

AGENDA
CITY OF ISANTI
CITY COUNCIL COMMITTEE OF THE WHOLE MEETING
TUESDAY, MARCH 16, 2021 – 5:00 P.M.
CITY HALL

Seating may be limited. If you would like to send in a comment for Public Comment or a Public Hearing to be read on your behalf, please submit to the City Clerk
jstrand@cityofisanti.us or (763) 762-5759.

- A. Call to Order**
- B. Pledge of Allegiance**
- C. Roll Call**
- D. Public Comment**

E. Committee Meeting Items

- 1. Liquor Store Bonding Options (*Jessica Green, Northland Securities 5-5:25 p.m.*)
- 2. Public Works Updates
- 3. Water Shut-Off Policy Discussion
- 4. Address Changes by 911 Coordinator-Dispatcher
- 5. City Council Agenda Request (*Josh S, Homepride Inc.*)

F. Adjournment



MEMORANDUM

To: Mike Betker, Finance Director, City of Isanti
From: Jessica Green, Managing Director
Date: March 16, 2021
Re: Municipal Liquor Store Financing Options

In preparation for the proposed construction of a new Municipal Liquor Store (the "Project") in the City of Isanti (the "City"), Northland has prepared this memo to provide information related to options for financing the above-mentioned project in terms of borrowing authority and methods of sale.

Financing Tools:

Lease-Revenue Bonds – Lease Revenue Bonds are used by cities to finance public facilities. There is no specific statutory authority for Lease Revenue Bonds. This form of financing combines two statutory powers. Economic development authorities (EDA) and housing and redevelopment authorities (HRA) have the authority to issue revenue bonds for their corporate purposes, including the construction of public facilities. The security for the Bonds and the revenue to pay debt service comes from a lease purchase agreement (i.e., Lease Purchase Financing) with the city.

As a general rule, the more essential the facility, the more marketable are the bonds. This is due to the perception of investors that the city is less likely to not appropriate and walk away from an essential facility.

The status of the tax levy to make lease payments is another consideration in the use of Lease Revenue Bonds. Under the most recent version of levy limits, the levy for Lease Revenue Bonds can be made of a special levy and outside of levy limits.

The special levy authority is to pay debt service of another political subdivision and the EDA is a political subdivision. Levies to make lease payments do not currently qualify as a special levy and, therefore, are subject to levy limits.

The taxing power of the EDA may also be pledged to Lease Revenue Bonds (see Limited Tax Obligation Bonds for information on EDA/HRA levy).

Financing Tools (continued...)

General Obligation Tax Abatement Bonds - Tax Abatement Bonds (Section 469.1814) may be used to finance a variety of development activities and public improvements. The statute allows proceeds of Tax Abatement Bonds be used to (1) pay for public improvements that benefit the property, (2) to acquire and convey land or other property, as provided under this section, (3) to reimburse the property owner for the cost of improvements made to the property, or (4) to pay the costs of issuance of the bonds.

These Bonds are often used to facilitate economic development in ways not allowed by tax increment financing. They have also evolved into a tool for financing community recreation and cultural facilities. The statutory authority creates an abatement levy based on the property value of parcels subject to the abatement. The authority to use tax abatement applies separately to each taxing jurisdiction. If other jurisdictions (county and school district) approve an abatement, this revenue may be pledged to bonds issued by the city. The principal amount of the Bonds may not exceed the sum of the authorized abatements. A debt service levy may be used to pay interest on the Bonds. The annual amount of all abatements cannot exceed the greater of 10% net tax capacity value of the jurisdiction or \$200,000. The parameters of the abatement and authorization for the Bonds are set by resolution. The resolution cannot be held until after a public hearing.

It should be noted that the City intends to use revenues from Liquor Store operations to fully support debt service related to the bonds, regardless of the type of bonds issued, and that any levy amounts certified at the time of issuance will be cancelled annually.

Methods of Sale: Competitive versus Negotiated

Competitive Sale

A competitive sale uses a bidding process to find the underwriter with the most favorable terms. The issuer (the City) sets terms for the bond issue and solicits bids from interested underwriters. The low-bid is typically determined based on True Interest Cost (TIC) of the underwriter's discount and interest expense. Results from a competitive sale are reflective of the underwriting firms that choose to submit a bid on the specified date and time of the sale (the sale date is typically set to coincide with the City's Council meeting dates). The interest of underwriters and their corresponding bids can be impacted by a number of reasons, such as:

- Size of the bond issue
- Other bond issues being sold at the same/similar date and time, or other considerations regarding the supply of municipal securities in the market
- Bond rating, rating changes, or other concerns about the stability of the rating
- Concerns about the security of the bonds
- Unusual or desirable/undesirable terms of the bond issue
- Uncertain market conditions
- Concerns about the current and/or future financial condition of the borrower

It should be noted that Northland is currently engaged as underwriter for the proposed project financing. Should the City choose to utilize a competitive sale process, Northland would resign the

position of underwriter and instead serve as Municipal Advisor to the City. In the capacity of Municipal Advisor, we would solicit bids from other underwriting firms.

