with road construction underway. We have been notified that they intend to extend 24 all the way to 19 in 2015 which will help with access to the proposed Mulvihill housing development across from the school.

**52/86 Interchange:** Dakota County and MNDOT continue to move forward with a modified interchange design for this site. This will be of great benefit to our industrial park and open up the northern edge of town for more development.

**New Hospital Update:** Construction is on schedule and going well.

**Economic Development:** Dave and the EDA continue doing a great job in growing our Commercial/Industrial base with more projects in the works at this time. Hopefully some of these projects will be coming forward for review and approval soon.

**Invenergy Expansion:** Invenergy is one of two site finalists for an Xcel contract to generate more electricity. If they are awarded the contract a third generator would be added to their current site. If this occurs the City would amend our current Agreement with them and we would receive more Payment In Lieu of Taxes revenue. The expansion would not require any additional City utilities or expense on our part.

**Sandstone Ridge:** I will meet with the County Board before I leave to request that the lots be given to us for redevelopment per the resolution passed by the Council at our last meeting.

**City Finances:** The updated FMP may be ready for review for this meeting. If it is I will amend the agenda for its presentation. As always we continue to invest City funds and gain whatever interest we can on our reserves.

**East Side I Project:** Construction is substantially complete. We have worked out a deal with Hentges related to the delay in completing the project. They have some valid reasons for the delay but acknowledge that some things could have been done sooner. Instead of a financial penalty Hentges will reset the south City entrance sign this spring.

**Highway 52 Project:** The project is moving forward very quickly and is on schedule. Monthly meetings continue being held to keep everyone involved up to date on the project status.

**Cooperation Efforts:** As always we continue to work with our neighboring Cities, the County, School District, and area businesses to see what can be developed for sharing of services.

The above are brief descriptions of the main projects I have been working on. There have been numerous smaller projects and the everyday activities of City Hall that have been keeping me busy. Please let me know if you would like further information on any of the above projects or if you would like me working on anything else. I always appreciate input and direction from the City Council.





[www.ci.cannon-falls.mn.us](http://www.ci.cannon-falls.mn.us)

## **EDA MEETING AGENDA**

**Wednesday, January 8, 2014**

**7:00 a.m.**

- 1. CALL TO ORDER.**
- 2. ROLL CALL:** Wulf, Duncan, Banks, Flaten and Mattson.
- 3. EDA BUSINESS:**
  - A. Approval of Agenda.
  - B. Approval of Minutes – December 11, 2013.
  - C. Conflict of Interest Disclosure.
  - D. 2014 Work Program.
  - E. ED Project Updates.
    - Tax Abatement Information/CR Winery.
    - Odor Mitigation.
    - Other Business.
- 4. ADJOURN.**

Posted: January 3, 2014.

The Cannon Falls Economic Development Authority (EDA) met on Wednesday, December 11, 2013 at 7:00 a.m. in City Hall. Present were Greg Wulf, Bill Duncan, Roxanne Flaten, Bob Banks and Morris Mattson. Also present was the Director of Economic Development and Planning Dave Maroney and Rosie Schluter.

Call to  
Order/Approve  
Agenda/Approve  
Minutes/Conflict  
of Interest  
Disclosure

The meeting was called to order at 7:00 a.m. by Greg Wulf. Motion by Flaten, second by Duncan to approve the agenda and the minutes from the 11/13/13 meeting. Approved 5-0-0. No conflict of interest was disclosed.

2014 Property  
Taxes.

Dave Maroney reported that the proposed 2014 property taxes for the four remaining parcels owned by the Authority are \$3,960 which is a \$950 decrease from 2013. Following further discussion, a motion was made by Banks, second by Duncan to offer the 4-acre parcel located adjacent to Sweet Harvest Foods to Curt Riess for a price of \$5,000 per acre, assuming that no development of the property is proposed at this time. Approved 5-0-0.

ED Project  
Updates.

Cooperative Storm Drainage Plan. The members reviewed a revised plan for managing storm drainage for the area in and around the property purchased by World Food Processing. Following discussion of the revisions, the members agreed that the concept idea should be presented to Jerry Lorenzen and if he is agreeable to then discuss the same with Brad Malecha.

Cannon River Winery. Dave Maroney reported that the Maloney's had revised their proposal from that which was discussed most recently on November 26<sup>th</sup> with members Duncan and Flaten. The most significant change proposed that the Authority repurchase the former Lee Chev property, perhaps well before the proposed Event Center would be constructed. The members asked that Duncan, Flaten and Maroney meet again with the Maloney's to discuss their revised schedule and project. All members agreed that for the Authority to approve a repurchase of the former Lee Chev property that an appropriate investment of private funds must be assured.

Adjourn.

Motion by Flaten, second by Mattson to adjourn. Approved 5-0-0.



**To: Economic Development Authority.**

**FROM: Dave Maroney, Director of Economic Development and Planning.**

**SUBJECT: January 8, 2014 Agenda.**

**DATE: January 3, 2014.**

**Item 3 (D). 2014 Work Program.** Please review the enclosed *EDA Work Program* summary. Any specific suggestions for new priorities and/or revisions can be presented for consideration and discussion on Wednesday morning. Following the meeting I will prepare a new format tailored to reflect current and proposed priorities and present the same to you for adoption on February 12<sup>th</sup>.

