



CITY OF LE SUEUR  
REQUEST FOR COUNCIL ACTION

TO: Mayor and City Council

FROM: Joe Roby, City Administrator  
Ryan Graff, Finance Director

SUBJECT: Resolution R2026-009: Abatement Program Termination and Modification of Joint Powers Agreement

DATE: For the City Council Meeting of Monday, February 9<sup>th</sup>, 2026

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**PURPOSE**

Consider adopting a resolution terminating the Highway 169 Hilltop Abatement Program and modifying terms of an associated joint powers agreement.

**SUMMARY**

In the mutual interest of encouraging development along the Highway 169 corridor, the City of Le Sueur and Le Sueur County jointly entered into a tax abatement program in 2006, setting aside property taxes from three specific parcels of land within city limits for future development. The intent of the program was to set aside specific parcels' property taxes for use in future transportation and infrastructure development along the Highway 169 corridor. The City of Le Sueur has maintained these funds since the program's inception.

In 2022, the City Council and County Board of Commissioners agreed to terms of a Joint Powers Agreement outlining terms, conditions, and procedures associated with the abatement program itself, including disbursement of funds. Funds have been used from the program to help finance transportation improvements along the corridor, including the RCUT (Restricted Crossing U-Turns) and Cambria Avenue projects. The program should be considered a success in terms of both the projects supported and the mutual desire to drive future development using remaining funds.

Both City and County have abated property taxes on these parcels since 2007, and have met their initial estimates of funding. As such, the Joint Highway 169 Abatement Committee, consisting of members of both the City Council and County Board of Commissioners, are recommending that the City and County end the abatement program and modify the joint powers agreement to direct future use of existing funds. A fund balance of approximately \$1.75M remains in the fund; Resolution R2026-009 would terminate the abatement program (cease abatement of taxes), end the existing Joint Powers Agreement, and approve terms of a new Joint Powers Agreement, which outlines procedures for use of remaining funds.

**ACTION REQUESTED**

Staff recommend City Council adopt Resolution R2026-009 as presented.

**Alternate Actions:**

- No action / Denial: Abatement will not be terminated, and joint powers agreement will not be modified as presented, unless otherwise directed by City Council.
- Modification of Recommendation: This is always an option for City Council.

CITY OF LE SUEUR, MINNESOTA  
CITY COUNCIL RESOLUTION R2026-009

A RESOLUTION BY THE MAYOR AND CITY COUNCIL OF THE CITY OF LE SUEUR,  
MINNESOTA FOR RELEASE AND TERMINATION OF THE JOINT TAX ABATEMENT  
PROGRAM WITH LE SUEUR COUNTY AND ADOPTION OF MODIFIED AGREEMENT

WHEREAS, the City of Le Sueur (the “City”) passed Resolution No. 06-093, dated August 28, 2006, authorizing the abatement of property taxes on three specific parcels of land located within the municipal limits of the City (the “Abatement Resolution”), attached hereto and incorporated herein by reference as Exhibit A; and

WHEREAS, the City is additionally a party to a Joint Powers Agreement with Le Sueur County (the “County”), dated December 12, 2022, which outlines the terms and conditions for the twenty-year abatement term for the three specific parcels of land, for tax payable years 2007 through 2026 (the “Agreement”), attached hereto and incorporated herein by reference as Exhibit B; and

WHEREAS, pursuant to Minn. Stat. § 469.1813, if the abatement resolution does not provide that the abatement may not be modified or changed, the governing body of the political subdivision may review and modify the abatement every second year after it was approved; and

WHEREAS, the parties have reviewed and discussed the above-described abatement and the City and the County have mutually agreed and request that the parties be released from the terms and conditions described in the Abatement Resolution and terminate the tax abatement program; and

WHEREAS, the parties agree that there remains a mutual benefit in maintaining the Joint Highway 169 Abatement Committee and the program funds as defined in the Agreement, and have thus drafted a new joint powers agreement to guide and instruct usage of funds generated by the abatement program (“Modified Agreement”), attached hereto and incorporated herein by reference as Exhibit C.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND CITY COUNCIL THAT:

1. The above-referenced Abatement Resolution authorizing the joint tax abatement program is hereby modified by shortening the term of the abatement so as to expire effective December 31, 2025, as of which the Abatement Resolution shall be terminated, released, and of no further force and effect.
2. The Agreement, dated December 12, 2022, is hereby terminated.
3. The Modified Agreement is hereby agreed to and adopted.

