

## UNAPPROVED

### COON RAPIDS SPECIAL CITY COUNCIL MEETING MINUTES OF FEBRUARY 14, 2012

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#### CALL TO ORDER

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The special meeting of the Coon Rapids City Council for the month of February was called to order by Mayor Tim Howe at 6:30 p.m. on Tuesday, February 14, 2012, in the Council Chambers.

#### PLEDGE OF ALLEGIANCE TO THE FLAG

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Mayor Howe led the Council in the Pledge of Allegiance.

#### ROLL CALL

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Members Present: Mayor Tim Howe, Councilmembers Denise Klint, Melissa Larson, Paul Johnson, Jerry Koch, and Bruce Sanders

Members Absent: Councilmember Scott Schulte

#### ADOPT AGENDA

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MOTION BY COUNCILMEMBER SANDERS, SECONDED BY COUNCILMEMBER LARSON, TO ADOPT THE AGENDA AS AMENDED ADDING ITEM 2A, RESOLUTION 12-40 AMENDING THE 2012 GENERAL FUND BUDGET AND AUTHORIZING THE EXPENDITURE OF \$37,350 TO THE COMMUNITY STRENGTH FOUNDATION. THE MOTION PASSED UNANIMOUSLY.

#### PUBLIC HEARING

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1. ECONOMIC DEVELOPMENT ASSISTANCE FOR AMERICAN PRECLINICAL SERVICES, LLC, 8945/8960 EVERGREEN BOULEVARD:
    - A. PUBLIC HEARING, 6:30 P.M.
    - B. CONSIDER RESOLUTION 12-38 AUTHORIZING THE ECONOMIC DEVELOPMENT AUTHORITY TO EXPEND EXCESS TAX INCREMENT IN THE FORM OF A GRANT IN THE AMOUNT OF \$350,000
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Community Development Specialist Brown presented a memorandum requesting the Council authorize the Economic Development Authority to expend excess tax increment funds, as authorized by the State of Minnesota's 2010 Jobs Bill, to provide economic development assistance to American Preclinical Services, LLC.

In an effort to provide cities with an economic development stimulus tool, the 2010 Legislature approved a temporary provision to TIF law allowing for the use of cash balances in TIF districts to be used for loans and assistance for any project that creates jobs, including construction jobs.

American Preclinical Services (APS), which currently has approximately 75 employees in Coon Rapids, proposes an expansion project. APS performs preclinical research for companies developing medical devices. APS currently owns its 44,000 square foot facility at 8945 Evergreen Boulevard. The proposed expansion project involves substantially rehabilitating 18,000 square feet of space in a currently vacant building at 8960 Evergreen Boulevard, across the street from the existing facility. APS plans to create at least 40 new jobs within two years of completing the project. In order to facilitate the \$2.6 million construction project, staff proposes a grant in the amount of \$350,000, funded by existing cash balances in TIF districts. This expenditure is allowable under the TIF provisions of the 2010 Jobs Bill, which were extended by the Legislature in 2011.

In August 2011, the City Council considered Resolution 11-51 modifying the budget of TIF district 1-6 to allow for such expenditures. In order to expend these cash balances, the Council must hold a public hearing and consider a spending plan that specifically authorizes an authority, in this case the Economic Development Authority, to make the expenditure. Resolution 12-38 includes the spending plan and the authorization.

Mayor Howe opened the public hearing at 6:33 p.m.

Robert Rimmer, 810 98<sup>th</sup> Avenue NW, stated he did not object to the project but questioned who was renovating the site. Community Development Specialist Brown indicated the request has been made by American Preclinical Services, LLC. This company was currently located at 8945 Evergreen Boulevard. The expansion would move the company into 8960 Evergreen Boulevard as well.

Mayor Howe closed the public hearing at 6:35 p.m.

