

**TAYLORS FALLS CITY COUNCIL MEETING
COUNCIL CHAMBERS
MONDAY, MAY 10, 2010 – 7:00 P.M.**

MINUTES

The Agenda for this Meeting was posted Wednesday, May 5, 2010 at City Hall, the Post Office and on the City's Web Site. Copies were e-mailed to residents requesting such, and the Press was notified.

The Taylors Falls City Council met for a regular meeting on Monday, May 10, 2010 at 7:00 p.m. in the Council Chambers at City Hall, 637 First Street, Taylors Falls, Minnesota.

CALL TO ORDER

The Meeting was called to order at 7:00 p.m. by Mayor Mike Buchite.

PLEDGE OF ALLEGIANCE

All those present at the meeting recited the Pledge of Allegiance to the United States flag.

ROLL CALL

MEMBERS PRESENT: Mike Buchite, Ross Rivard, John Tangen, Larry Julik-Heine

MEMBERS ABSENT: Zara Kinnunen

OTHERS PRESENT: City Clerk-Treasurer Jo Everson, Roger & Helen Anderson, Larry Benson, Jack Boucher, Janet Dibble, Tom Dibble, Randy Peltier, Andy & Geri Swenson, John & Nu Gamble

ADOPTION OF AGENDA

MOTION BY JULIK-HEINE/TANGEN TO APPROVE THE AGENDA, AS PRESENTED, FOR THE MAY 10, 2010 TAYLORS FALLS CITY COUNCIL MEETING. MOTION CARRIED UNANIMOUSLY.

ADOPTION OF CONSENT AGENDA

MOTION BY RIVARD/TANGEN TO APPROVE/ACCEPT THE FOLLOWING CONSENT AGENDA ITEMS: MINUTES OF PREVIOUS CITY COUNCIL MEETINGS; STAFF REPORTS; COMMISSION, BOARD OR COMMITTEE MINUTES/REPORTS; CONSIDER RESOLUTION 10-05-01 DESIGNATING CASH RESERVES FOR VALLEY VIEW TRAIL FUND; CONSIDER RESOLUTION 10-05-02 ACCEPTING A DONATION FROM THE RIVERBANK; CONSIDER RESOLUTION 10-05-03 ACCEPTING A DONATION FROM THE FRIENDS OF TF PARKS; CONSIDER 2010 SOLID WASTE PERMIT FOR CROSS COUNTRY EXCAVATING; APPROVAL OF CLAIMS AND PAYROLL; CORRESPONDENCE. MOTION CARRIED UNANIMOUSLY.

APPROVAL OF MINUTES OF PREVIOUS COUNCIL MEETINGS

THE CITY COUNCIL APPROVED BY CONSENT AGENDA THE MINUTES OF THE TAYLORS FALLS CITY COUNCIL MEETINGS HELD ON APRIL 12 AND APRIL 26, 2010; AND THE MINUTES OF THE TAYLORS FALLS BOARD OF REVIEW MEETING HELD ON APRIL 21, 2010.

COMMISSION, BOARD OR COMMITTEE MINUTES/REPORTS

LIBRARY BOARD

THE CITY COUNCIL ACCEPTED BY CONSENT AGENDA THE MINUTES OF THE TAYLORS FALLS LIBRARY BOARD MEETING HELD ON WEDNESDAY, APRIL 28, 2010.

PARK & REC COMMISSION

THE CITY COUNCIL ACCEPTED BY CONSENT AGENDA THE MINUTES OF THE TAYLORS FALLS PARK & REC COMMISSION MEETING HELD ON WEDNESDAY, MARCH 17, 2010.

ECONOMIC DEVELOPMENT COMMISSION

THE CITY COUNCIL ACCEPTED BY CONSENT AGENDA THE MINUTES OF THE TAYLORS FALLS ECONOMIC DEVELOPMENT COMMISSION MEETING HELD ON TUESDAY, MARCH 16, 2010.

