

**City Council Regular Meeting Agenda
City Council Chambers
August 1, 2016**

Page		5:00 Liquor Committee Meeting	
	1.	5:30 p.m. Call the Meeting to Order at the Benson City Council Chambers (Mayor)	
	2.	Pledge of Allegiance	
	3.	Approval of Agenda	
		Additions? <input type="checkbox"/> None 1. _____ 2. _____	
		Any Consent Agenda items to be moved to a regular agenda item?	
		Approval of Agenda ____ as Presented or ____ Revised	Action Requested
	4.	Consent Agenda:	Action Requested
		a. Minutes:	
2-5		▪ 7.18.2016 City Council Minutes	
6-7		▪ 5.9.2016 Park Board Meeting	
		b. Correspondence:	
8		▪ Women of Today Armory Request October 22, 2016	
9-11		▪ 2016 Kid Day Report	
		c. Calendar of Events	
12			
	5.	Persons with Unscheduled Business to Come Before the City Council (Mayor)	
	6.	Benson Heartland Express Employee Recognition	
	7.	DoMat's Tax Abatement – Findings of Fact	Action Requested
	8.	DoMat's Parking Variance	Action Requested
13-15	9.	Willmar Fabrication Request for Tax Abatement	Information Only
16-24	10.	MnDOT Limited Use Permit for Non-Motorized Recreational Trail	Action Requested
	11.	6 P.M. Northern Ag Service Elevator Proposal – Teleconference	Info/Action Requ.
25	12.	Mi Mexico Building Purchase Request	Action Requested
26-28	13.	Pay Request #7 KUE Contractors – Street Garage - \$5,000.00	Action Requested
	14.	SCBH Update	Information Only
	15.	Adjourn: Mayor	Action Requested
		Blight Committee	

WJ

DRAFT

**MINUTES - BENSON CITY COUNCIL - REGULAR MEETING
JULY 18, 2016**

The meeting was called to order at 5:30 p.m. by Mayor Landmark. Members present: Terri Collins, Jack Evenson, Jonathon Pogge-Weaver, Gary Landmark & Stephanie Heinzig. Members Absent: None. Also present: City Manager Rob Wolfington, Police Chief Ian Hodge, Public Works Director Dan Gens, City Attorney Don Wilcox, Peggy & Kevin Bausman, Angie Lee, Dave, Lori and Darold Martin, Tim, Carol & Matt Mattheisen, Lynn Jacobson, Vyke & Laree Breen, Swift County-Benson Hospital CEO Kurt Waldbillig, Swift County-Benson Hospital CFO Dan Enderson, Benson Public Library Librarian Dawn Dailey and Pioneerland Library System Manager Lori Ortega.

Mayor Landmark Opened the Public Hearing at 5:30 p.m. Wilcox reviewed the tax abatement request from DoMat's for their new building project. Wilcox went on to tell the Council DoMat's qualifies for the abatement, and the Council needs to determine whether or not the public will benefit from the abatement. The abatement benefit must equal or be greater than the abated amount. Tim Mattheisen presented a rendering of the new building and gave a presentation and history of their business. He went on to clarify they are asking for a 15 year abatement on the value of the new building, and not the existing tax amount on the land. Dave Martin asked the Council to consider the competitive nature of the request and felt if granted it would be unfair. Collins felt the tenant, Fischer Eye Center would compete with the hospital eye surgeries. Lee stated competition is good for business. Wolfington gave a history of Tax Abatement as an economic development tool and the city's use of abatement and TIF. Mattheisen stated their two tenants will have a minimum of a 10 year lease, and they will be using as many local contractors during construction as possible. Wilcox gave a summary: the requested amount of abatement is between \$140,000-\$170,000, DoMat's meets the abatement requirements and the Council must make the decision whether to grant or deny the request. The Council directed staff and the City Attorney to bring a Findings of Facts back to the August 1, 2016 meeting for action.

Mayor Landmark asked for any additions to the agenda. Wolfington asked to add consideration of a resolution to extend the Charter Communications Franchise Agreement. No consent agenda items were moved to the regular agenda. A motion was made by Evenson, seconded by Heinzig and carried unanimously to approve the agenda. It was moved by Evenson, Seconded by Collins and carried unanimously to approve the following items on the Consent Agenda:

- July 5, 2016 City Council Minutes
- June 6, 2016 Planning Commission Minutes
- WAPPA Drought Adder Memo
- June 2016 Police Report
- July 18, 2016 Public Works Report

There was no one present with unscheduled business.

Next there was discussion on Widseth, Smith and Nolting's (WSN) proposal for work on a new City Hall. Wolfington stated he felt there were three possibilities: first to stay in the existing City Hall, second buy an existing building to move City Hall into, and third to build new. There was discussion on leasing a building for the Police to use and get them out of the basement of City Hall, or combining the Police and City Hall. It was moved by Collins, seconded by Evenson and carried unanimously to direct staff to set a special meeting with Reed Becker with WSN on facility planning to work through which option is best.