**MOTION BY COUNCILMEMBER SANDERS, SECONDED BY COUNCILMEMBER KLINT, TO ADOPT RESOLUTION NO. 12-38, AUTHORIZING THE ECONOMIC DEVELOPMENT AUTHORITY TO EXPEND EXCESS TAX INCREMENTS IN THE FORM OF A GRANT TO AMERICAN PRECLINICAL SERVICES, LLC IN THE AMOUNT OF \$350,000. THE MOTION PASSED UNANIMOUSLY.**

## **NEW BUSINESS**

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### **2. APPROVE DESIGNATION OF REVENUES FROM CHARITABLE GAMBLING AND TCGATEWAY TO THE COMMUNITY STRENGTH FOUNDATION**

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City Manager Fulton presented a memorandum requesting the Council consider allocating a portion of certain charitable gaming and other grant funds toward the new Community Strength Foundation to assist it in accomplishing its mission.

The Community Strength Foundation was established in 2011. Its mission is to: "Promote and enhance the quality of life in the City of Coon Rapids by supporting community celebrations and events." The Foundation's Board of Directors is comprised of community representatives of local service clubs, charitable gaming organizations, City Advisory Commissions, Fire Relief Association, and general community members. It is not a City organization, although the idea and original leadership came from Mayor Howe with certain staff assistance. As a non-profit organization, there are no formal funding sources so they look to receive grants and donations from individuals, organizations, and other appropriate sources. The funds received will be used to accomplish its mission. One of the primary events will be to support the summer Fireworks Celebration at Sand Creek Park.

The City Council met on February 8 to discuss ways to support the financial needs of the Foundation and, in turn, community events and celebrations. The City currently receives approximately \$18,000/year from the 5% contribution made from the local charitable gaming license holders. It also receives a grant from TCGateway in the approximate annual amount of \$10,000. After discussion, the Council thought it would be appropriate to allocate 90% of the revenue received from these two funding sources to the Foundation, retaining the remaining 10% for other projects deemed appropriate by the Council.

**MOTION BY COUNCILMEMBER JOHNSON, SECONDED BY COUNCILMEMBER LARSON, TO ANNUALLY CONTRIBUTE 90% OF THE REVENUES RECEIVED FROM THE 5% CHARITABLE CONTRIBUTION REQUIRED TO BE MADE BY LOCAL CHARITABLE GAMING LICENSE HOLDERS AS WELL AS 90% OF THE ANNUAL COMMUNITY GRANT MADE BY TCGATEWAY TO THE COMMUNITY STRENGTH FOUNDATION. THE MOTION PASSED UNANIMOUSLY.**

**2A.    CONS. RESOLUTION 12-40 AMENDING THE 2012 GENERAL FUND BUDGET AND AUTHORIZE THE EXPENDITURE OF \$37,350 TO THE COMMUNITY STRENGTH FOUNDATION**

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City Manager Fulton indicated that with the Council's intent to contribute 90% of charitable gaming revenues to the Community Strength Foundation the 2012 General Fund Budget should be amended and the payment authorized.

The City Council has indicated its intent to disburse \$37,350 from available charitable gambling and allocated interest earnings on it to the Community Strength Foundation. Additionally, it is estimated that an additional \$9,000 will be contributed later in 2012 from the TCGateway grant. Therefore, the 2012 General Fund budget should be revised accordingly.

**MOTION BY COUNCILMEMBER JOHNSON, SECONDED BY COUNCILMEMBER LARSON, TO ADOPT RESOLUTION NO. 12-40, AMENDING THE 2012 GENERAL FUND BUDGET AND AUTHORIZE THE EXPENDITURE OF \$37,350 TO THE COMMUNITY STRENGTH FOUNDATION.**

Councilmember Sanders clarified that the funds allocated were from charitable gambling contributions and not funds from the tax levy. City Manager Fulton stated this was correct and reviewed the source of the charitable gambling funds for the City.

THE MOTION PASSED UNANIMOUSLY.

**OTHER BUSINESS**

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None.

**ADJOURN**

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MOTION BY COUNCILMEMBER SANDERS, SECONDED BY COUNCILMEMBER KOCH,  
TO ADJOURN THE MEETING AT 6:40 P.M. THE MOTION PASSED UNANIMOUSLY.

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Tim Howe, Mayor

ATTEST:

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Cathy Sorensen, City Clerk