4. The Mayor and City Clerk and/or City Administrator are authorized and directed to execute any and all such documents as are necessary to effectuate the termination of the above-referenced Abatement Resolution and Agreement, and to effectuate the adoption of the Modified Agreement, consistent with this resolution.

PASSED by the City Council of the City of Le Sueur on this \_\_\_\_ day of \_\_\_\_\_, 2026.

ATTEST

\_\_\_\_\_  
City Clerk

\_\_\_\_\_  
Mayor

## Exhibit A

### **RESOLUTION NO. 06-093**

At a regular meeting of the Common Council in and for the City of Le Sueur, Minnesota, which meeting was duly called and held on the 28<sup>th</sup> day of August, 2006, at 7:00 o'clock p.m. all Alderpersons were present. Mayor Oberle presided at the meeting and the following Resolution was offered by Alderperson Kerkow who duly moved for its adoption.

WHEREAS, In accordance with the provisions of M.S.A. 469.1813, the City of Le Sueur has the authority to abate property taxes on specific parcels of land located within the municipal limits of the City of Le Sueur, and,

WHEREAS, Le Sueur Development, Inc. has approached City Staff with reference to the development of the Minnesota Trunk Highway No. 169 corridor located in the northerly portion of the City of Le Sueur, and,

WHEREAS, Industrial, commercial and residential development of this area would greatly enhance the tax base of the City of Le Sueur and provide infrastructure improvements for businesses and citizens located or residing in the City of Le Sueur, and,

WHEREAS, Tax abatement would provide funds for the purpose of planning, designing and developing such area, and,

WHEREAS, The Common Council believes that it would be in the best interests of the City of Le Sueur to enter into a Tax Abatement Program involving the following parcels of land, to-wit:

Parcel Number

R21.019.500

R21.020.0300

R21.020.0400

, and,

WHEREAS, Prior to adopting a Tax Abatement Program, it is necessary to hold a public hearing for the purpose of allowing all interested parties to comment on such tax abatement program, and,

WHEREAS, A public hearing was held at this meeting after appropriate notice was given as required by the provisions of M.S.A. 469.1813.

NOW, THEREFORE, BE IT RESOLVED by the Common Council in and for the City of Le Sueur, Minnesota, as follows:

1. The Common Council finds that the Tax Abatement Program as above set forth will:
  - A. Increase and preserve tax base.
  - B. Provide employment opportunities in the City of Le Sueur.
  - C. Provide and help acquire or construct public facilities.
  - D. Help redevelop or renew blighted areas.
  - E. Help provide access to services for residents of the City of Le Sueur.
  - F. Finance or provide public infrastructure.
2. Real estate taxes shall be abated in accordance with the provisions of M.S.A. 469.1813 on the following parcels of land:

Parcel Number

R21.019.500

R21.020.0300

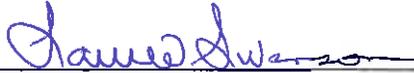
R21.020.0400

3. The duration of this Tax Abatement Program shall be 20 years unless Independent School District No. 2397 and Le Sueur County, Minnesota both agree to abate taxes, in which event, the duration shall be 15 years.
4. The monies derived from the Tax Abatement shall be paid to the City of Le Sueur and used for the purpose of planning, designing and constructing infrastructure improvements to lands within or adjacent to the Minnesota Trunk Highway No. 169 corridor within the City of Le Sueur, for the purpose of providing organized development.
5. In any year, the total amount of real estate taxes abated by the City of Le Sueur shall not exceed 10% of the current levy or \$200,000.00, whichever is greater. This limitation does not apply to any uncollected abatement from a prior year that is added to the abatement levy.

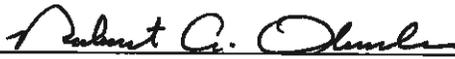
Said Resolution was duly seconded by Alderperson Vortherms and put to a vote. Voting in favor thereof were Alderpersons LaBelle, Pengilly, Kerkow, Huntington, Vortherms, Wicks and Mayor Oberle. Voting against said Resolution - none. Motion carried.

Approved this 28<sup>th</sup> day of August, 2006.