PLANNING COMMISSION

THE CITY COUNCIL ACCEPTED BY CONSENT AGENDA THE MINUTES OF THE TAYLORS FALLS PLANNING COMMISSION MEETING HELD ON MONDAY, FEBRUARY 1, 2010, AND MONDAY, APRIL 5, 2010.

PUBLIC FORUM

During the Council Round Table (later in the meeting), **Jack Boucher** commented from the audience that he represented most of the property owners north of Highway 95 in Taylors Falls who do not have any City services, who would like to request detachment from Taylors Falls. Mayor Buchite explained they would need to submit a petition requesting such which would be considered by the City Council.

STAFF REPORTS & REQUESTS

ADMINISTRATIVE DEPARTMENT

THE CITY COUNCIL ACCEPTED BY CONSENT AGENDA THE APRIL 2010 FINANCIAL REPORTS PRESENTED BY CLERK-TREASURER JO EVERSON.

CHISAGO COUNTY SHERIFF'S DEPARTMENT

THE CITY COUNCIL ACCEPTED BY CONSENT AGENDA CORPORAL SHANE CARROLL'S APRIL 2010 CHISAGO COUNTY SHERIFF'S DEPARTMENT REPORT.

ZONING & PLANNING DEPARTMENT

THE CITY COUNCIL ACCEPTED BY CONSENT AGENDA THE APRIL 2010 ZONING REPORT PRESENTED BY ZONING ADMINISTRATOR-COORDINATOR LARRY PHILLIPS.

PUBLIC WORKS DEPARTMENT

THE CITY COUNCIL ACCEPTED BY CONSENT AGENDA THE APRIL 2010 PUBLIC WORKS REPORT PRESENTED BY PUBLIC WORKS SUPERINTENDENT MIKE KRIZ.

CITY ATTORNEY

THE CITY COUNCIL ACCEPTED BY CONSENT AGENDA THE APRIL BILLING STATEMENT FROM THE CITY ATTORNEY'S OFFICE OF KELLY AND LEMMONS, P.A.

STAFF REQUESTS

Public Works Department: Consider Cost to Install Hydrants: On April 26th the Council approved the purchase of two hydrants from Minnesota Pipe & Equipment for \$6,496.53. Public Works Superintendent Mike Kriz's report presented proposals for the hydrant's installation costs from Gustafson Excavating, Nicks Excavating and Wild River Contracting.

MOTION BY JULIK-HEINE/RIVARD TO ACCEPT THE PROPOSAL FROM WILD RIVER CONTRACTING FOR THE INSTALLATION OF TWO WATER HYDRANTS AT THE LOCATION OF EXCHANGE STREET AND HIGHWAY 95, AND AT THE CORNER OF WEST AND MAPLE STREETS, AT A COST NOT TO EXCEED \$10,000.00, TO BE PAID FROM THE WATER FUND CAPITAL PROJECTS BUDGET ACCOUNT (601-49400-500).

Also proposed was to repair two curbstops located at the lift station entrance sidewalk and at 806 West Street, at a total cost of \$2,250.00.

IT WAS FURTHER MOVED TO ACCEPT THE PROPOSAL FROM WILD RIVER CONTRACTING FOR THE CURB STOP REPAIRS AT THE LIFT STATION ENTRANCE SIDEWALK ON FIRST STREET AT A COST OF \$1,500.00, AND AT 806 WEST STREET AT A COST OF \$750.00, TO BE PAID FROM THE WATER FUND REPAIR BUDGET ACCOUNT (601-49400-404).

MOTIONS CARRIED UNANIMOUSLY.

Consider Street Sweeper Purchase. Public Works Superintendent Mike Kriz reported that the City has a rare opportunity to acquire a used street sweeper from the Minnesota Department of

Transportation at a significantly reduced cost. Two Elgin machines are available, a 1991 model for \$7,500 and a 1994 model for \$9,000. Kriz's recommendation was to purchase the 1991 model as it appears to be the better machine for the money. He also recommended canceling the sweeper contract with Pearson Brother's previously approved by the Council (March 22, 2010) since they have not shown up to do the sweeping despite their assurance they were to arrive over three weeks ago.