Dailey and Ortega approached the Council. Ortega stated Pioneerland Library System would like to share Daily with the Kerkhoven library as their head librarian. Currently the Big Stone Librarian is

coming to handle the duties at Kerkhoven, and she feels it makes more sense geographically for Dailey to take over these duties. She could handle most of her responsibilities from the Benson Library. After discussion it was moved by Collins, seconded by Pogge-Weaver and carried unanimously to approve sharing Daily as head librarian with Kerkhoven's library.

Pioneerland Library System is seeking a budget increase in the Benson budget for 2017. After discussion, it was moved by Evenson, seconded by Pogge-Weaver and carried unanimously to approve the 2% requested increase to the Pioneerland Library System budget for 2017.

Next was a conference call with attorney Brian Grogan from Moss & Barnett. They have been trying to help the City resolve the Charter Communications Franchise agreement. Grogan said we have been granting extensions since 2013. He gave a history of the renewal, and stated our issues are mostly around the fees. After discussion, Councilmember Evenson offered the following resolution:

**A RESOLUTION GRANTING CHARTER COMMUNICATIONS
A FRANCHISE EXTENSION TO DECEMBER 31, 2016
(RESOLUTION NO. 2016-18)**

WHEREAS, on or about July 14, 2003, the City of Benson, Minnesota ("City") granted a Cable Television Franchise Ordinance ("Franchise") CC VIII Operating, LLC d/b/a Charter Communications ("Charter"); and

WHEREAS, the initial term of the Franchise expired on or about September 18, 2013; and

WHEREAS, the City adopted Resolution No. 2013-14 on August 19, 2013 extending the term of the Franchise through and including September 19, 2014; and

WHEREAS, Charter executed said Resolution No. 2013-14 and agreed to continue complying with the Franchise, as amended by the Resolution; and

WHEREAS, the City adopted Resolution No. 2014-13 on September 8, 2014 extending the term of the Franchise through and including March 31, 2015; and

WHEREAS, Charter executed said Resolution No. 2014-13 and agreed to continue complying with the Franchise, as amended by the Resolution; and

WHEREAS, the City adopted Resolution No. 2015-04 on March 2, 2015 extending the term of the Franchise through and including August 31, 2015; and

WHEREAS, Charter executed said Resolution No. 2015-04 and agreed to continue complying with the Franchise, as amended by the Resolution; and

WHEREAS, the City adopted Resolution No. 2016-06 on February 22, 2016 extending the term of the Franchise through and including July 18, 2016; and

WHEREAS, Charter executed said Resolution No. 2016-06 and agreed to continue complying with the Franchise, as amended by the Resolution; and

WHEREAS, both the City and Charter desire to extend the term of the Franchise to facilitate renewal negotiations under state and federal law.

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Benson, Minnesota hereby resolves as follows:

1. The Franchise is hereby amended by extending the term of the Franchise from July 19, 2016 through and including December 31, 2016.
2. Except as specifically modified hereby, the Franchise shall remain in full force and effect.
3. The City and Charter hereby agree that neither waives any rights either may have under the Franchise or applicable law.
4. This Resolution shall become effective upon the occurrence of both of the following conditions: (1) The Resolution being passed and adopted by the Benson City Council; and (2) Charter's acceptance of this Resolution.

Councilmember Heinzig seconded the foregoing Resolution and the following vote was recorded
AYES: Collins, Heinzig, Landmark, Evenson, Pogge-Weaver. NAYES: None. Thereupon the Mayor declared Resolution 2016-18 duly passed and adopted.

Wolfington presented bids for the replacement of the diesel fuel tank at the Power Plant. The bids are as follows:

Name	Total Base Bid
Oday	\$144,649.60
Farabee FMI Mech	\$194,322.00

After discussion, it was moved by Heinzig, seconded by Collins to accept the bid from Oday in the amount of \$144,649.60.

The Council reviewed the June Budget Report

It was moved by Evenson, seconded by Heinzig and carried unanimously to approve the bills and warrants in the amount of \$319,794.20.