ATTEST:

  
\_\_\_\_\_

Laurie Swenson, City Clerk

  
\_\_\_\_\_  
Mayor Oberle

## Exhibit B

CITY OF LE SUEUR, MINNESOTA  
CITY COUNCIL RESOLUTION R2022-055

RESOLUTION TO ENTER INTO A JOINT POWERS AGREEMENT WITH LE SUEUR  
COUNTY CONCERNING THE LE SUEUR HIGHWAY 169 HILLTOP PROPERTY TAX  
ABATEMENT PROGRAM

WHEREAS, Minnesota Statutes Sections 469.1812 through 469.1815 authorize the County of Le Sueur, Minnesota and the City of Le Sueur, Minnesota, upon satisfaction of certain conditions, to grant an abatement of all or part of the taxes levied to certain property; and

WHEREAS, the City of Le Sueur wishes to foster improvement projects in the Minnesota State Highway 169 Hilltop Corridor within the City of Le Sueur to stimulate development, expand the tax base, and enhance employment opportunities; and

WHEREAS, the City of Le Sueur and Le Sueur County entered jointly into a twenty-year property tax abatement program in 2006 via resolution; and

WHEREAS, the three parcels involved in the abatement program are 21.019.5000, 21.020.0300, and 21.020.0400; and

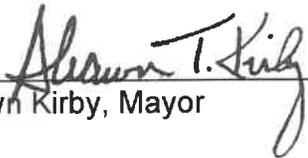
WHEREAS, the City of Le Sueur and Le Sueur County wish to enter into a Joint Powers Agreement by which both governmental bodies may attend to the program and distribution of funds from said program.

NOW, THEREFORE BE IT RESOLVED by the City Council of the City of Le Sueur, Minnesota that:

1. The Joint Powers Agreement as provided in Exhibit A shall be adopted.
2. The City Administrator is hereby authorized and directed to share the adopted agreement with the Le Sueur County Administrator and Le Sueur County Board of Commissioners for consideration of adoption.

PASSED by the City Council of the City of Le Sueur on this 12<sup>th</sup> day of December 2022.

ATTEST

  
Shawn Kirby, Mayor

  
Stacy Lawrence, City Clerk

VOTE: Y HUNTINGTON Y KIRBY Y KROGMANN

Y WILLIAMS Y SCHLUETER Y SULLIVAN Y SWANBERG

# Exhibit A

## City of Le Sueur and Le Sueur County Joint Powers Agreement

### Le Sueur Highway 169 Hilltop Property Tax Abatement Program

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#### 1. OVERVIEW

Minnesota Statutes Sections 469.1812 through 469.1815 authorize the County of Le Sueur, Minnesota (“County”) and City of Le Sueur, Minnesota (“City”), upon satisfaction of certain conditions, to grant an abatement of all or part of the taxes levied to certain property.

The County and City wish to foster improvement projects in the Minnesota State Highway 169 Hilltop Corridor within the City of Le Sueur (“Corridor”) to stimulate development, expand the joint tax base, and enhance employment opportunities. In this spirit, a twenty-year abatement program (“Program”) was established in 2006, as authorized by County (see Appendix B) and City (see Appendix C) resolutions.

This Joint Powers Agreement (“Agreement”) formalizes the Program established between the respective governing bodies of the County and City: the Le Sueur County Board of Commissioners (“Board”) and City of Le Sueur City Council (“Council”).

#### 2. TERMS

- I. The three parcels involved in the abatement program shall be 21.019.5000, 21.020.0300, and 21.020.0400 (“Parcels”).
- II. The duration of the abatement program is January 1, 2007 through December 31, 2026. The abatement shall apply to the taxes payable in tax years 2007 through 2026.
- III. The abatement shall be for 100 percent of the County’s share of the ad valorem property taxes generated by the Parcels.
- IV. The City shall contribute ad valorem property taxes generated by the Parcels to the abatement fund.
- V. The abatement may not be modified or changed during the term set forth, except by the mutual agreement of both Board and Council.
- VI. The County expects the benefits to the County of the abatement to at least equal the costs thereof.
- VII. The City agrees to accept payment from County, and to hold and disburse funds from the property abatement for approved infrastructure projects.

