

City Council Meeting
Council Chambers at City Hall

1. 1. Call To Order FARIBAULT CITY COUNCIL/Designation Of Presiding Officer (Mayor) / Roll Call

Documents:

[1. PRELIMINARY AGENDA 2020-03-24.PDF](#)

2. 2. Call To Order RICE COUNTY COMMISSIONERS / Roll Call
3. 3. Trystar, Inc Project
 - 3.A. A. FARIBAULT CITY COUNCIL – Open Public Hearing (Tax Abatement & Business Subsidy)
 - 3.B. B. RICE COUNTY COMMISSIONERS – Open Public Hearing (Tax Abatement And Business Subsidy)
 - 3.C. C. Trystar, Inc. STAFF PRESENTATION – D. Kuennen, Community & Economic Development Director
 - 3.D. D. Comments From Trystar, Inc. REPRESENTATIVE – AJ Smith, CEO - Trystar
 - 3.E. E. Q&A / Public Comment
 - 3.F. F. FARIBAULT CITY COUNCIL – Close Public Hearing
 - 3.G. G. RICE COUNTY COMMISSIONERS – Close Public Hearing
 - 3.H. H. FARIBAULT CITY COUNCIL ACTIONS - City Resolutions For Consideration
 - 3.H.1. H1. Resolution 2020-051 Approving Property Tax Abatement For Certain Property In The City Of Faribault

Documents:

[3H1. DOCSOPEN-644235-V2-DRAFT_3H1__RES_2020-051_APPROVING_TAX_ABATEMENT_-_TRYSTAR.PDF](#)

- 3.H.2. H2. Resolution 2020-052 Approving Contract For Private Development With Trystar Inc., For Certain Property In The City Of Faribault

Documents:

[3H2. DOCSOPEN-644238-V2-DRAFT_3H2__RES_2020-052_APPROVING_CDP_-_TRYSTAR.PDF](#)

- 3.I. I. RICE COUNTY COMMISSIONER ACTIONS - County Resolutions For Consideration
 - 3.I.1. I1. Resolution #20-015 Approving Property Tax Abatement For Certain Property In Rice County
 - 3.I.2. I2. Resolution #20-016 Approving Contract For Private Development With Trystar, Inc., Inc. For Certain Property In Rice County
4. 4. Adjournment

NOTE:

Closed Captioning of Council meetings available on FCTV.

Please contact the City Administrator's Office if you need special accommodations related to a disability while attending the City Council meeting.



JOINT MEETING AGENDA

FARIBAULT CITY COUNCIL AND RICE COUNTY BOARD OF COMMISSIONERS
Minn. Stat. § 13D.021 – Meeting by Telephone or Other Electronic Means; Conditions -
[Minn. Stat. § 13D.021](#) provides that a meeting of a public body may be conducted via telephone or other electronic means if meeting in a public location is not practical or prudent because of a health pandemic or declared emergency.

TUESDAY, MARCH 24, 2020

6:00 PM

Zoom Meeting

Dial-In Information: 1 312 626 6799

Meeting ID: 745 560 690

1. [Call to Order FARIBAULT CITY COUNCIL/Designation of Presiding Officer \(Mayor\) / Roll Call](#)
2. Call to Order RICE COUNTY COMMISSIONERS / Roll Call
3. **Trystar, Inc Project**
 - A. [FARIBAULT CITY COUNCIL – open public hearing \(tax abatement & business subsidy\)](#)
 - B. RICE COUNTY COMMISSIONERS – open public hearing (tax abatement and business subsidy)
 - C. Trystar, Inc. STAFF PRESENTATION –
 - D. Kuennen, Community & Economic Development Director
 - D. Comments from Trystar, Inc. REPRESENTATIVE –
AJ Smith, CEO - Trystar
 - E. Q&A / Public Comment
 - F. [FARIBAULT CITY COUNCIL – close public hearing](#)
 - G. RICE COUNTY COMMISSIONERS – close public hearing
 - H. [FARIBAULT CITY COUNCIL ACTIONS](#)
City Resolutions for consideration
 1. [Resolution 2020-051 Approving Property Tax Abatement for Certain Property in the City of Faribault](#)
 2. [Resolution 2020-052 Approving Contract for Private Development with Trystar Inc., for Certain Property in the City of Faribault](#)
 - I. RICE COUNTY COMMISSIONER ACTIONS
County Resolutions for consideration
 1. Resolution #20-015 Approving Property Tax Abatement for Certain Property in Rice County
 2. Resolution #20-016 Approving Contract for Private Development with Trystar, Inc., Inc. for Certain Property in Rice County
4. Adjournment