**Item 3 (E). ED Project Updates.**

**Tax Abatement Information/CR Winery.** John Maloney has indicated his interest in securing financial assistance for the Event Center project through tax increment financing (TIF) or tax abatement. Last week I informed John and Brian Hokanson that due to the proposed timing of the project that tax abatement seemed more plausible than TIF and that any consideration by the EDA and County Board would be based in part upon financial need.

Hypothetically and to generally describe tax abatement, if the Event Center development created \$250,000 of new taxable market value and the 2013 tax rates were applied, the annual tax abatement amount for Cannon Falls amounts to \$3,746 and \$2,378 for Goodhue County - the total \$6,124 may be abated for a period no longer than 15 years (with some exceptions). Assuming the maximum term and if so authorized by the City Council and County Board, the future value of tax abatement revenue in this example amounts to \$91,860. The abatement may be limited to: (a) a specific dollar amount each year or in total; (b) the increase in property taxes (or market value or tax capacity) resulting from the Event Center itself; or (c) any other manner that the City Council or County Board determines to be appropriate. In essence, TIF and/or tax abatement is available to assist with financing proposed development projects such as the Event Center with the financing provided "up-front" and/or "over-time".

**Odor Mitigation.** The City Council has engaged St. Croix Sensory, Inc. and Trinity Consultants to assist with undertaking an odor monitoring study in the Industrial Park. The primary goal of this initiative is to identify the specific nature of the odor generated by Sustane and thereafter work with Sustane to mitigate the problem. While the study is focused on Sustane at this time, the monitoring equipment and training will be used to evaluate other odor concerns in the future should they arise. See *Item B (6)* of the *EDA Work Program*.

**Other Business.** Reserved for topics that may be added prior to Item 3(A) - Approval of Agenda.



## 2012 – 2013 - 2014 EDA Work Program (1/8/14)

\* *High Priority (HP); Medium Priority (MP); or Low Priority (LP)\**

2014: Updated Status.

2013: Planning (PL); Implementation (IM); Reconsider Priority (RP).

### A. Redevelopment Projects:

1. Three (3) closed convenience stores. *MP – 12 pts. RP (Cannon Stop) Cannon Stop remains.*
2. Highway 52 Properties – Identify Specific Sites and Prioritize. *HP – 18 pts. PL/IM Item C-2 Below.*
3. Ag Partners (Searle Site). *LP – 9 pts.*
4. Pro Rail (Malt House Neighborhood). *LP – 9 pts.*
5. Properties East of Fifth Street – Dakota to Washington Streets (CR #17). *LP – 9 pts.*
6. Existing Hospital Property. *MP – 12 pts. PL (IM 2014) MOU Final Draft Pending Execution.*
7. Scattered site residential properties. *LP – 6 pts.*

### B. Industrial Park Improvements/Re-positioning:

1. Complete sale of land to S & S Investment Properties. *Continue – 13 pts. RP Completed.*
2. Promote and facilitate the sale of land to Lorentz Meats. *Continue – 12 pts. (1 abstention). RP Completed.*
3. Monitor the development plans of Sweet Harvest Foods. *Continue – 13 pts. RP (4-acre site) Pending.*
4. Evaluate opportunities to sell the +/- 32-acres of unplatted and unserved land. *MP – 12 pts. RP Land Sold to WFP – development project is pending.*
5. Investigate expansion possibilities with Invenergy. *LP – 10 pts. Assess “wind energy”. LP – 8 pts.*
6. Pursue odor mitigation alternatives with Sustane. *HP – 15 pts. RP (MPCA Position) Odor Study Initiated.*
7. Reduce the water rate for irrigation accounts. *MP – 12 pts.*

### C. Promote Business Development:

1. Continue to cooperate with Gemini in their planning for local expansion. *HP – 17 pts. IM Bldg. 6/OMC.*
2. Initiate preparation of a development plan for the south Highway 52 corridor. *HP – 18 pts. PL/IM PL/IM.*
3. Cooperate with the Mayo Clinic Health System to plan and develop the new hospital. *HP – 17 pts. IM Completed.*
4. Prepare a strategy to capitalize on the food processing sector (local foods) and market potential of Cannon Falls. *HP – 14 pts. PL (SMIF) Center for Local Foods Strategic Plan in-process.*
5. Initiate dialogue with School District to discuss common community development goals. *MP – 12 pts.*

### D. Downtown Projects:

1. Complete the sale of land to Gary Tournier (38 ½-foot parcel). *Continue – 13 pts. New property owner.*
2. Cooperate with John Maloney to redevelop the former Lee Chevrolet site (if acquired). *HP – 15 pts. PL/IM Property acquired and PL/IM continuing on the Event Center.*
3. Cooperate with Cynthia Gould to develop the former Van Campen property. *HP – 17 pts. PL PL.*
4. Investigate plans for the former NAPA building at Park and Third Streets. *LP – 8 pts.*
5. Veterans Lane Neighborhood. *LP – 10 pts. RP New Owners: Brekken's/ArtOrg.*

### E. Summarize any other priorities for 2014 below:

2012/13: Redevelop old depot site (RP). Relocate Sustane. Promote existing businesses. Job creation efforts.