- VIII. The City shall provide an annual report to the County in December of each year. The report must include the following: a) fund balances; b) past expenditures; c) planned expenditures; and d) economic development results from expenditures (e.g. new businesses, jobs, tax base enhancements). Failure to provide acceptable annual reports may lead to withholding of future abatement payments from the County.
- IX. This agreement establishes the formation of a Joint Highway 169 Abatement Committee ("Committee"). The makeup of the Committee shall be as follows:
- a. County Administrator
  - b. City Administrator
  - c. Two Board Commissioners: the Board shall annually nominate two commissioners
  - d. Two members of Council: the Council shall annually nominate two councilmembers

The Committee shall meet a minimum of once per calendar year to evaluate potential projects, evaluate the health of the abatement fund, and ensure the spirit of this agreement is maintained.

### **3. PROGRAM FUND DISBURSEMENT**

- I. Funds generated by the Program may be disbursed at any point during the life of the Program.
- II. Funds generated by the Program shall be disbursed only for projects included within the defined benefit area (Section 4).
- III. Funds generated by the Program shall be disbursed to projects following a defined process. Specifically:
  - a. The Committee shall review potential projects to ensure they meet the eligible use guidelines contained within this Section.
  - b. The Committee will present recommendations for fund disbursement(s) to the Board for review and comment.
  - c. Following review and comment from the Board, the recommendation(s) may be revised by the Committee and returned to the Board for reevaluation, if necessary.
  - d. Final recommendations shall be brought to the Council for formal approval by vote of the Council majority, followed by disbursement of approved funds.
  - e. Any disbursement shall be considered final.
- IV. Funds shall be used to support or promote one or more of the following types of projects within the public Right-of-Way and/or dedicated drainage or utility easement(s):
  - a. Transportation infrastructure
  - b. Utility Infrastructure
- V. Funds shall not be disbursed for the following circumstances or purposes:
  - a. Direct or indirect business subsidy to any individual, group, corporation (public or private), or other entity.

**4. DEFINED BENEFIT AREA**

- I. This agreement defines the Program benefit area as follows (see also Appendix A for benefit boundaries):
  - a. That area contained within the City of Le Sueur municipal limits along Minnesota State Highway 169 from the southern intersection of Doppy Lane and Minnesota State Highway 169 extending northeasterly along Highway 169 to a point approximately 0.25 miles northeast of Henderson Station Road.

**5. PROVISIONS FOR TERMINATION**

- I. This Agreement shall continue in force until December 31, 2035. Early termination may be provided for in the following circumstances:
  - a. Formal majority vote action by County and City to terminate the agreement; or
  - b. Program funds have been exhausted.
- II. Distribution of funds upon termination:
  - a. Any monies remaining in the abatement fund upon termination of the agreement shall be disbursed to the City and County in proportion to each entity's total contribution to the fund.

**APPROVAL AND EXECUTION**

This agreement shall be effective the 12 day of December, 2022 further, by signing this agreement, all past agreements, arrangements, covenants, or settlements regarding the abatement are hereby terminated.

Le Sueur County

City of Le Sueur

By: 

By: 

Chairperson

Mayor

By: 

By: 