Council was in agreement that the purchase is a good opportunity for the City to perform its own sweeping on an as-needed basis rather than rely on contracted sweeping at a cost that allows only two sweepings per year with the monies budgeted.

MOTION BY TANGEN/JULIK-HEINE TO DIRECT PUBLIC WORKS SUPERINTENDENT MIKE KRIZ TO CANCEL THE CONTRACT WITH PEARSON BROTHERS, INC., FOR CONTRACT STREET SWEEPING SINCE THEY HAVE NOT PERFORMED THE SERVICE AS EXPECTED. MOTION CARRIED UNANIMOUSLY.

MOTION BY JULIK-HEINE/RIVARD TO APPROVE THE PURCHASE OF A 1991 ELGIN PELICAN SWEEPER FROM THE STATE OF MINNESOTA DEPARTMENT OF TRANSPORTATION, AT A COST OF \$7,500, TO BE PAID FROM THE FOLLOWING BUDGET ACCOUNTS: \$2,500 FROM THE STREET SWEEPING BUDGET ACCOUNT (43100-407); \$2,000 FROM PUBLIC WORKS NEW EQUIPMENT BUDGET ACCOUNT (43100-580); AND \$3,000 FROM THE GENERAL FUND CASH RESERVES (101). MOTION CARRIED UNANIMOUSLY.

UNFINISHED BUSINESS

CONSIDER CERT PROGRAM TASK FORCE

Initial Council discussion was to support the CERT (Community Emergency Response Team) Program. The first step was to establish a Task Force, who would actually recommend the details/guidelines of the program, the number of participants, how to pay for training needs, establish a timeline, recommend an interview process (Task Force or by Council) etc. Council Members were to bring names to the table to be appointed to this task force. Once appointed the Mayor will call the first organizational meeting.

MOTION BY JULIK-HEINE/RIVARD TO APPOINT THE FOLLOWING RESIDENTS TO THE **COMMUNITY EMERGENCY RESPONSE TEAM PROGRAM TASK FORCE**: JIM STEIN, PASTOR KEVIN SCHUMANN, LEO NELSON, TANA HAVUMAKI, AND JULIE HOBSON. MOTION CARRIED UNANIMOUSLY.

NEW BUSINESS

CONSIDER DETACHMENT REQUEST

In 2007 Roger & Helen Anderson sold 120 acres in Shafer Township to a developer who petitioned the City to annex those acres into the City. The controversial Annexation was eventually approved, however, the development did not occur. In fact, the Anderson's now have the 80 acre parcel back, and Equity Bridge Fund owns the remaining 40 acres. Attorney Ted Alliegro, who is representing the Anderson's, has requested the Council consider allowing their 80 acres to be "detached" from the City. Minnesota Statute 414.06 provides the process for detachment.

Mayor Mike Buchite was opposed to the detachment, although empathetic to the Anderson's plight. The City did not initiate the annexation, nor were they initially supportive of the island annexation as proposed by Shafer Township. To approve the detachment at this point may set a dangerous precedence for other properties to decide they also want to detach for their own reasons. It is true that property taxes are higher within the City than they were in the Township, but this was unavoidable. The Developers were aware of this at the time of petition, and the Anderson's supported the petition.

Vice-Mayor Ross Rivard stated that in all the years he has been on the Council they have never had a detachment request. There were actually only a few annexations that had occurred during that time frame. He spoke of a similar example in that a farmer/property owner who annexed into the City

Intending to build a golf course, but it was never constructed. He did not petition to detach. If the Anderson's were to receive another offer by a developer on the property in a few years, would they again want to annex into the City?

Council Member John Tangen stated that he was initially opposed to the annexation, but once done, stated that they should not be allowed to detach from the City. The request for a partial detachment (excluding the remaining 40 acres) still allows for an island to exist, therefore creates a problem. To allow a detachment sets precedence for the City and possibly for other cities in similar situations, which could come back to haunt the City.