Next Waldbillig and Enderson approached the Council and gave a presentation on a request for financing from the City for their assisted living project. Enderson stated between the hospital's 2013 clinic debt, and 2017 refinanced debt, along with the hospital losing money, the hospital district is limited in how they can get funding and will require City and County financial support. They first hoped for GO Bonding for the project. If not they would like a guarantee from the City and County to pay for any financial losses related to the assisted living project until they are full and making a profit. Wolfington asked why they are not pursuing USDA funding, as that option will not put tax payers at financial risk. Waldbillig said it would take 9 months before they could obtain financing and they do not want to wait that long. There was discussion on options. Wolfington stated he feels waiting 9 months, and not rushing a project like this isn't an unreasonable amount of time. Pogge-Weaver asked what impact it would have on the City's future bonding ability if we went with GO Bonding. Wolfington said it would have to go to the Bond Council for an accurate answer, but felt it would impact our financial statement. The Council agreed to hold a special meeting with the County and the Hospital Board to discuss the final requests from the hospital and directed staff to set a date for the meeting. Enderson continued with his presentation.

Wolfington informed the Council he had a call from Northern Ag, owners of the remaining elevator in town, who is coming to Benson to negotiate a price for selling the elevator property to the City of Benson.

The Mayor inquired about using USDA financing to help fix some of the City's infrastructure.

There being no other business, a motion was made by Evenson, seconded by Pogge-Weaver and carried unanimously to adjourn the meeting at 7:56 p.m.

Mayor

City Clerk

Minutes of the Benson Park Board

May 9, 2106

The Benson Park Board met at the City Hall at 12:00 P.M. on May 9, 21016.

Members present were: Bill McGeary, Gary Landmark, Jack Evenson, Janet Baukol, Mike Berreau, Sally Jones, Tari Ulmaniec, and Wendy Munsterman.

Also present were Rob Wolfington and Duane Hopp.

Sally called the meeting to order.

No minutes were read.

Rob stated that the Peterson family had contacted him about helping the city with some of its projects. Rob had suggested that maybe they could help with the purchase of playground equipment for the area known as Benson Mobil Manor. He has not heard back from them yet.

Wendy said that the Dog Park had purchased a shed for the park. It would be used to store the lawn mower and other equipment.

Rob said that part of the walking trail will be move at the Northside Recreation Area for the addition of the cemetery. It would move further west and further north. There was discussion about the crossing on Hwy 29 N.

Rob stated that the columbaria is being completed.

There was discussion about the lot by Northside Auto. Rob said that the entrance to this lot would be closed and that trees would be planted and lights up put in this area.

Rob informed the board that Northern Ag. Service out of Iowa had called and wants to sell their elevator to the city. Their price was \$190,000.00 this includes taking it down and leveling the lot.

The city received an award from the Arbor Day Foundation for being a member for 20 years.

Rob has order the last two welcome to Benson signs. These will be placed on Hwy 29 S. by the Free Church and Hwy 12 west by the Bowler.

Discussion about the opening and closing of the pool.

Rob had a discussion with the Railroad about restoration of the city's right-away.

Rob said that hopefully we could be replacing the south shelter at Ambush Park with a new structure next year.

Wendy was wondering about a small patch of tar for the Dog Park. Rob told her to get in contact with Dan.

Sally said that her family has been involved in Geo Caching. She then explained what it was to the Park Board. She was wondering if it would be alright to place these clues in the parks. There was no objection.

A motion was made to adjourn the meeting by Jack, seconded by Janet, passed.

Recorded by, Duane Hopp



Benson
Women of Today P.O. Box 123, Benson, MN 56215

July 26, 2015

Benson City Council Members,

The Benson Women of Today will be holding their 12th Annual Holiday Expo on Saturday, October 22nd in the Benson Armory. In the past, we have had the rental fee of the Armory waived, due to our non-profit status. This year our group is asking that the fee be waived again.

Last year, we gave out two, \$450 scholarships to Benson Seniors who showed excellence in community involvement with the money we raised from the Holiday Expo.

Thank you for your consideration in this matter. We appreciate all of the support local government gives the Women of Today and are looking forward to hosting the Holiday Expo again this year!

Sincerely,

Becky Lysen
Holiday Expo Co-Chair

Benson's 86th Kid Day Final Report

July 16, 2016

Expenses:

Carnival

Jessica's Ponies	\$1,300.00 (increase of \$250 from 2015)	
Ottertail Inflatables, added 1 inflatable over 2015;	3,520.04 (increase of \$992.34 from 2015)	
7/14 Super Valu water for workers	\$25.54	
7/16 Super Valu Toilet paper for park	\$2.95	
7/14 3000 Carnival Tickets printed Backstreet, king & queen picture :	\$48.00	
6/14 2000 Carnival Tickets printed Backstreet,	\$30.00	
6/27 Amazon Pennant Banners, 2 train signs – Pederson Card	\$48.36	
7/12 Menards, reimburse Roger Ebnet for materials to make Train Station sign	\$37.36	
6/7 Geyer Rental, Dunking Booth	\$161.06	
		\$5,173.31