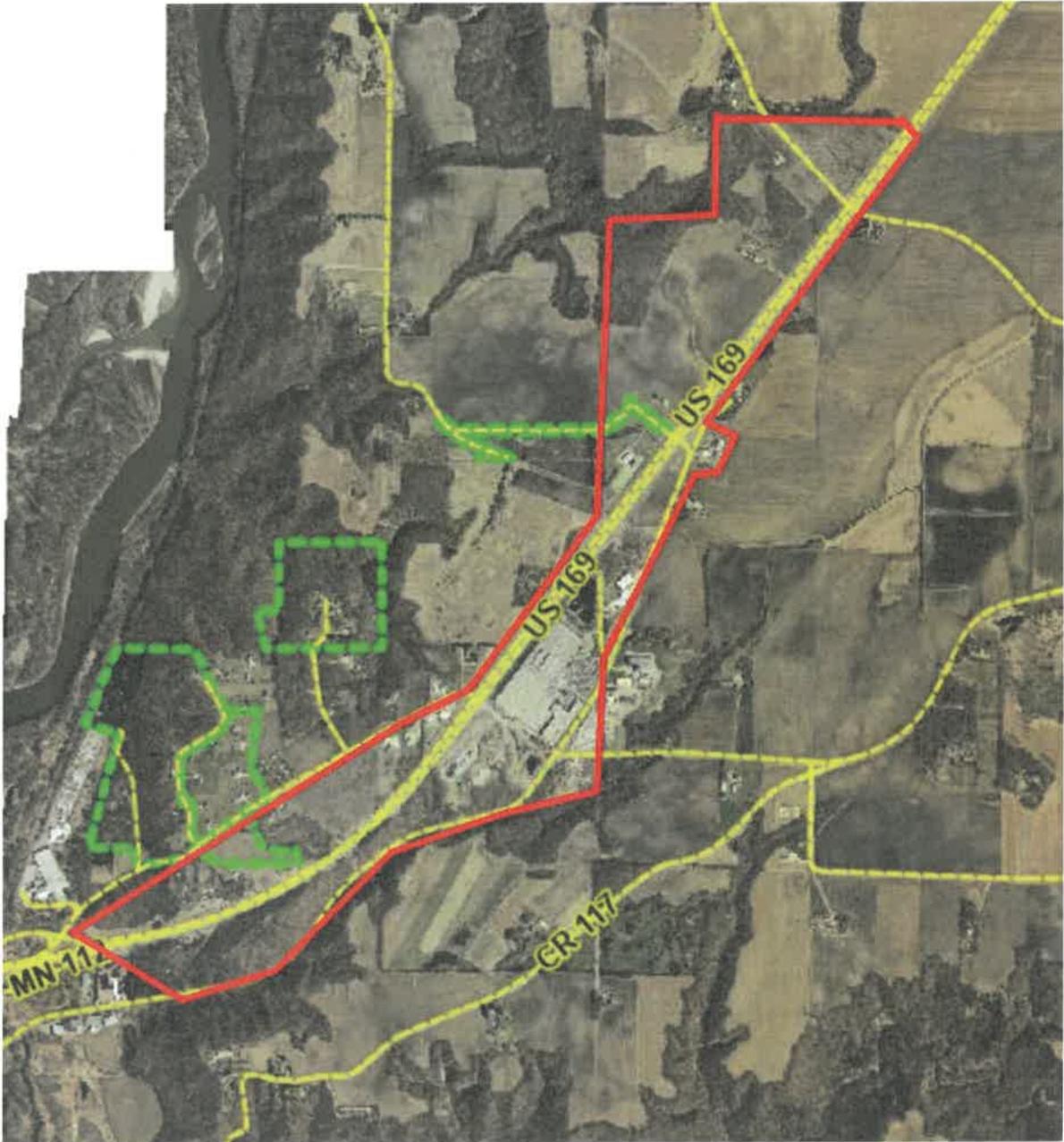
Administrator

Administrator

Dated: 12-20-2022

Dated: 12-13-2022

Appendix A



Appendix B

Ed Tscheida, Le Sueur Development Corp. updated the Board on the City of Le Sueur tax abatement proposal. Discussion was held related to the process and how the abated funds would be used. On motion by Doherty, seconded by Stangler and approved 4-1 with Culhane voting nay, the Board adopted the following resolution setting a public hearing for November 14, 2006:

RESOLUTION CALLING FOR A PUBLIC HEARING  
ON PROPOSED PROPERTY TAX ABATEMENT FOR LE SUEUR HILLTOP TRANSPORTATION  
INFRASTRUCTURE IMPROVEMENT PROJECT

WHEREAS, Minnesota Statutes, Sections 469.1812 through 469.1815, inclusive (the "Act"), authorize the County of Le Sueur, Minnesota (the "County"), upon satisfaction of certain conditions, to grant an abatement of all or part of the taxes levied by the County on improvements made to certain property; and

WHEREAS, the County is considering such action in order to fund a transportation infrastructure improvement project in order to stimulate new commercial/industrial development and tax base enhancement; and

NOW THEREFORE, BE IT RESOLVED by the County Board of the County of Le Sueur, Minnesota, as follows:

1. **Public Hearing.** This Board shall meet on Tuesday, November 14, 2006, at 10:00 a.m., to hold a public hearing on the consideration of granting a property tax abatement all pursuant to and in accordance with the Act.
2. **Notice of Hearing.** The County Coordinator is hereby authorized and directed to cause notice of said hearing in substantially the form attached hereto as Exhibit A to be given one publication in a newspaper of general circulation in the County at least 10 days but not more than 30 days before the hearing. The newspaper must be one of general interest and readership in the County, and must be published at least once per week.