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*High is 14 points or more. Continue is 13 points. Medium is 11 – 12 points. Low is 10 points or less.*



the end of the year.

Koshire said he had been thinking about retirement for several months and decided that now is the ideal time because RPU is in good shape, financially and operationally.

"I've got a great staff and it's really nice to be able to leave when things are going so well. It makes me feel good," he said.

He first started at RPU in 1978 as an electri-

water utilities. He's overseen several major maintenance and expansion projects, including the Cascade Creek gas turbines, the diesel generators at IBM and most recently, the controversial 3.3 million gallon water tank in St. Mary's Park.

"His leadership has been exemplary. He's been an outstanding leader of a very fine organization," said Rochester Utility Board

time to do that, and I think that's probably one of the things I'm most proud of," he said.

In his retirement, Koshire said he plans to stay connected in the community through various volunteering opportunities. He also plans to do some consulting and teaching.

"And, of course, retire — do fun things," he said, adding that he hopes to spend more time hunting and fishing.

# Cannon Falls puts pool upgrade to public vote

BY BRETT BOESE

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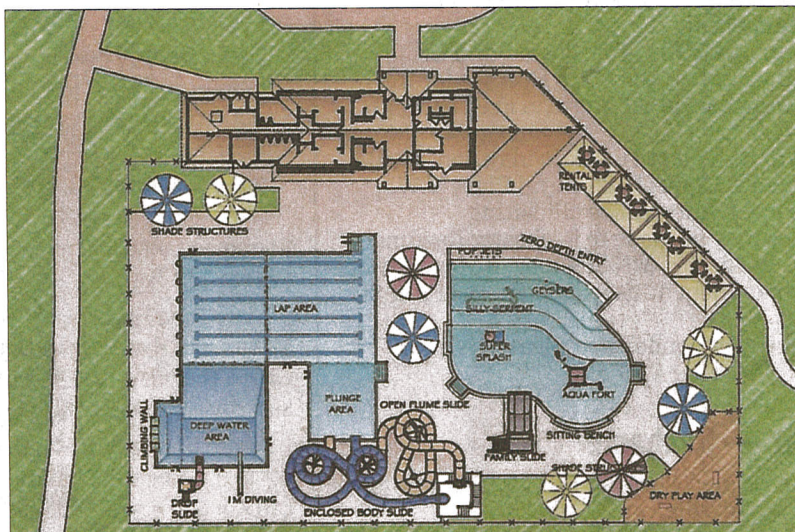
**CANNON FALLS** — The city of Cannon Falls has become the latest public entity to consider diving into a shiny new aquatics center.

The Cannon Falls City Council voted Dec. 3 to let the public decide on a \$4.25 million bonding request that the city will use to replace its old, cracking pool built in 1969. That will be the lone question on the ballot when Cannon Falls conducts a special election on March 3.

"Our pool is getting up there in age," Cannon Falls Mayor Robby Robinson said. "As we look at a replacement, we had U.S. Aquatics come in and design what it might be. Now we'll put it up for a public referendum to decide.

"I've heard mixed reviews, especially when you start looking at price."

Byron is exploring a new sports complex, which was borne from an initial proposal for a \$5 million aquatic center. Goodhue is also looking at constructing a new pool, perhaps as



This rendering shows the layout of the proposed \$4.25 million Cannon Falls Aquatic Center.

soon as this summer.

The proposed facility in Cannon Falls would be a considerable upgrade from the current pool, which is a simple 25-foot square and not compliant with the Americans with Disabilities Act. The new layout would include two separate pools with

four separate areas of use.

A deep-water area would be used for a diving board and drop slide connected to a climbing wall. It would have access to a lap swim area, which would be connected to a spot where swimmers could use open or enclosed slides.

A zero-depth pool would be just a few feet away. That area would include a family slide, an aqua fort and other entertainment options for children. A new bath house and concession building is also planned.

"With the new design, it's going to upgrade everything and give us something we might be able to generate a little revenue on," Robinson said.

The proposed aquatic center is projected to cost \$3.99 million, but city administrator Aaron Reeves has requested a bond figure of \$4.25 million to allow for some margin of error. Projections suggest it could generate up to \$15,000 per year, whereas the current pool has an annual operating deficit of about \$60,000.

If the public approves the bond, city officials don't expect to open the pool for the summer of 2014. Instead, the current pool would be demolished in June in hopes of having the new aquatic center ready to go in 2015.

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## LOOK AHEAD | Southeast MN

### THURSDAY ►

For at least one area donkey, the holiday season is bustling. **Back Roads.**



### FRIDAY

How much should you tip the garbage man, the mail carrier and the Answer Man at Christmas? Find out in Friday's **Answer Man** column.

For comments and story ideas, contact: Brian Sander, regional editor, sander@postbulletin.com