Negotiated Sale

In a negotiated sale, the issuer selects an underwriter and directly negotiates the terms of the bond issue. A negotiated sale produces results based on market conditions and current interest rates. The underwriter needs to demonstrate that the terms are fair in context of current market conditions and the characteristics of the bond issue. An opinion of fairness will be provided from an independent financial advisor specific to the bond issue.

The negotiated sale has several important attributes:

- Timing is flexible - pricing occurs may occur on any business day, not on a predetermined sale date and time. If a pricing date is chosen and market conditions are not favorable (or for other considerations), the sale can be delayed for days or weeks, rather than being postponed until the next council meeting.
- Terms are flexible - as opposed to a competitive sale where the terms are set prior to the sale date, a negotiated bond issue can be changed during the sale process. This flexibility may allow the issuer to make changes that allow for lower borrowing costs or achieve other financial objectives.
- Market development - a negotiated sale process provides the opportunity to "tell the story" of the bond issue. Presale market development may help create investor interest and/or alleviate concerns from investors.

Conclusion of Options

The competitive sale process or the negotiated sale process can both be effective ways to issue bonds. The right process is the option that will produce the best results for the issuer.

The competitive sale process works best with good credits, straightforward bond issues, and stable market conditions. The negotiated sale process works best with credits that may not be as familiar to the market, bond issues that have some complexity or of a certain size, and when market conditions are less stable.

In determining whether to follow a competitive versus negotiated sale process, issuers can increase the chance of achieving the best results by:

- Understanding the potential market perception of the issuer and the particular bond issuance.
 - Identifying the elements of the bond issue that will be attractive or concerning to investors.
 - Considering potential bond market conditions at the time of sale.
 - Identifying the key outcomes of the bond sale, as determined by the issuer.
 - Understanding the degree of flexibility the issuer needs to maintain in setting terms prior to final bids or negotiation of pricing.
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- Considering any other factors that may be unique to the issuer or the particular bond issuance.

In summary, there are a number of factors to consider when choosing a method of sale. Northland is prepared to assist the City with either type of sale. Information included in this memo is meant to be educational in nature and is not intended to be considered advice. The competitive/negotiated decision is solely at the discretion of the City and should be considered carefully.



Memo for COW

To: Mayor Johnson and Members of the City Council
From: Matt Sylvester, Public Services Director
Date: March 16, 2021
Subject: Public Works Updates

Streets:

- Public Works had to haul snow out of many cul-de-sacs and intersections this winter to make room for the continuing snow events that took place.
- Doors were posted again in January for tree trimming. Tree trimming is something that Public Works does every year during the winter months.
- With the warm weather we have received lately staff has been out doing yard repairs from plow damage.
- Staff has been out filling potholes and will continue to monitor and fill those as needed.
- Public Works took time to paint the breakroom and bathroom walls at the Public Works Shop.

Storm:

- Staff has also been out sweeping streets and will continue to sweep those weather permitting.
- Staff has been busy hauling brush out. Brush is taken to Central Landscaping in East Bethel.

Sewer:

- Annual maintenance of the Air Release Valves has been started for this year.
- Annual maintenance was completed at the Wastewater Treatment Plant. The filters were shocked and put back online. The pond aeration pumps had new belts, air filters, and an oil change completed.

Water:

- Annual Maintenance was also completed at the Water Plant for the MIOX machine.
- Staff has created an alarm call-back log for SCADA alarms. This call-back log will help as a training tool for newer staff. There are several alarms that don't happen very often. This log will help staff as a training tool so that the On-call person has an idea as to how to fix the alarm.
- Annual Water Hardness test was taken. The City Website has been updated with those results.

Parks:

- Alyssa Olson was hired as our New Parks Rec and Events Coordinator. We are very happy to have her on Board.
- Staff made some shelving at the ICC to store supplies. These items supplies include Christmas Decorations and Curious Creatures supplies.

Reports Completed:

- Water Conservation Reports (MPARS and ESPARS)
- Solid Waste Report (ReTrac)



Memo for COW

To: Mayor Johnson and Members of the City Council
From: Sheila Sellman, Community Development Director
Date: March 16, 2021
Subject: Address Concerns

Background:

911 Coordinator-Dispatcher Robert Shogren has requested that the City of Isanti review address discrepancies that he has identified throughout the city. Per his list there are many addresses that are not following the odd/even requirements. Even numbers shall be assigned to lots on south side of streets running east-west and on the east side of avenues running north-south. Odd numbers shall be assigned to lots on the north side of streets running east-west and on the west side of avenues running north-south. The intersection of the Burlington Northern Railroad line and Main Street shall be considered the zero starting point for the purpose of the lot-numbering system,

Request:

Staff is requesting direction on this item.

Attachments:

- Shogren's list of addresses
- City Code Requirements for addressing

Railroad Ave. SE. aka Polk St. NE.