Prizes

7/12 Reimburse Roger Ebnet for Prizes from Dollar Tree	\$114.89	
7/5 Discount Mugs – Wolfington Card 100 Frisbees	\$158.00	
7/5 Amazon Wolfington card	\$226.23	
6/30 Discount Mugs Pederson Card 200 back packs	\$270	
7/1 US Toy Pederson Card	\$342.50	
7/1 Dollar Tree Pederson Card	\$1315.10	
7/16 Family Dollar prizes needed on Kid Day Paid Cash	\$109.01	
		\$2,535.73

Miscellaneous

Postage Stamps	\$94.00	
7/13 Padlocks for trailer & cement for train sign Runnings	\$21.78	
6/14 packaging tape Backstreet	\$4.50	
7/14 Binder/markers Backstreet	10.36	
Kid Day buttons, 350 printed portion BackStreet	\$45.50	
7/22 Backstreet 20 "2016 Kid Day buttons"	\$15.00	
Button making by DAC 350@.50	\$175.00	
7/14 Backstreet Certificate paper	\$.90	
7 Blue Cotton – Pederson Card, T-shirts, officials & Committee	\$468.20	
		\$835.24

Kid Day Medallion \$100.00

\$100.00

Advertising Monitor News

Monitor News Invoice 6/30	\$544.13	
Monitor New Invoice 7/31 includes City thank you	\$981.13 (total increase of \$359.56 from 2015)	
Radio ads for Glenwood	\$50	\$1,575.26

Sunday Polka in the Park

Marie and The Boys	\$335.00	\$335.00
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DeMarce Theater

Free Matinee, popcorn, pop \$600.00 \$600.00

Porta Potties

7/18 4 porta potties – Slaughter’s \$200.00 \$200.00

DJ

CM Rock DJ Service \$250.00 \$250.00

Royalty Expenses

6/27 Tierra pageantsuppliesnow.com \$27.62
7/14 Embroidered 3 kid day hats LLJ Embroidery \$18.00
6/27 2 Sashes CG Customized Girl.com \$41.68
7/15 Flowers for Royalty: Flower Basket II \$36.34
7/17 Lewis Drug, frames for outgoing royalty & gift wrap \$42.58 \$ 166.22

Car Magnets

7/29 Royalty Magnets for New Royalty Backstreet \$60 \$60.00

Tents

Lake Hazel Church (2 tents for 2 days) \$100 \$100.00

Parade

7/13Candy given in cups: DoMats \$1,042.00
6/27 StickersBanners.com Benson Kid Day Parade Banner – Pederson Card \$47.68
7/14Bags for candy/cups Super Valu \$55.80
6/30 300 Kid Day cups Discount Mugs.com \$143.55
7/5 Custom Ink – Pederson Card 100 Band cups \$194.30
\$1,483.33

~~\$200 for gas to the new royalty - \$100 each for gas expenses to travel. \$200.00~~

*Not yet incurred

5 Golden Tickets for Parade Participants

5 - \$5 Gift certificates DQ = \$25
5 - \$5 Gift Certificates Subway = \$25
5 - \$10 Gift Certificates DeMarce Theater \$50
5 - \$5 Gift Certificates Runnings \$25
KSCR: donated 10 Nickalodean wristbands, 10 MN Zoo, 10 Moose Mountain Golf \$125.00

Tents Reusable

6/27 Amazon 3 Impact Carnival Tents 8X8 Pederson Card \$1,375.47 \$1,375.47

Petty Cash \$520 \$520.00

Total Expenses: 15,634.56

Kid Day Income 2016:

Money turned in after carnival

1's = \$ 309.00
5's = 210.00
10's = 230.00
20's = 1,900.00
Checks = 373.00
Change = 69.00
\$3,091

Petty Cash	\$520.00
Reimbursement for cost of buttons sold:	182.00
Donation from Loen Electric	150.00
Carnival ticket sales \$2,348.01 - \$109.01(pd out for prizes from Family Dollar)	<u>2,239.00</u>
Total turned in	\$3,091.00

Initial Money from City Tourism Fund budget \$10,000.00 - \$12,000.00

If we take the high end of \$12,000 + \$3,091.00 = \$15,091.00

Total Income \$15,091.00

Actual Cost to City: Total Expenses \$15,634.56 - \$3,091.00(income) = \$12,543.56

Upcoming Events

August 8, 2016	5:30 p.m. Special City Council Meeting
August 9, 2016	Primary Election
August 10, 2016	Stantec Rail Project Meeting
August 12-20, 2016	Rob Vacation
August 15, 2016	5:30 p.m. Regular City Council Meeting
August 18, 2016	Noon EDA Meeting
August 22, 2016	4:30-6:30 p.m. City Picnic
September 1, 2016	7:00 p.m. Little Library Dedication
September 6, 2016	Noon Planning Commission Meeting
September 6, 2016	5:30 p.m. City Council Meeting



Received
June 17, 2016
RW

June 14, 2016

To: City of Benson Economic Development Committee
Benson City Council

Re: Request for Property Tax Abatement – 2205 Hall Avenue

Claussen Properties, Inc. is planning to update the building located at 2205 Hall Avenue. At this time, I am formally requesting 100% property tax abatement from the City of Benson for a period of 10 years commencing November 1, 2016.