CITY OF FARIBAULT, MINNESOTA**RESOLUTION NO. 2020-051****RESOLUTION APPROVING PROPERTY TAX
ABATEMENT FOR CERTAIN PROPERTY IN THE CITY
OF FARIBAULT**

BE IT RESOLVED by the City Council (the “City Council”) of the City of Faribault, Minnesota (the “City”) as follows:

Section 1. Recitals.

1.01. Trystar, Inc., (the “Developer”), is considering consolidating its current business operations within the City and has asked for financial assistance to offset costs associated with the consolidation, including the buildout, expansion, and the construction of physical improvements.

1.02. The City has determined a need to grant a property tax abatement (the “Abatement”) pursuant to Minnesota Statutes, Sections 469.1812 to 469.1815 (the “Abatement Act”) to the Developer to reimburse the Developer for the costs of converting the existing space located at 15765 Acorn Trail, Faribault, Minnesota, as legally described in Exhibit A attached hereto (the “Property”) into a production facility.

1.03. This City Council has reviewed information concerning the Developer’s request for financial assistance.

1.04. The proposed Abatement will be considered a business subsidy pursuant to Minnesota Statutes, Sections 116J.993 to 116J.995 (the “Business Subsidy Act”).

1.05. On the date hereof, the City Council conducted a duly noticed public hearing on the Abatement proposed to be provided by the City and the business subsidy proposed to be provided to the Developer at which the views of all interested persons were heard.

1.06. The City intends to enter into a Contract for Private Development, including a Tax Abatement Agreement (collectively the “Abatement Agreement”) with the Developer, which shall set forth the terms of the Abatement and include a business subsidy agreement as required by the Business Subsidy Act.

Section 2. Findings.

2.01. The recitals set forth above are incorporated into this Resolution.

2.02. It is hereby found and determined that the benefits to the City from the Abatement will be at least equal to the costs to the City of the Abatement, because (a) the City believes that the development to be facilitated is not reasonably likely to occur absent the Abatement and other business subsidies provided by the City, and (b) the long-term taxes collected from the Property

after termination of the Abatement will exceed the amount of the Abatement returned to the Developer.

2.03. It is hereby found and determined that the Abatement is in the public interest because such action will increase the tax base and retain employment of 150 existing jobs in the City.

2.04. The Abatement complies with the City's written Tax Abatement Assistance Policy.

Section 3. Actions Ratified; Abatement Approved

3.01. The City Council hereby ratifies all actions of the City's staff and consultants in arranging for approval of this resolution in accordance with the Act.

3.02. Subject to the provisions of the Act, the Abatement is hereby approved and adopted subject to the following terms and conditions:

(a) The term "Abatement" means the real property taxes generated in any tax-payable year by extending the City's total tax rate for that year against the tax capacity of the Property in accordance with the Abatement Agreement, excluding the portion of the tax capacity attributable to the areawide tax under Minnesota Statutes, Chapter 473F, all as of January 2 in the prior year.

(b) The Abatement will be paid by the City to the Developer on the dates and in accordance with all the terms and conditions of the Abatement Agreement.

(c) In accordance with Section 469.1813, subdivision 8 of the Act, in no year shall the Abatement, together with all other abatements approved by the City under the Act and paid in that year exceed the greater of 10% of the City's net tax capacity for that year or \$200,000 (the "Abatement Cap"). The City may grant any other abatements permitted under the Act after the date of this Resolution, provided that to the extent the total abatements in any year exceed the Abatement Cap, the allocation of Abatement Cap to such other abatements is subordinate to the Abatement granted pursuant to this Resolution.