STATE OF MINNESOTA

ss

COUNTY OF LE SUEUR

I, Ronald Germscheid, Auditor of said County of Le Sueur, do hereby certify that I have compared the foregoing copy with the original resolution as adopted by the County Board of said County at their meeting held on the 10th day October, 2006 and recorded in Commissioner Record Book R page 554, now remaining on file and on record, in my office and that the same is a correct transcript there from, and of the whole of such original.

Witness by hand and official seal this 22nd day of November, 2006.

Ron Germscheid  
County Auditor *RGT*

At 10:00 AM the Board Chair opened the Public Hearing on the City of Le Sueur tax abatement proposal. Discussion was held regarding the authorization and use of the rededicated tax funds for transportation. Ed Tschida, Advance Resource Development, spoke for the city about the uses of the tax funds, including a transportation study to be done on the 169 Hilltop corridor. Resident Loretta King spoke to the issue and County Engineer Darrell Pettis was present.

On motion by Doherty, seconded by Culhane and unanimously approved, the Board closed the tax abatement proposal public hearing.

On motion by Doherty, seconded by Hayes and unanimously approved, the Board adopted the following resolution:

**RESOLUTION APPROVING PROPERTY TAX ABATEMENTS FOR THE  
PROPOSED LE SUEUR HILLTOP TRANSPORTATION  
INFRASTRUCTURE IMPROVEMENT PROJECT**

**NOW THEREFORE, BE IT RESOLVED** by the County Board (the "Board") of Le Sueur County (the "County"), as follows:

**1. Recitals.**

- (a) In order to promote transportation infrastructure improvements within the US Highway 169 Le Sueur Hilltop Corridor, the Board is establishing a Property Tax Abatement program (the "Abatement Program") on three parcels. The following specific parcels (the "Property") are included in the Abatement Program:

Parcel Number
R21.019.5000
R.21.020.0300
R.21.020.0400

- (b) Currently, the County's portion of the property tax abatement ("the Abatement") is estimated at \$54,005 per year and at \$1,080,100 over the twenty-year period.
- (c) The proposed duration of the Abatement Program is January 1, 2007 through December 31, 2026 inclusive.
- (d) The Abatement program is contingent upon the formation of a County/City Joint Powers Agreement.
- (e) The County will transfer to the city of Le Sueur the Abatement to fund transportation infrastructure improvements within the US Highway 169 Le Sueur Hilltop Corridor. Upon completion of these improvements the County will terminate the Abatement program.
- (f) On the date hereof, the Board held a public hearing on the question of the Abatement, and said hearing was preceded by at least 10 days but not more than 30 days prior published notice hereof.
- (g) The Abatement is authorized under Minnesota Statutes, Sections 469.1812 through 469.1815 (the "Abatement Law").

2. **Findings for the Abatement.** The County Board hereby makes the following findings:
- (a) The Board expects the benefits to the County of the Abatement to at least equal the costs thereof; and
  - (b) Granting the Abatement is in the public interest because it will fund essential transportation infrastructure improvements, increase or preserve the tax base of the County, help retain and expand industrial and commercial development in the County and provide employment opportunities in the County; and
  - (c) The Board expects the public benefits described in 2(b) above to be derived from the Abatement.
3. **Terms of Abatement.** The abatement is hereby approved. The terms of the abatement are as follows:
- (a) The Abatement duration for each affected tax parcel shall not exceed twenty (20) years. The Abatement shall apply to the taxes payable in tax payable years 2007 through 2026, inclusive.
  - (b) The Abatement shall be for 100% of the County's share of the ad valorem property taxes generated by the Property.
  - (c) The Abatement may not be modified or changed during the term set forth in 3(a) above, except with the prior written consent of the Board.
  - (d) The County will transfer to the city of Le Sueur the Abatement to fund transportation infrastructure improvements within the US Highway 169 Le Sueur Hilltop Corridor.
  - (e) In any year, the total amount of property taxes abated by the County by this and other resolutions does not exceed the greater of ten percent (10%) of the current levy or \$200,000.
  - (f) The Abatement shall be subject to all the terms and limitations of the Abatement Law.
  - (g) The Abatement has been determined not to be a business subsidy pursuant to Minnesota Statutes, 16J.993, subdivision 3.
  - (h) For the term of the Abatement, the Property will not be located in a tax increment financing district.
  - (i) The Abatement program is contingent upon the formation of a County/City Joint Powers Agreement.