This request is made to help Claussen Properties lower its tax liability during a time when operating costs will run unusually high. The City of Benson will benefit by the increased tax base with an updated building, and a manufacturing business in a currently under-utilized building.

Thank you for your consideration in this matter.

Sincerely,

A handwritten signature in black ink, appearing to read 'Steve Claussen', written in a cursive style.

Steve Claussen, President
Claussen Properties, Inc.

CITY OF



MINNESOTA

July 28, 2016

TO: CITY OF BENSON MAYOR AND CITY COUNCIL

RE: TAX ABATEMENT REQUEST

As requested, I have investigated the facts relating to the request for tax abatement which has been made by Steve Claussen of Claussen Properties, Inc. relating to the renovation of its building in Benson (the former Lor-Al building). The purpose of this investigation was to determine whether the proposed project is one that qualifies for an abatement.

In order to qualify the following criteria must be met:

1. The council must expect that the benefits to the city of the proposed abatement will at least equal the costs to the city of the abatement or the council intends that the abatement will phase in a property tax increase caused by an increase in the estimated value of the property of 50% or more in one year

AND

2. The council must find that granting the abatement is in the public interest because one of the following will happen:
 - a. The tax base will be increased or preserved
 - b. The abatement will provide, help acquire or construct public facilities
 - c. The abatement will help redevelop or renew blighted areas
 - d. The abatement will provide access to services for residents of the city
 - e. The abatement will finance or provide public infrastructure
 - f. The abatement will phase in a property tax increase on the parcel resulting from an increase in the estimated value of the property of 50% or more in one year.

AND

3. The property proposed for development cannot be located in a tax increment financing district.

OFFICE OF CITY ATTORNEY

Donald A. Wilcox
Benjamin R. Wilcox

1150 Wisconsin Avenue
P.O. Box 100
Benson, MN 56215

320-842-5391
FAX 320-843-4285

In addition, due to the estimated total amount of the requested abatement the Business Subsidy Act and the City's Business Subsidy Policy also apply. As a result, there is an additional requirement that the recipient will create and retain at least one full-time living wage job with employer paid basic health insurance.

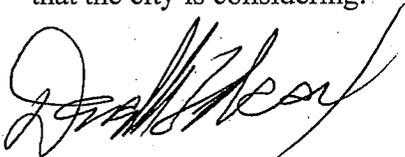
If these threshold requirements are met, then the council may, if it desires, schedule a public hearing on the matter. This public hearing would satisfy both the requirements of the tax abatement statute and the business subsidy act. Only after this public hearing may the council approve a tax abatement.

The relevant facts concerning this project are as follows:

1. The cost of the renovation of the building is expected to be approximately \$350,000.00 and the work is scheduled to be completed before year end. The current taxable market value of the property is \$839,100.00. If the renovations increase the taxable market value of the property on a dollar for dollar basis then the effect on the City's share of the annual real estate tax, assuming no other factors which would impact the value or tax rate, would be an increase of approximately \$5,000.00 per year commencing with the taxes payable in 2018.
2. The abatement requested is the entire local share for 10 years commencing with taxes payable in the year 2017 which would, over the life of the abatement total approximately \$160,000.00 if taxes remain constant over that period. The applicant has no plans to submit an application for abatement to either the school district or the county.
3. The applicant anticipates that at least twenty-five (25) full-time employees will be relocated from Willmar to the renovated facility. The relocated employees include management, engineering and customer service staff more than one of which are professional positions which meet the requirements of the City's business subsidy policy. The applicant also plans to add another fifteen (15) employees in the facility although these plans are dependent upon market conditions in the future.

For an abatement of the type requested, the council must find that the benefits to the city of the proposed abatement will equal the cost to the city of the abatement (approximately \$160,000.00). The council must also find that the abatement is in the public interest based upon the criteria listed above. It seems reasonable to assume that the overall benefits of bringing twenty-five (25) to forty (40) employees to the City will exceed \$160,000.00 taking into account the direct and indirect economic impact. It also appears from the tax data available that tax base of the property will be increased or preserved. Finally, the property is not located in a tax increment financing district. Therefore, in my opinion, the project does qualify for an abatement.

If the council agrees, then the next step in the process is to schedule a public hearing the notice of which must contain a description of the property and the estimated amount of the abatement that the city is considering.