Two addresses, 28117 and 28153 Polk St. NE are located *north of South Passage*. The street sign at South Passage and Railroad Ave indicate Railroad is north of the intersection and Polk is south of the intersection. Because the sign is pointing Polk to the south, these two addresses in the township will be difficult to find for an out of area first responder.

Two possible solutions –

1. Readdress the identified Polk St addresses to a Railroad Ave SE address (city address)
2. Change the sign at South Passage indicating Polk goes both directions.

Heritage Blvd NE and NW

Addresses on Heritage Blvd NE and NW – Odd/Even mixed up on many addresses - even addresses should be on the north side of east-west running streets and odd numbers should be on the south side if east-west running streets.

Check 702, 790, and 791 for address range being too high as well odd/even problem. These addresses should be in the 600-699 address range on Heritage Blvd NE

6th Ave NE

Coburn's address is too low, would be better as 309

Member's Coop Credit Union address needs to be changed to an odd number, I would suggest 323

Appaloosa Ln/Pinto Ln/Buckskin Blvd/Shetland Ct

Consider readdressing all of the homes on these streets. All of the single numbered addresses need to be brought into city address system compliance.

Isanti Community Center

Eliminate all addresses with fractions. I would address the community center as either 110B 1st Ave NW or address it off of Railroad Ave NW.

Isanti Intermediate School

The address needs to even. Based on the other addresses on 9th Ave, I would suggest 125 9th Ave NE

Enterprise Ave NE

The single number addresses should be changed to addresses in the 900 block (901, 902, 904)

§ 284-6. Naming and numbering policy.

- A. City streets shall not be required to fall into any pattern of alphabetical sequence.
- B. Major emphasis shall be given to avoiding duplicate and similar sounding names.
- C. For all future developments, east-west streets will be designated as streets, and north-south streets will be designated as avenues. Upon approval by the City Council, other designations may be approved, such as parkways, boulevards, trails, courts, etc. **[Amended 4-16-2013 by Ord. No. 549]**
- D. Existing street names shall be extended where practical. Avenues shall be numbered and placed within sequential order from the zero starting point. **[Amended 4-16-2013 by Ord. No. 549]**
- E. The intersection of the Burlington Northern Railroad line and Main Street shall be considered the zero starting point for the purpose of the lot-numbering system. **[Amended 4-16-2013 by Ord. No. 549]**
- F. Numbers shall be assigned to each block in increments of 100 for each block progressing northerly, easterly, southerly, and westerly from said zero starting point.
- G. Even numbers shall be assigned to lots on the north side of streets running east-west and on the east side of avenues running north-south. **[Amended 12-1-2020 by Ord. No. 745]**
- H. Odd numbers shall be assigned to lots on the south side of streets running east-west and on the west side of avenues running north-south. **[Amended 12-1-2020 by Ord. No. 745]**
- I. Where, in the past, odd and/or even numbers have already been assigned along the majority of a street segment and they are not in accordance with the regulations provided in this article, the Community Development Director or his/her designee may continue to assign numbers in accordance with the existing numbers provided. **[Added 4-16-2013 by Ord. No. 549; 12-1-2020 by Ord. No. 745]**
- J. Ordinals shall be placed at the end of each street name, to include NW, SW, NE, or SE, depending upon the location of the street within the City of Isanti street grid system. **[Added 4-16-2013 by Ord. No. 549]**

- K. Street names located on the east side of Trunk Highway 65 shall be consistent with those street names located on the west side of Trunk Highway 65. **[Added 4-16-2013 by Ord. No. 549]**
- L. The City of Isanti has been granted authority through joint resolution with Isanti County to re-address in accordance with this article any property in the Tier One Area. When it has been identified by the appropriate public safety authority that public safety will be enhanced by renumbering and establishing new street names in accordance with this article, the Planning Commission will hold a public hearing to consider such proposals and make recommendations to the City Council for re-addressing in the Tier One Area. **[Added 4-16-2013 by Ord. No. 549]**



CITY OF ISANTI

110 First Avenue NW, P.O. Box 428, Isanti, MN 55040-0428

AGENDA REQUEST FORM

Instructions: If you want official action on an item **not on the agenda**, please complete this form and return it to the office of the City Clerk at City Hall. **All applicable areas must be completed or the form will not be accepted.** Your completed request will be presented at the next Committee of a Whole meeting.

1. Name (please print):

Josh Savarisen

Organization (Required if Applicable):

Harcford Inc.

2. Address (please print):

xxx Cajun st.

3. Telephone No.:

[REDACTED]

4. Agenda item subject:

*Development
Early Building Permit*

5. Action requested:

*Allow Building Permits
During Development Construction*

6. Reasons for requested action:

*Allow Builders to Have
a model for Fall Parade of Homes*

7. Signature (Required):

[Signature]

CITY USE ONLY:

Date/Time Received:

2/16/21

11:15

am/pm

Received by:

Sheila Sellman