STATE OF MINNESOTA

SS

COUNTY OF LE SUEUR

I, Ronald Germscheid, Auditor of said County of Le Sueur, do hereby certify that I have compared the foregoing copy with the original resolution as adopted by the County Board of said County at their meeting held on the 14th day, November 2006 and recorded in Commissioner Record Book R page 564 now remaining on file and on record in my office and that the same is a correct transcript therefrom, and of the whole of such original.

Witness by hand and official seal this 22nd day of November, 2006.

Ron Germscheid  
County Auditor

By BF

**RESOLUTION NO. 06-093**

At a regular meeting of the Common Council in and for the City of Le Sueur, Minnesota, which meeting was duly called and held on the 28<sup>th</sup> day of August, 2006, at 7:00 o'clock p.m. all Alderpersons were present. Mayor Oberle presided at the meeting and the following Resolution was offered by Alderperson Kerkow who duly moved for its adoption.

WHEREAS, In accordance with the provisions of M.S.A. 469.1813, the City of Le Sueur has the authority to abate property taxes on specific parcels of land located within the municipal limits of the City of Le Sueur, and,

WHEREAS, Le Sueur Development, Inc. has approached City Staff with reference to the development of the Minnesota Trunk Highway No. 169 corridor located in the northerly portion of the City of Le Sueur, and,

WHEREAS, Industrial, commercial and residential development of this area would greatly enhance the tax base of the City of Le Sueur and provide infrastructure improvements for businesses and citizens located or residing in the City of Le Sueur, and,

WHEREAS, Tax abatement would provide funds for the purpose of planning, designing and developing such area, and,

WHEREAS, The Common Council believes that it would be in the best interests of the City of Le Sueur to enter into a Tax Abatement Program involving the following parcels of land, to-wit:

Parcel Number  
R21.019.500  
R21.020.0300  
R21.020.0400

, and,

WHEREAS, Prior to adopting a Tax Abatement Program, it is necessary to hold a public hearing for the purpose of allowing all interested parties to comment on such tax abatement program, and,

WHEREAS, A public hearing was held at this meeting after appropriate notice was given as required by the provisions of M.S.A. 469.1813.

NOW, THEREFORE, BE IT RESOLVED by the Common Council in and for the City of Le Sueur, Minnesota, as follows:

1. The Common Council finds that the Tax Abatement Program as above set forth will:
  - A. Increase and preserve tax base.
  - B. Provide employment opportunities in the City of Le Sueur.
  - C. Provide and help acquire or construct public facilities.
  - D. Help redevelop or renew blighted areas.
  - E. Help provide access to services for residents of the City of Le Sueur.
  - F. Finance or provide public infrastructure.
2. Real estate taxes shall be abated in accordance with the provisions of M.S.A. 469.1813 on the following parcels of land:

Parcel Number

R21.019.500

R21.020.0300

R21.020.0400

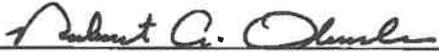
3. The duration of this Tax Abatement Program shall be 20 years unless Independent School District No. 2397 and Le Sueur County, Minnesota both agree to abate taxes, in which event, the duration shall be 15 years.
4. The monies derived from the Tax Abatement shall be paid to the City of Le Sueur and used for the purpose of planning, designing and constructing infrastructure improvements to lands within or adjacent to the Minnesota Trunk Highway No. 169 corridor within the City of Le Sueur, for the purpose of providing organized development.
5. In any year, the total amount of real estate taxes abated by the City of Le Sueur shall not exceed 10% of the current levy or \$200,000.00, whichever is greater. This limitation does not apply to any uncollected abatement from a prior year that is added to the abatement levy.

Said Resolution was duly seconded by Alderperson Vortherms and put to a vote. Voting in favor thereof were Alderpersons LaBelle, Pengilly, Kerkow, Huntington, Vortherms, Wicks and Mayor Oberle. Voting against said Resolution - none. Motion carried.