Donald A. Wilcox
Benson City Attorney



Minnesota Department of Transportation

District 4 Right of Way
1000 Highway 10 West
Detroit Lakes, MN 56501

Office Tel: 218-846-3600

Fax: 218-846-7987

E-mail: Matthew.B.Anderson@state.mn.us

June 30, 2016

City of Benson
Mayor Mr. Gary Landmark
Benson City Hall
1410 Kansas Ave
Benson, MN 56215

Subject: C.S. 7608 (T.H. 29)
LUP # 7608-0012
Limited Use Permit for Non-Motorized Recreational Trail

Dear Mr. Landmark:

Enclosed find two (2) copies of a Limited Use Permit for a Non-Motorized Recreational Trail. Please sign where indicated and return to this office for further processing. We also need two (2) original copies of the resolution enclosed to attach to each of the permits. The resolution may need to be reformatted to meet the City of Benson requirements.

A final copy will be returned for your records.

If you have any additional questions or concerns about this process, please contact me at 218-846-3620.

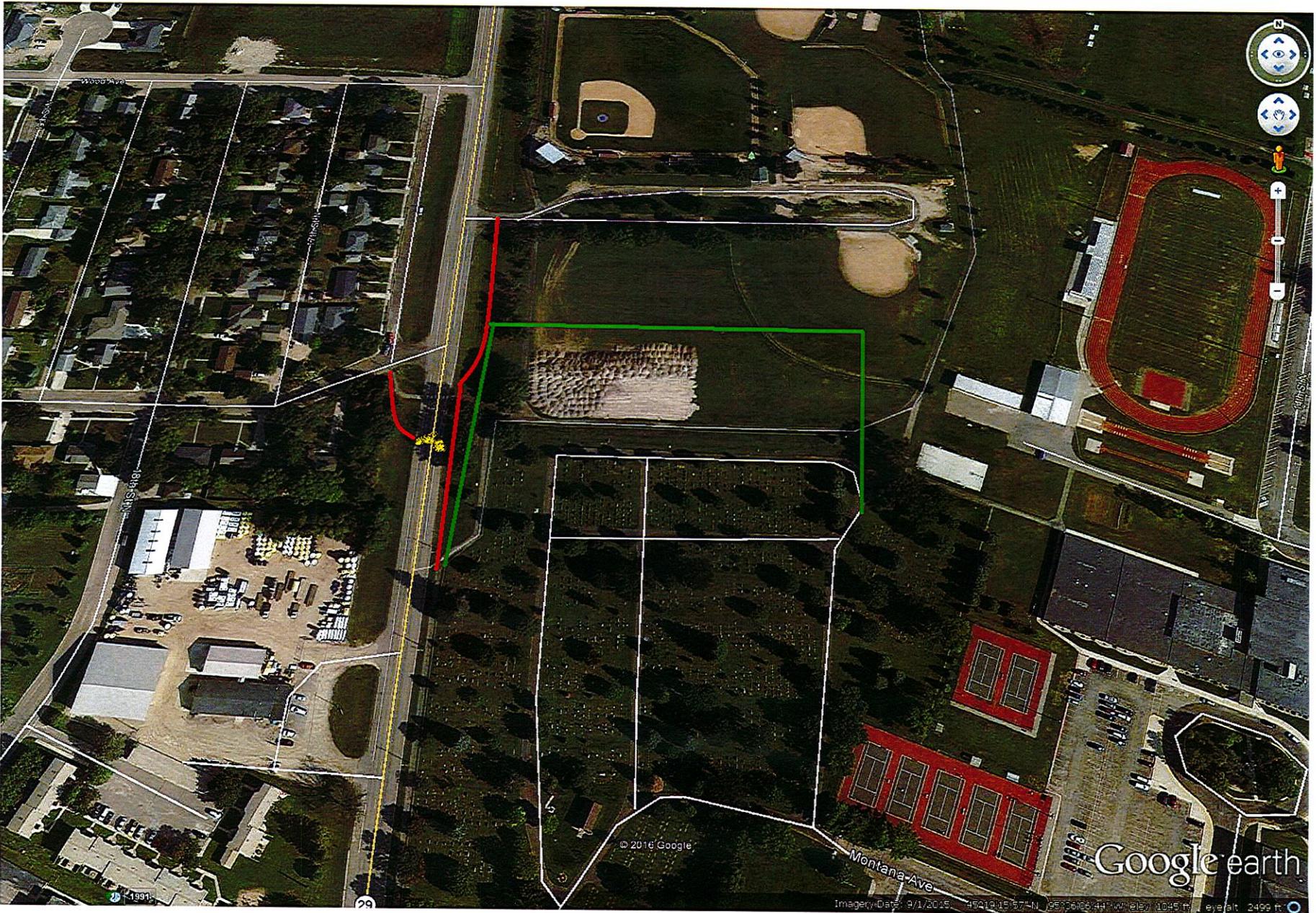
Sincerely,

A handwritten signature in cursive script that reads "Matt Anderson".