Council Member Larry Julik-Heine stated that decisions like this makes being a Council Member difficult. The City allowed the annexation and there were costs incurred to do this. The City must make a decision and stick by it.

Mayor Buchite explained that the City incurred over \$10,000 in legal fees during the annexation process. For Council to approve the detachment may provide an opportunity to recover these costs now, rather than wait to recover them during a development process. Despite this possibility, the ultimate goal would be to eliminate the "island" created by the annexation. While it does to one property, the islands are not eliminated for the other properties included in the annexation. Additionally, he expressed concern that other properties may want to detach from the City simply due to higher property taxes. Mayor Buchite stated he was very aware that this Council decision may not please everyone.

The Mayor called on **Roger Anderson** for his comments. Anderson clarified that he and Helen did not petition for the annexation, although they did support it. It was actually the developer who initiated the process. He questioned if it would make a difference if the 40 acres owned by Equity Bridge were also included in the detachment request? Three of the four Council Members stated that they did not feel this would impact their decision.

MOTION BY RIVARD/JULIK-HEINE TO DENY THE REQUEST BY ROGER AND HELEN ANDERSON FOR THE DETACHMENT OF EIGHTY ACRES FROM THE CITY BOUNDARIES OF TAYLORS FALLS, BASED ON THE FOLLOWING FINDINGS OF FACT:

1. TO THE KNOWLEDGE OF THE COUNCIL, THE CITY HAS NEVER APPROVED A DETACHMENT OF ANY PROPERTY FROM THE TAYLORS FALLS CORPORATE LIMITS.
2. WHILE THE ANDERSON'S DID NOT INITIATE THE ANNEXATION, THEY SUPPORTED THE ANNEXATION AT THE TIME.
3. THE ANDERSON'S SOLD THEIR PROPERTY FOR THE INTENTION OF DEVELOPMENT, WHAT IS TO PREVENT THE SAME FROM OCCURRING IN THE FUTURE, CREATING A NEED OR DESIRE FOR ANNEXATION OF THE SAME PROPERTY AT THAT TIME.
4. THE ENTIRE 160 ACRES THAT WAS ANNEXED IN 2007 CREATED ISLANDS OF CITY BOUNDARIES WITHIN SHAFER TOWNSHIP. THIS WAS ONLY APPROVED BY THE CITY FOLLOWING A REQUEST BY SHAFER TOWNSHIP TO DO SO IN THIS MANNER.
5. THE CITY INCURRED SIGNIFICANT LEGAL EXPENSES DURING THE ANNEXATION PROCESS. ONCE THE ANNEXATION WAS COMPLETED, THE CITY SHOULD NOT BE FORCED TO INCUR ANY ADDITIONAL EXPENSES.
6. THE DETACHMENT OF THE REQUESTED 80 ACRES DOES NOT TOTALLY ELIMINATE ISLAND PROPERTIES. THREE OTHER PROPERTIES REMAIN AS ISLANDS WITHIN THE CORPORATE LIMITS OF TAYLORS FALLS.
7. TO APPROVE THIS DETACHMENT REQUEST MAY SET A DANGEROUS PRECEDENT FOR OTHER PROPERTIES WITHIN THE CITY BOUNDARIES TO REQUEST DETACHMENT ON THEIR OWN RATIONALE.

MOTION CARRIED UNANIMOUSLY.

CONSIDER PARTICIPATION & REPAYMENT AGREEMENT WITH CHISAGO COUNTY HRA/EDA

The City has been negotiating with the Minnesota Department of Transportation (MnDOT) over the past several years to relocate their building to the City Hall property so that the Bench Street parcel can be developed into taxable commercial property. The plans are now near completion at an estimated cost of \$156,556.00. The Chisago County HRA/EDA has agreed to provide the financing and committed to \$150,000 to the overall project. The City may need to provide \$6,500 if the building comes in at budget. They have also requested that the City commit to paying \$5,000 a year for five years towards repayment of the loan. The remaining balance will be then be paid when the re-developed property is sold.