Approved this 28<sup>th</sup> day of August, 2006.

ATTEST:

  
\_\_\_\_\_  
Laurie Swenson, City Clerk

  
\_\_\_\_\_  
Mayor Oberle

## Exhibit C

# **City of Le Sueur and Le Sueur County Joint Powers Agreement Le Sueur Highway 169 Hilltop Property Tax Abatement Program**

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### **1. OVERVIEW**

In the interest of fostering improvement projects in the Minnesota State Highway 169 Hilltop Corridor within the City of Le Sueur (“Corridor”) to stimulate development, expand the joint tax base, and enhance employment opportunities, the City of Le Sueur (“City”) and Le Sueur County (“County”) jointly established a twenty-year abatement program (“Program”). The Program was established in 2006 and terminated by resolution in 2026.

This Joint Powers Agreement (“Agreement”) supersedes any/all prior agreements between the City and County in relation to the Program, and establishes the terms and procedures by which funds generated by the Program shall be disbursed. Funds generated over the term of the Program have been, and shall continue to be, maintained by the City of Le Sueur, in a dedicated fund (“Fund”).

### **2. TERMS**

- I. The Agreement establishes the formation of a Joint Highway 169 Abatement Committee (“Committee”). The makeup of the Committee shall be as follows:
  - a. Le Sueur County Administrator
  - b. Le Sueur City Administrator
  - c. Two County Board of Commissioners (“Board”) Commissioners: the Board shall annually nominate two commissioners
  - d. Two members of Le Sueur City Council (“Council”): the Council shall annually nominate two councilmembers

The Committee shall meet as needed to evaluate potential projects, evaluate the health of the Fund balance, and ensure the spirit of the Agreement is maintained.

### **3. PROGRAM FUND DISBURSEMENT**

- I. Funds generated by the Program may be disbursed at any point during the life of the Agreement.
- II. Funds generated by the Program shall be disbursed only for projects included within the defined benefit area (Section 4).
- III. Funds generated by the Program shall be disbursed for projects following a defined process. Specifically:
  - a. The Committee shall review potential projects to ensure they meet the eligible use guidelines contained within this Section.

- b. The Committee will present recommendation(s) for fund disbursement(s) to the Board for review and comment.
  - c. Following review and comment from the Board, the recommendation(s) may be revised by the Committee and returned to the Board for reevaluation, if necessary.
  - d. Final recommendation(s) shall be brought to the Council for formal approval by vote of the Council majority, followed by disbursement of approved funds.
  - e. Any disbursement shall be considered final.
- IV. Funds shall be used to support or promote one or more of the following types of projects within the public Right-of-Way and/or dedicated drainage or utility easement(s):
- a. Transportation infrastructure
  - b. Utility Infrastructure
- V. Funds shall not be disbursed for the following circumstances or purposes:
- a. Direct or indirect business subsidy to any individual, group, corporation (public or private), or other entity.

#### **4. DEFINED BENEFIT AREA**

- I. This agreement defines the Program benefit area as follows (see also Appendix A for benefit boundaries):
- a. That area contained within the City of Le Sueur municipal limits along Minnesota State Highway 169 from the southern intersection of Doppy Lane and Minnesota State Highway 169 extending northeasterly along Highway 169 to a point approximately 0.25 miles northeast of Henderson Station Road.

#### **5. PROVISIONS FOR TERMINATION**

- I. This Agreement shall continue in force until December 31, 2035. Early termination may be provided for in the following circumstances:
- a. Formal majority vote action by County and City to terminate the agreement; or
  - b. Program funds have been exhausted.
- II. Distribution of funds upon termination:
- a. Any monies remaining in the Fund upon termination of the agreement shall be disbursed to the City and County in proportion to each entity's total contribution to the Fund.

**APPROVAL AND EXECUTION**

This agreement shall be effective the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_. Further, by signing this agreement, all past agreements, arrangements, covenants, or settlements regarding the abatement are hereby terminated.

**Le Sueur County**

**City of Le Sueur**

By: \_\_\_\_\_  
*Chairperson*

By: \_\_\_\_\_  
*Mayor*

By: \_\_\_\_\_  
*Administrator*

By: \_\_\_\_\_  
*Administrator*

Dated: \_\_\_\_\_

Dated: \_\_\_\_\_

Appendix A