Matt Anderson
District 4 Property Management
Limit Use Permit Coordinator

Enclosures

cc: File



18th St High

Montana Ave

Google earth

© 2016 Google

Imagery Date: 9/1/2015 45.191557°N 122.260644°W Elev: 1045 ft Eye alt: 2499 ft

1991

29

**STATE OF MINNESOTA
DEPARTMENT OF TRANSPORTATION**

LIMITED USE PERMIT

C.S. 7608 (T.H. 29)
County of Swift
LUP # 7608-0012
Permittee: City of Benson
Terminates: 06/30/2026

In accordance with Minnesota Statutes Section 161.434, the State of Minnesota, through its Commissioner of Transportation, ("MnDOT"), hereby grants a Limited Use Permit (the "LUP") to City of Benson, ("Permittee"), to use the area within the right of way of Trunk Highway No. 29 as shown in red on Exhibit "A", (the "Area") attached hereto and incorporated herein by reference. This Limited Use Permit is executed by the Permittee pursuant to resolution, a certified copy of which is attached hereto as Exhibit B.

Non-Motorized Recreational Trail

The Permittee's use of the Area is limited to only the constructing, maintaining and operating a nonmotorized recreational trail ("Facility") and the use thereof may be further limited by 23 C.F.R. 652 also published as the Federal-Aid Policy Guide.

In addition, the following special provisions shall apply:

SPECIAL PROVISIONS

1. **TERM.** This LUP terminates at 11:59PM on 06/30/2026 ("Expiration Date") subject to the right of cancellation by MnDOT, with or without cause, by giving the Permittee ninety (90) days written notice of such cancellation. This LUP will not be renewed except as provided below.

Provided this LUP has not expired or terminated, MnDOT may renew this LUP for a period of up to ten (10) years, provided Permittee delivers to MnDOT, not later than ninety (90) days prior to the Expiration Date, a written request to extend the term. Any extension of the LUP term will be under the same terms and conditions in this LUP, provided:

- (a) At the time of renewal, MnDOT will review the Facility and Area to ensure the Facility and Area are compatible with the safe and efficient operation of the highway and the Facility and Area are in good condition and repair. If, in MnDOT's sole determination,

- modifications and repairs to the Facility and Area are needed, Permittee will perform such work as outlined in writing in an amendment of this LUP; and
- (b) Permittee will provide to MnDOT a certified copy of the resolution from the applicable governmental body authorizing the Permittee's use of the Facility and Area for the additional term.

If Permittee's written request to extend the term is not timely given, the LUP will expire on the Expiration Date.

- 2. **REMOVAL.** Upon the Expiration Date or earlier termination, at the Permittee's sole cost and expense Permittee will:
 - (a) Remove the Facility and restore the Area to a condition satisfactory to the MnDOT District Engineer; and
 - (b) Surrender possession of the Area to MnDOT.

If, without MnDOT's written consent, Permittee continues to occupy the Area after the Expiration Date or earlier termination, Permittee will remain subject to all conditions, provisions, and obligations of this LUP, and further, Permittee will pay all costs and expenses, including attorney's fees, in any action brought by MnDOT to remove the Facility and the Permittee from the Area.

- 3. **CONSTRUCTION.** The construction, maintenance, and supervision of the Facility shall be at no cost or expense to MnDOT.

Before construction of any kind, the plans for such construction shall be approved in writing by the MnDOT's District Engineer. Approval in writing from MnDOT District Engineer shall be required for any changes from the approved plan.

The Permittee shall construct the Facility at the location shown in the attached Exhibit "A" subject to verification by MnDOT that the construction geometrics and procedures result in a Facility that is compatible with the safe and efficient operation of the highway.

Upon completion of the construction of the Facility, the Permittee shall restore all disturbed slopes and ditches in such manner that drainage, erosion control and aesthetics are perpetuated.

The Permittee shall preserve and protect all utilities located on the lands covered by this LUP at no expense to MnDOT and it shall be the responsibility of the Permittee to call the Gopher State One Call System at 1-800-252-1166 at least 48 hours prior to performing any excavation.

Any crossings of the Facility over the trunk highway shall be perpendicular to the centerline of the highway and shall provide and ensure reasonable and adequate stopping sight distance.

4. **MAINTENANCE.** Any and all maintenance of the Facility shall be provided by the Permittee at its sole cost and expense, including, but not limited to, plowing and removal of snow and installation and removal of regulatory signs. No signs shall be placed on any MnDOT or other governmental agency sign post within the Area. MnDOT will not mark obstacles for users on trunk highway right of way.
5. **USE.** Other than as identified and approved by MnDOT, no permanent structures or no advertising devices in any manner, form or size shall be allowed on the Area. No commercial activities shall be allowed to operate upon the Area.