MOTION BY TANGEN/JULIK-HEINE TO APPROVE THE PARTICIPATION AND REPEPAYMENT AGREEMENT BY AND BETWEEN THE CITY OF TAYLORS FALLS AND THE CHISAGO COUNTY HOUSING AND REDEVELOPMENT AUTHORITY-ECONOMIC DEVELOPMENT AUTHORITY WITH RESPECT TO THE PURCHASE AND DEVELOPMENT OF THE MNDOT/PUBLIC WORKS BUILDING CONSTRUCTION PROJECT. MOTION CARRIED UNANIMOUSLY. (attached)

CONSIDER WATER BILL ADJUSTMENT FOR RODNEY & BUNNY PETERSON

Mayor Mike Buchite declared a conflict of interest with this agenda item since he is the Insurance Agent on Record for the Peterson's, and excused himself from the dais.

During the recent utility billing process, it was discovered that Rodney & Bunny Peterson had used a large amount of water as compared to other billing cycles. Eventually it was determined that they had a water leak between the house and the barn, and requested "consideration" on their water bill from the Council.

The City's past practices have required customers to pay for water usage as long as it has passed through the meter. Council Members expressed empathy for the Peterson's, but stood firm on the fact that the property owner was financially responsible for any water usage despite how big (or how little) the water leak was.

MOTION BY JULIK-HEINE/TANGEN TO DENY THE REQUEST FROM RODNEY AND BUNNY PETERSON TO ADJUST THEIR WATER BILL DUE TO THE RECENT WATER LEAK ON THEIR PROPERTY.

IT WAS FURTHER MOVED TO ALLOW THE PETERSON'S A PAYMENT PLAN WITHOUT INCURRING INTEREST OR PENALTY UNTIL THE \$1,149.30 BILL IS PAID.

MOTIONS CARRIED, WITH BUCHITE ABSTAINING DUE TO A LEGAL CONFLICT OF INTEREST. Following the vote, the Mayor returned to the dais.

CONSIDER DATE FOR CLOSED ATTORNEY/CLIENT MEETING FOR REAL ESTATE PURCHASE

MOTION BY TANGEN/JULIK-HEINE TO SET THE DATE OF WEDNESDAY, MAY 19, 2010 AT 8:00 A.M. FOR A CLOSED ATTORNEY/CLIENT MEETING TO DISCUSS THE TERMS OF PURCHASING PROPERTY. THE COUNCIL MAY GO INTO OPEN SESSION FOLLOWING THAT MEETING TO APPROVE THE CITY'S OFFICIAL OFFER/OPTION TO PURCHASE. MOTION CARRIED UNANIMOUSLY.

CONSIDER RESOLUTION 10-05-01 DESIGNATING CASH RESERVES

THE CITY COUNCIL ADOPTED BY CONSENT AGENDA RESOLUTION 10-05-01 DESIGNATING \$1,000.00 FROM THE GENERAL FUND CASH RESERVES FOR EXPENSES RELATED TO THE FUTURE TRAIL ENHANCEMENT PROJECT KNOWN AS THE VALLEY VIEW TRAIL PROJECT. (attached)

CONSIDER RESOLUTION 10-05-02 ACCEPTING A DONATION

THE CITY COUNCIL ADOPTED BY CONSENT AGENDA RESOLUTION 10-05-02 ACCEPTING A DONATION FROM THE RIVERBANK. (attached)

CONSIDER RESOLUTION 10-05-03 ACCEPTING A DONATION

THE CITY COUNCIL ADOPTED BY CONSENT AGENDA RESOLUTION 10-05-03 ACCEPTING A DONATION FROM THE FRIENDS OF TAYLORS FALLS PARKS. (attached)

CONSIDER SOLID WASTE PERMIT FOR CROSS COUNTRY EXCAVATING

THE CITY COUNCIL APPROVED BY CONSENT AGENDA A 2010 SOLID WASTE PERMIT TO GREG RIVARD OF CROSS COUNTRY EXCAVATING, LLC OF DRESSER, WI.

