

**To: HONORABLE MAYOR AND CITY COUNCIL.**

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

**SUBJECT: 318<sup>th</sup> Street Improvement Project.**

**DATE: April 10, 2014.**

**BACKGROUND.**

Mayo Clinic Health System Cannon Falls (Mayo) has requested that the City of Cannon Falls partner with them to improve (“pave”) 318<sup>th</sup> Street East on a schedule that coincides with the opening of the new medical center. The Public Works Commission has been working with the affected property owners to reach an equitable agreement to allow this project to be completed.

The City Engineer has estimated that the proposed project will cost \$210,000. Based on this estimate, Assessment Agreements have been executed by Mayo, Country Side Implements, Inc. (Steve Bauer) and Randall W. Rechtzigel. Because some of the “benefitted property” is located outside of the corporate limits, approximately \$18,000 of the total estimated project cost is proposed to be financed by the City of Cannon Falls.

**REQUESTED COUNCIL ACTION.**

As recommended by the Public Works Commission, the City Council is asked to approve the Resolution Adopting the Public Improvement and Special Assessment Agreements and the Resolution Authorizing the Preparation of Plans and Specifications for the project.

**CITY OF CANNON FALLS  
GOODHUE COUNTY, MINNESOTA**

**RESOLUTION NUMBER 2069**

**A RESOLUTION ADOPTING THE PUBLIC IMPROVEMENT  
AND SPECIAL ASSESSMENT AGREEMENTS**

**WHEREAS**, the City has received the following signed Public Improvement and Special Assessment Agreements from the property owners waiving all applicable assessment procedural requirements and requesting to be assessed for the cost of paving 318<sup>th</sup> Street East for the following properties:

- Lot 1 Block One Mayo Clinic Health System Cannon Falls (PID #52-392-0010)
- Parcel Owned by Country Side Implements, Inc. (PID #52-719-5100)
- Parcel Owned by Country Side Implements, Inc. (PID #52-719-7200)
- Parcel Owned by Randall W. Rechtzigel (PID #52.719.7101)

which agreements are attached hereto as Exhibit “A” (“Assessment Agreements”); and

**WHEREAS**, the City has reviewed the Assessment Agreements and has determined that the requests and that the proposed improvements to 318<sup>th</sup> Street East under the terms and conditions specified in the Assessment Agreements are in the public interest.

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of Cannon Falls, Minnesota:

1. The Assessment Agreements are hereby approved. The Mayor and City Administrator are authorized and directed to sign the Assessment Agreements.
2. The Assessments Agreements and the assessments provided therein are hereby accepted and shall constitute the special assessments against the lands named therein and each tract of land therein included is hereby found to benefitted by the proposed improvements in the amount of the assessment levied against it.
3. The property owner(s) identified within each Assessment Agreement may, at any time prior to certification of the assessment to the County, pay the whole of the assessment on such property to the City, except that no interest shall be charged if the entire assessment is paid prior to certification of the assessment. The owner may at any time thereafter pay the City the entire amount of the assessment remaining unpaid with interest accrued to December 31 of the year in which the payment is made. Such payment must be made before November 30 or interest will be charged through December 31, of the next succeeding year.

4. The Clerk shall forthwith transmit a certified duplicate of this assessment to the County to be extended on the proper tax lists of the County and such assessments shall be collected and paid over in the same manner as other municipal taxes.
5. The cost of the improvements assessed by this resolution shall be as identified in the Assessment Agreements. Terms of the Assessments shall be as provided in the Special Assessment Agreements.
6. The cost of the public improvements that exceed the assessment amounts represented by the Assessment Agreements will be paid by the City of Cannon Falls.

**ADOPTED** this 15th day of April, 2014, by the City Council of the City of Cannon Falls, Minnesota.

**CITY OF CANNON FALLS**

BY: \_\_\_\_\_  
Lyman M. Robinson, Mayor

**ATTEST:**

\_\_\_\_\_  
Ronald S. Johnson, City Administrator

## **EXHIBIT “A”**

[Attach agreements]

**PUBLIC IMPROVEMENT  
AND  
SPECIAL ASSESSMENT AGREEMENT**

**AGREEMENT** dated \_\_\_\_\_, 2014, by, between, and among the **CITY OF CANNON FALLS**, a Minnesota municipal corporation ("City") and Country Side Implements, Inc., ("Fee Owner").

**RECITALS**

- A. Fee Owner owns certain real property located in the City of Cannon Falls, County of Goodhue, State of Minnesota, legally described on the attached Exhibit "A" ("Subject Property").
- B. Fee Owner has requested that the City pave and improve 318<sup>th</sup> Street East with a 26-foot wide rural section bituminous road with 2-foot gravel shoulders and ditch grading for drainage as recommended by the City Engineer to benefit the Subject Project ("Public Improvements").
- C. Fee Owner has requested that the Subject Property be assessed for the Public Improvements subject to the terms of this Agreement.