(d) The City will pay the Abatement to the Developer in semi-annual installments each August 1 and February 1, commencing August 1, 2021 and continuing through February 1, 2030. In no event shall the payment of Abatement to the Developer exceed \$260,040.00, nor shall the time period for payment of the Abatement to the Developer be more than ten (10) years.

(e) The Abatement is subject to modification in accordance with the Act, subject to the terms of the Development Agreement.

(f) In accordance with Section 469.1815 of the Act, the City will add to its levy in each year during the term of the Abatement the total estimated amount of current year Abatement granted under this Resolution.

(g) The City makes no warranties or representations regarding the amount or availability of the Abatement.

(h) The Abatement shall be provided to the Developer pursuant to the terms and conditions of the Abatement Agreement as approved by the City Council.

3.03. Restrictions on Abatement. The Abatement granted pursuant to this Resolution shall not commence until The City and Developer mutually agree on the terms and conditions of the Abatement Agreement.

Section 4. Implementation.

4.01. The Mayor and the City Administrator are authorized and directed to execute and deliver any additional agreements, certificates or other documents that the City determines are necessary to implement this Resolution.

4.02. The City Council directs City staff to take any appropriate action and to prepare any appropriate documents to facilitate the directives of the City Council as set forth in this Resolution.

4.03. The Mayor, City staff, City attorney and City consultants are hereby authorized and directed to take any and all additional steps and actions necessary or convenient in order to accomplish the intent of this Resolution.

Section 5. County Participation. The Mayor and City Administrator are authorized to work with Rice County (the “County”) if the County chooses to abate a portion of the County’s taxes for the benefit of the Developer, including but not limited to drafting the Abatement Agreement with the County as a party and administering the payment of the County’s abatement dollars.

Section 6. Effective Date. This resolution is effective upon execution in full of the Abatement Agreement.

Approved by the City Council of the City of Faribault, Minnesota, this 23rd day of March, 2020.

CITY OF FARIBAULT, MINNESOTA

Kevin F. Voracek
Mayor

Attest:

Timothy C. Murray
City Administrator

EXHIBIT A TO ABATEMENT RESOLUTION

THE PROPERTY

That real property in the City of Faribault, County of Rice, State of Minnesota, legally described as follows:

The South One-half (S 1/2) of the Northeast Quarter (NE 1/4) of Section 6 Township 110 North Range 20 West of the Fifth Principal Meridian, Rice County, Minnesota; AND ALSO that part of the Southeast Quarter (SE 1/4) of Section 6 Township 110 North Range 20 West of the Fifth Principal Meridian, Rice County, Minnesota, described as follows: Beginning at the Northwest Corner of the Northeast Quarter (NE 1/4) of the Southeast Quarter (SE 1/4); thence East 6 chains and 53 links; thence South 24° West 4 chains and 14 links; thence South 55° West 3 chains and 18 links; thence West 2 chains and 16 links; thence North 5 chains and 58 link to the place of beginning; EXCEPTING THEREFROM that part thereof, deeded to the Burlington Cedar Rapids and Northern Railway Company of Iowa, as set forth in Book 80 of Deeds on page 61, and in Book 80 of Deeds on page 336, in the office of the County Recorder, Faribault, Rice County, Minnesota; SUBJECT TO roads, easements and restrictions of record.

CITY OF FARIBAULT, MINNESOTA**RESOLUTION NO. 2020-052****RESOLUTION APPROVING CONTRACT FOR PRIVATE DEVELOPMENT WITH
TRYSTAR, INC., FOR CERTAIN PROPERTY IN THE CITY OF FARIBAULT**

BE IT RESOLVED by the City Council (the “City Council”) of the City of Faribault, Minnesota (the “City”) as follows:

Section 1. Recitals.

1.01. Trystar, Inc. (the “Developer”), is considering consolidating its operations in the City and has asked for financial assistance to offset the costs associated with the consolidation to the Met-Con facility located at 15765 Acorn Trail, Faribault, Minnesota, as legally described in Exhibit A attached hereto (the “Development Property”), including the buildout, expansion, and construction of physical improvements (the “Project”).