APPROVAL OF CLAIMS & PAYROLL

THE CITY COUNCIL APPROVED BY CONSENT AGENDA THE PAYMENT OF CHECK NUMBERS – 23169 - 23217 TOTALING \$24,134.01, AND CHECK NUMBERS 5730 - 5744 IN THE AMOUNT OF \$17,370.62 FOR APRIL PAYROLL.

LIAISON OR COUNCIL MEMBER REPORTS

Larry Julik-Heine reported that the contract mowers have started, and with the recent Clean-up Day the City is looking nice. The Friends of Taylors Falls Parks held a Cinco-De-Mayo Dinner on May 1st and donated a total of \$317.00 to the Park Improvement Fund. The next workday for Cherry Hill Park will be this Saturday, with hopes to have the cupola installed and the cross bracing for the roof. The shake shingles may also be installed depending upon the number of workers.

Ross Rivard reported that sewer lining project has begun and explained the process to the audience.

John Tangen reported that the Homeland Security Grant was submitted for the mandated transition to the 800mHz radio system, estimated to cost the City \$75,000. The Fire Department had their 66th Annual Smelt Fry on May 1st which was well attended.

CORRESPONDENCE

THE CITY COUNCIL ACKNOWLEDGED THE CORRESPONDENCE RECEIVED IN THE MAY 10, 2010 COUNCIL PACKET:

1. LETTER FROM CHISAGO COUNTY, RE: BOARD MEMBERS
2. FYI: STATE REGULATORY EFFECT ON BUSINESS STARTUPS
3. MEMO FROM CHISAGO COUNTY, RE: PROPOSED SOCIAL HOST ORDINANCE
4. GRANT APPLICATION FOR 2009 STATE HOMELAND SECURITY GRANT
5. CORRESPONDENCE FROM MAYOR, RE: STORM WATER ISSUE
6. STAFF CORRESPONDENCE & EMAIL'S

ADJOURNMENT

MOTION BY JULIK-HEINE/RIVARD TO ADJOURN THE MEETING OF THE MAY 10, 2010 TAYLORS FALLS CITY COUNCIL. MOTION CARRIED UNANIMOUSLY.

Being no further business to come before the Council, the Meeting adjourned at 7:55 p.m.

Michael D. Buchite, Mayor

Jo Everson, City Clerk-Treasurer

APPROVED: JUNE 14, 2010

REPAYMENT AGREEMENT

THIS REPAYMENT AGREEMENT (“Agreement”) is made and entered into on the _____ day of _____, 2010, by and between the CITY OF TAYLORS FALLS, a Minnesota political subdivision (the “City”) and the CHISAGO COUNTY HOUSING AND REDEVELOPMENT AUTHORITY-ECONOMIC DEVELOPMENT AUTHORITY, a Minnesota political subdivision for the County of Chisago, Minnesota (the “County Authority”).

ARTICLE I

RECITALS

1. The following Recitals contain capitalized terms, which, if not defined in such Recital are defined elsewhere in the Agreement and are hereby made an integral part of this Agreement;

1.1 Re-development Property. The City desires to purchase real property located at 680 Chisago Street in Taylors Falls, Chisago County, State of Minnesota and constituting part of the parcel legally described on Exhibit A attached hereto and incorporated herein for redevelopment purposes within the City of Taylors Falls (hereinafter referred to as the “Re-development Property”) from State of Minnesota, Department of Transportation (“Sellers”).

1.1.1 Purchase and Manner of Payment. The City proposed to purchase the Re-development Property from the Sellers in exchange for a long term lease of a new facility to house State equipment and supplies. The cost of the new facility is \$150,000 which will be financed by a no interest loan to the City by the County Authority and shall be secured by a 1st mortgage recorded against the Re-development Property. The City will reimburse the County Authority at the rate of \$5,000 per year for five (5) years with the loan balance to be paid in full

at the time of the closing of the subsequent resale of the Re-development Property or by December 31, 2020, whichever occurs first.