**NOW, THEREFORE, IN CONSIDERATION OF THEIR MUTUAL COVENANTS,  
THE PARTIES AGREE AS FOLLOWS:**

- 1. PUBLIC IMPROVEMENTS.** The City will construct the Public Improvements to serve the Subject Property.
- 2. SPECIAL ASSESSMENT.** The City will assess the Subject Property the lesser of \$18,000 or 8.5714% of the actual cost to engineer and construct the Public Improvements. The special assessment shall be deemed adopted on the date this Agreement has been signed by all parties. The assessment shall be spread without deferment over a ten year period in equal annual installments, together with interest of five percent (5%) per year on the unpaid balance. The first installment shall be payable with taxes paid in 2015.
- 3. WAIVER.** The Fee Owner, their successors and assigns, waive any and all procedural and substantive objections to the Public Improvements and special assessment, including but not limited to hearing requirements and any claim that the assessment exceeds the benefit to the Subject Property. The Fee Owner waives any appeal rights otherwise available pursuant to Minn. Stat. § 429.081.
- 4. RELEASE.** The Fee Owner, their successors and assigns, hereby unconditionally release and forever discharge the City, its elected officials, employees, agents and insurers from any and all claims and causes of action of whatever kind or nature that is in anyway connected with or related to the Public Improvements, including mapping errors.

5. **RECORDING.** This Agreement shall run with the land and may be recorded against the title to the Subject Property.

**CITY OF CANNON FALLS**

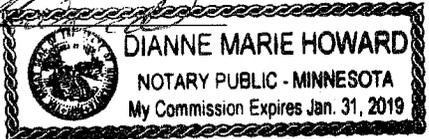
By: \_\_\_\_\_  
Robby Robinson, Mayor

(SEAL)

By: \_\_\_\_\_  
Ron S. Johnson, City Administrator

STATE OF MINNESOTA )  
 )ss.  
COUNTY OF GOODHUE )

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 2014, by Robby Robinson and by Ron S. Johnson, respectively the Mayor and City Administrator of the City of Cannon Falls, a Minnesota municipal corporation, on behalf of the corporation and pursuant to the authority granted by its City Council.

*Dianne Marie Howard*  
Notary Public  


**FEE OWNER:**

County Side Land Devel.  
Dy Stem & Bauer Pres

STATE OF MINNESOTA )  
 )ss.  
COUNTY OF GOODHUE )

The foregoing instrument was acknowledged before me this 8th day of April, 2014, by \_\_\_\_\_, Fee Owner.

*Dianne Marie Howard*  
Notary Public



THIS INSTRUMENT WAS DRAFTED BY:  
CAMPBELL KNUTSON  
Professional Association  
317 Eagandale Office Center  
1380 Corporate Center Curve  
Eagan, MN 55121  
Telephone: 651-452-5000  
RNK/cjh

**EXHIBIT "A"**  
**TO**  
**SPECIAL ASSESSMENT AGREEMENT**

**Legal Description of Subject Property**

PID 52.719.5100 and PID 52.719.7200 (unplatted property – legal description “pending”).

**PUBLIC IMPROVEMENT  
AND  
SPECIAL ASSESSMENT AGREEMENT**

**AGREEMENT** dated \_\_\_\_\_, 2014, by, between, and among the **CITY OF CANNON FALLS**, a Minnesota municipal corporation (“City”) and Randall W. Rehtzigel, (“Fee Owner”).

**RECITALS**

- A. Fee Owner owns certain real property located in the City of Cannon Falls, County of Goodhue, State of Minnesota, legally described on the attached Exhibit “A” (“Subject Property”).
- B. Fee Owner has requested that the City pave and improve 318<sup>th</sup> Street East with a 26-foot wide rural section bituminous road with 2-foot gravel shoulders and ditch grading for drainage as recommended by the City Engineer to benefit the Subject Project (“Public Improvements”).
- C. Fee Owner has requested that the Subject Property be assessed for the Public Improvements subject to the terms of this Agreement.

**NOW, THEREFORE, IN CONSIDERATION OF THEIR MUTUAL COVENANTS,  
THE PARTIES AGREE AS FOLLOWS:**

- 1. PUBLIC IMPROVEMENTS.** The City will construct the Public Improvements to serve the Subject Property.
- 2. SPECIAL ASSESSMENT.** The City will assess the Subject Property the lesser of \$6,000 or 2.857% of the actual cost to engineer and construct the Public Improvements. The special assessment shall be deemed adopted on the date this Agreement has been signed by all parties. The assessment shall be spread without deferment over a ten year period in equal annual installments, together with interest of five percent (5%) per year on the unpaid balance. The first installment shall be payable with taxes paid in 2015.
- 3. WAIVER.** The Fee Owner, their successors and assigns, waive any and all procedural and substantive objections to the Public Improvements and special assessment, including but not limited to hearing requirements and any claim that the assessment exceeds the benefit to the Subject Property. The Fee Owner waives any appeal rights otherwise available pursuant to Minn. Stat. § 429.081.
- 4. RELEASE.** The Fee Owner, their successors and assigns, hereby unconditionally release and forever discharge the City, its elected officials, employees, agents and insurers from any and all claims and causes of action of whatever kind or nature that is in anyway connected with or related to the Public Improvements, including mapping errors.