1.02. By resolution adopted by the City Council on March 24, 2020, the City approved a property tax abatement (the “Abatement”) pursuant to Minnesota Statutes, Sections 469.1812 to 469.1815 (the “Abatement Act”) in the maximum amount of \$260,040.00 to be granted to the Developer to reimburse the Developer for the costs of the Project.

1.03. On March 24, 2020, the City Council conducted a duly noticed public hearing on the Abatement and a proposed business subsidy pursuant to Minnesota Statutes, Sections 116J.993 to 116J.995 (the “Business Subsidy Act”) to be provided to the Developer at which the views of all interested persons were heard.

1.04. On the date hereof, the Board of Commissioners of Rice County, Minnesota (the “County”) will meet to consider abating a portion of the County’s taxes for the benefit of the Developer.

1.05. A form of Contract for Private Development, including an Abatement Agreement, between the City, the County, and the Developer (the “Contract for Private Development”) has been presented to the City Council, which sets forth the terms of the Abatements provided by the City and the County and includes a business subsidy agreement as required by the Business Subsidy Act.

1.06. The Contract for Private Development provides for certain financial assistance that constitutes a “business subsidy” within the meaning of Minnesota Statutes, Section 116J.993 to 116J.995 (the “Business Subsidy Act”).

1.07. The “business subsidy agreement” as required under the Business Subsidy Act is included in the Contract for Private Development.

1.08. The City Council has reviewed the Contract for Private Development, including the business subsidy agreement, and finds that the execution thereof by the Authority and performance of the Authority's obligations thereunder are in the best interest of the City and its residents.

Section 2. Findings.

2.01. The recitals set forth above are incorporated into this Resolution.

2.02. The Contract for Private Development is hereby in all respects authorized, approved and confirmed and the Mayor and City Administrator are hereby authorized and directed to execute and deliver the Contract for Private Development (which incorporates the business subsidy agreement) for and on behalf of the City in substantially the form now on file with the City but with such modifications as shall be deemed necessary, desirable or appropriate, their execution thereof to constitute conclusive evidence of their approval of any and all modifications therein.

Section 3. Implementation.

3.01. The Mayor and the City Administrator are authorized and directed to execute and deliver any additional agreements, certificates or other documents that the City determines are necessary to implement this Resolution.

3.02. The City Council directs City staff to take any appropriate action and to prepare any appropriate documents to facilitate the directives of the City Council as set forth in this Resolution and in performing its obligations under the business subsidy agreement and the Contract for Private Development as a whole.

3.03. The Mayor, City staff, City attorney and City consultants are hereby authorized and directed to take any and all additional steps and actions necessary or convenient in order to accomplish the intent of this Resolution.

Section 4. Effective Date. This resolution is effective upon the date of its adoption.

Approved by the City Council of the City of Faribault, Minnesota, this 24th day of March, 2020.

CITY OF FARIBAULT, MINNESOTA

Kevin F. Voracek
Mayor

Attest:

Timothy C. Murray
City Administrator

EXHIBIT A TO ABATEMENT RESOLUTION

THE PROPERTY

That real property in the City of Faribault, County of Rice, State of Minnesota, legally described as follows:

The South One-half (S 1/2) of the Northeast Quarter (NE 1/4) of Section 6 Township 110 North Range 20 West of the Fifth Principal Meridian, Rice County, Minnesota; AND ALSO that part of the Southeast Quarter (SE 1/4) of Section 6 Township 110 North Range 20 West of the Fifth Principal Meridian, Rice County, Minnesota, described as follows: Beginning at the Northwest Corner of the Northeast Quarter (NE 1/4) of the Southeast Quarter (SE 1/4); thence East 6 chains and 53 links; thence South 24° West 4 chains and 14 links; thence South 55° West 3 chains and 18 links; thence West 2 chains and 16 links; thence North 5 chains and 58 link to the place of beginning; EXCEPTING THEREFROM that part thereof, deeded to the Burlington Cedar Rapids and Northern Railway Company of Iowa, as set forth in Book 80 of Deeds on page 61, and in Book 80 of Deeds on page 336, in the office of the County Recorder, Faribault, Rice County, Minnesota; SUBJECT TO roads, easements and restrictions of record.