1.1.2 County Authority Participation. The County Authority has determined that it is in the best interest of the County Authority to assist the City in the purchase of the Re-development Property from the Sellers subject to reimbursement to the County Authority on the terms and conditions set forth in this Agreement.

ARTICLE II

PARTICIPATION AND REPAYMENT AGREEMENT

2. The following provisions shall govern the cost sharing and repayment agreement between the City and the County Authority with respect to the purchase and development of the Re-development Property;
 - 2.1 County Authority Share. The “County Authority Share” shall be One Hundred Fifty Thousand and no/100ths (\$150,000.00). Accordingly, the County Authority agrees, upon execution of this Agreement and the Purchase Agreement, that at the closing it will pay to the City One Hundred Fifty Thousand and no/100ths (\$150,000.00) Dollars representing the total cost of the new facility. Thereafter, the City shall bear all other costs including any taxes or other special assessments as well as upkeep, maintenance and ongoing expenses to the Re-development Property.
 - 2.2 City Share. The City shall be responsible for all of the costs to sell and develop the Re-development Property. The City may, at its option, prepay some or all of the outstanding principal balance to the County Authority at any time without penalty.
 - 2.3 Repayment of shares. The County Authority Share shall be repaid to the County Authority by the City paying the County Authority annually for five (5) years Five Thousand Dollars and no/100ths (\$5,000.00). Payments shall be made by December 31st of each year, with the first payment due December 31, 2011. Additionally, all of the net proceeds of the subsequent sale of parcels of the Re-development Property shall be applied towards paying off the County Authority Share, but in any event the County Authority must be fully repaid by December 31, 2020. This does not limit the provision of financial assistance by way of tax increment financing and/or tax abatement with or without the participation of the County Authority.

ARTICLE III

MISCELLANEOUS

3. The following miscellaneous provisions are hereby made an integral part of this Agreement:

3.1 Binding Effect. This Agreement shall be binding on and inure to the benefit of the parties hereto their respective successors and assigns.

3.2 No Joint Venture. Except for the financial participation of the County Authority, this Agreement shall not be construed in any way as creating a joint venture or other contractual relationship between the City and the County Authority with respect to the purchase and development of the Re-development Property.

3.3 Notices. Any notices required to be given under this Agreement shall be in writing and shall be deemed to have been duly given or served if delivered in person or deposited in the United States mail, postage prepaid, for mailing by certified or registered mail, return receipt requested to the address set forth following this paragraph, or if a person not a party to this Agreement, to the address designated by a party to the agreement in the foregoing manner. Any party may change its address by giving notice in writing, stating its new address, to any other party as provided in the foregoing manner. Commencing on the tenth (10th) day after the giving of the notice, the newly designated address shall be that party's address for the purposes of all communications, demands, notices, or objections permitted or required to be given or served under this Agreement. The initial addresses for notices with respect to this Agreement are as follows:

City Authority: CITY OF TAYLORS FALLS
 Attn: Jo Everson, City Clerk
 637 First Street
 Taylors Falls, MN 55084-1144

County Authority: Chisago County HRA-EDA
Attn: Christopher T. Eng, Executive Director
PO Box 815
North Branch, MN 55056-0815

3.4 Amendment, Modification or Waiver. No amendment, modification or waiver of any condition, provision or term shall be paid or have any effect unless made in writing, signed by the party or parties to be bound or a duly authorized representative, and specifying with particularity the extent in nature of such amendment, modification or waiver. Any waiver by any party of any default of another party shall not affect or impair any right arising from any subsequent default. Except as expressly and specifically stated otherwise, nothing herein shall limit the remedies and rights of the parties hereto under and pursuant to this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement effective on the day and year first above written.