5. **RECORDING.** This Agreement shall run with the land and may be recorded against the title to the Subject Property.

**CITY OF CANNON FALLS**

By: \_\_\_\_\_  
Robby Robinson, Mayor

(SEAL)

By: \_\_\_\_\_  
Ron S. Johnson, City Administrator

STATE OF MINNESOTA )  
 )ss.  
COUNTY OF GOODHUE )

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 2014, by Robby Robinson and by Ron S. Johnson, respectively the Mayor and City Administrator of the City of Cannon Falls, a Minnesota municipal corporation, on behalf of the corporation and pursuant to the authority granted by its City Council.

*Dianne Marie Howard*  
Notary Public  
  
**FEE OWNER:**  
*Randall W. Kattfjel*

STATE OF MINNESOTA )  
 )ss.  
COUNTY OF GOODHUE )

The foregoing instrument was acknowledged before me this 24 day of April, 2014, by \_\_\_\_\_, Fee Owner.

*Dianne Marie Howard*  
Notary Public



THIS INSTRUMENT WAS DRAFTED BY:  
CAMPBELL KNUTSON  
Professional Association  
317 Eagandale Office Center  
1380 Corporate Center Curve  
Eagan, MN 55121  
Telephone: 651-452-5000  
RNK/cjh

**EXHIBIT "A"  
TO  
SPECIAL ASSESSMENT AGREEMENT**

**Legal Description of Subject Property**

PID 52.719.7101 (unplatted property – legal description “pending”).

**PUBLIC IMPROVEMENT  
AND  
SPECIAL ASSESSMENT AGREEMENT**

**AGREEMENT** dated April 9, 2014, by, between, and among the **CITY OF CANNON FALLS**, a Minnesota municipal corporation ("City") and Mayo Clinic Health System – Cannon Falls, ("Fee Owner").

**RECITALS**

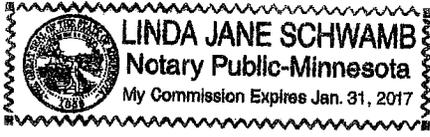
- A. Fee Owner owns certain real property located in the City of Cannon Falls, County of Goodhue, State of Minnesota, legally described on the attached Exhibit "A" ("Subject Property").
- B. Fee Owner has requested that the City pave and improve 318<sup>th</sup> Street East with a 26-foot wide rural section bituminous road with 2-foot gravel shoulders and ditch grading for drainage as recommended by the City Engineer to benefit the Subject Project ("Public Improvements").
- C. Fee Owner has requested that the Subject Property be assessed for the Public Improvement subject to the terms of this Agreement.

**NOW, THEREFORE, IN CONSIDERATION OF THEIR MUTUAL COVENANTS,  
THE PARTIES AGREE AS FOLLOWS:**

- 1. PUBLIC IMPROVEMENTS.** The City will construct the Public Improvements to serve the Subject Property.
- 2. SPECIAL ASSESSMENT.** The City will assess the Subject Property eighty percent (80%) of the actual cost for the Public Improvements not to exceed a special assessment of \$200,000. The special assessment shall be deemed adopted on the date this Agreement has been signed by all parties. The assessment shall be spread without deferment over a ten year period in equal annual installments, together with interest of five percent (5%) per year on the unpaid balance. The first installment shall be payable with taxes paid in 2015.
- 3. WAIVER.** The Fee Owner, their successors and assigns, waive any and all procedural and substantive objections to the Public Improvements and special assessment, including but not limited to hearing requirements and any claim that the assessment exceeds the benefit to the Subject Property. The Fee Owner waives any appeal rights otherwise available pursuant to Minn. Stat. § 429.081.
- 4. RELEASE.** The Fee Owner, their successors and assigns, hereby unconditionally release and forever discharge the City, its elected officials, employees, agents and insurers from any and all claims and causes of action of whatever kind or nature that is in anyway connected with or related to the Public Improvements, including mapping errors.

The foregoing instrument was acknowledged before me this 9<sup>th</sup> day of April, 2014, by Bell P. ..., Fee Owner.

Linda Jane Schwamb 4-9-14  
Notary Public



THIS INSTRUMENT WAS DRAFTED BY:  
CAMPBELL KNUTSON  
Professional Association  
317 Eagandale Office Center  
1380 Corporate Center Curve  
Eagan, MN 55121  
Telephone: 651-452-5000  
RNK/cjh



**EXHIBIT "A"**  
**TO**  
**SPECIAL ASSESSMENT AGREEMENT**

**Legal Description of Subject Property**

Lot1 Block One Mayo Clinic Health System Cannon Falls