CITY AUTHORITY:

City of Taylors Falls

By: _____
Michael D. Buchite
Its: Mayor

By: _____
Jo Everson
Its: City Clerk

COUNTY AUTHORITY:

Chisago County HRA-EDA

By: _____
James Stein
Its: Chairman

By: _____
Christopher T. Eng
Its: Executive Director

EXHIBIT A

Legal Description:

Acres: 0.00

Section 25, township 034, Range 019

Lots 1 to 7 including Lots 12 to 18

Subdivision Name: Taylors Falls Lot 001, Block 020 Subdivision CD 20010

Property Address: 680 Chisago Street, Taylors Falls, MN 55084

PID # 20.00212.00

RESOLUTION 10-05-01

**CITY OF TAYLORS FALLS
CHISAGO COUNTY
STATE OF MINNESOTA**

**A RESOLUTION DESIGNATING \$1,000.00 FROM CASH RESERVES FOR EXPENSES
RELATED TO THE FUTURE VALLEY VIEW TRAIL PROJECT**

WHEREAS the City of Taylors Falls submitted a \$197,404 grant request in January 2010 to the Federal Transportation Enhancement Program, to construct a 4,262 foot, multi-use "valley view" recreational trail system within the City; and

WHEREAS the City was recently notified that the project was included in the Metro Transportation Improvement Program and eligible for federal funding; and

WHEREAS actual receipt of the grant monies may not occur until fiscal year 2014 or fiscal year 2015, yet there continues to be incidental expenses associated with the project planning that must be paid; and

WHEREAS it would be in the City's best interests to designate certain monies for these expenses and to designate a fund from which the expenses should be paid.

SO THEREFORE BE IT RESOLVED by the Taylors Falls City Council that it hereby establishes a Valley View Trail Fund (412) which will account for all debit and credit activities relating to the grant administration, planning, and construction costs of this trail project.

BE IT FURTHER RESOLVED that \$1,000.00 of the General Fund (101) cash reserves shall hereby be designated and transferred to the Valley View Trail Fund (which may be renamed at a later date), as the initial cash available for project expenses.

Adopted by the City Council on this May 10, 2010

Michael D. Buchite, Mayor

ATTEST:

Jo Everson, Clerk-Treasurer

RESOLUTION 10-05-02

**CITY OF TAYLORS FALLS
CHISAGO COUNTY
STATE OF MINNESOTA**

**A RESOLUTON ACCEPTING A DONATION FROM
THE RIVERBANK**

WHEREAS The City of Taylors Falls is generally authorized to accept contributions of real and personal property pursuant to Minnesota Statutes §412.21 and §465.03 for the benefit of its citizens; and

WHEREAS, the City of Taylors Falls, through the Park and Rec Commission, has received a donation in the amount of \$50.00 to be used towards expenses related to the Annual Taylors Falls Spring Cleanup Day held on May 1, 2010;

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF TAYLORS FALLS, MINNESOTA that it hereby acknowledges and accepts the \$50.00 from The RiverBank.

Adopted by the City Council on this May 10, 2010

Michael D. Buchite, Mayor

ATTEST:

Jo Everson, Clerk-Treasurer

RESOLUTION 10-05-03

**CITY OF TAYLORS FALLS
CHISAGO COUNTY
STATE OF MINNESOTA**

**A RESOLUTON ACCEPTING A DONATION FROM
THE FRIENDS OF TAYLORS FALLS PARKS**

WHEREAS The City of Taylors Falls is generally authorized to accept contributions of real and personal property pursuant to Minnesota Statutes §412.21 and §465.03 for the benefit of its citizens; and

WHEREAS, the City of Taylors Falls has received a donation in the amount of \$257.75 from the Friends of Taylors Falls Parks to be used towards expenses related to the improvements at the Cherry Hill Park and the Pumphouse Playground.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF TAYLORS FALLS, MINNESOTA that it hereby acknowledges and accepts with gratitude the \$267.75 from the Friends of Taylors Falls Parks.

Adopted by the City Council on this May 10, 2010

Michael D. Buchite, Mayor

ATTEST:

Jo Everson, Clerk-Treasurer