Any use permitted by this LUP shall remain subordinate to the right of MnDOT to use the property for highway and transportation purposes. This LUP does not grant any interest whatsoever in land, nor does it establish a permanent park, recreation area or wildlife or waterfowl refuge Facility that would become subject to Section 4 (f) of the Federal-Aid Highway Act of 1968, nor does this permit establish a Bikeway or Pedestrian way which would require replacement pursuant to Minnesota Statutes Section 160.264. No rights to relocation benefits are established by this LUP.

This LUP is non-exclusive and is granted subject to the rights of others, including, but not limited to public utilities which may occupy the Area.

6. **APPLICABLE LAWS.** This LUP does not release the Permittee from any liability or obligation imposed by federal law, Minnesota Statutes, local ordinances, or other agency regulations relating thereto and any necessary permits relating thereto shall be applied for and obtained by the Permittee.
7. **CIVIL RIGHTS.** The Permittee, for itself, its successors, and assigns, agrees to abide by the provisions of Title VI Appendix C of the Civil Rights Act of 1964, which provides in part that no person in the United States, shall on the grounds of race, color, or national origin, be excluded from, or denied use of any Facility.
8. **SAFETY.** MnDOT shall retain the right to limit and/or restrict any activity, including the parking of vehicles and assemblage of Facility users, on the highway right of way over which this LUP is granted, so as to maintain the safety of both the motoring public and Facility users.
9. **ASSIGNMENT.** No assignment of this LUP is allowed.
10. **IN WRITING.** Except for those which are set forth in this LUP, no representations, warranties, or agreements have been made by MnDOT or Permittee to one another with respect to this LUP.
11. **ENVIRONMENTAL.** The Permittee shall not dispose of any materials regulated by any governmental or regulatory agency onto the ground, or into any body of water, or into any container on the State's right of way. In the event of spillage of regulated materials, the

Permittee shall notify in writing MnDOT's District Engineer and shall provide for cleanup of the spilled material and of materials contaminated by the spillage in accordance with all applicable federal, state and local laws and regulations, at the sole expense of the Permittee.

12. **MECHANIC'S LIENS.** The Permittee (for itself, its contractors, subcontractors, its materialmen, and all other persons acting for, through or under it or any of them), covenants that no laborers', mechanics', or materialmen's liens or other liens or claims of any kind whatsoever shall be filed or maintained by it or by any subcontractor, materialmen or other person or persons acting for, through or under it or any of them against the work and/or against said lands, for or on account of any work done or materials furnished by it or any of them under any agreement or any amendment or supplement thereto.
13. **NOTICES.** All notices which may be given, by either party to the other, will be deemed to have been fully given when served personally on MnDOT or Permittee or when made in writing addressed as follows: to Permittee at:

Mayor
Benson City Hall
1410 Kansas Ave
Benson, MN 56215

and to MnDOT at:

State of Minnesota
Department of Transportation
District 4 Right of Way
1000 Highway 10 West
Detroit Lakes, MN 56501

The address to which notices are mailed may be changed by written notice given by either party to the other.

14. **INDEMNITY.** Permittee shall defend, indemnify, hold harmless and release the State of Minnesota, its Commissioner of Transportation and employees and its successors and assigns, from and against:
 - (a) all claims, demands, and causes of action for injury to or death of persons or loss of or damage to property (including Permittee's property) occurring on the Facility or connected with Permittee's use and occupancy of the Area, regardless of whether such injury, death, loss or damage is caused in part by the negligence of State of Minnesota or is deemed to be the responsibility of State of Minnesota because of its failure to supervise, inspect or control the operations of Permittee or otherwise discover or prevent actions or operations of Permittee giving rise to liability to any person.
 - (b) claims arising or resulting from the temporary or permanent termination of Facility user rights on any portion of highway right of way over which this LUP is granted;

(c) claims resulting from temporary or permanent changes in drainage patterns resulting in flood damages;

(d) any laborers', mechanics', or materialmens' liens or other liens or claims of any kind whatsoever filed or maintained for or on account of any work done or materials furnished; and

(e) any damages, testing costs and clean-up costs arising from spillage of regulated materials attributable to the construction, maintenance or operation of the Facility.

MINNESOTA DEPARTMENT
OF TRANSPORTATION

RECOMMENDED FOR APPROVAL

By: _____
District Engineer

Date _____

APPROVED BY:

COMMISSIONER OF TRANSPORTATION

By: _____
Director, Office of Land Management

Date _____

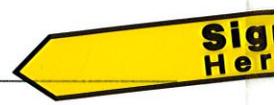
CITY OF BENSON

By _____

Its _____

And _____

Its _____



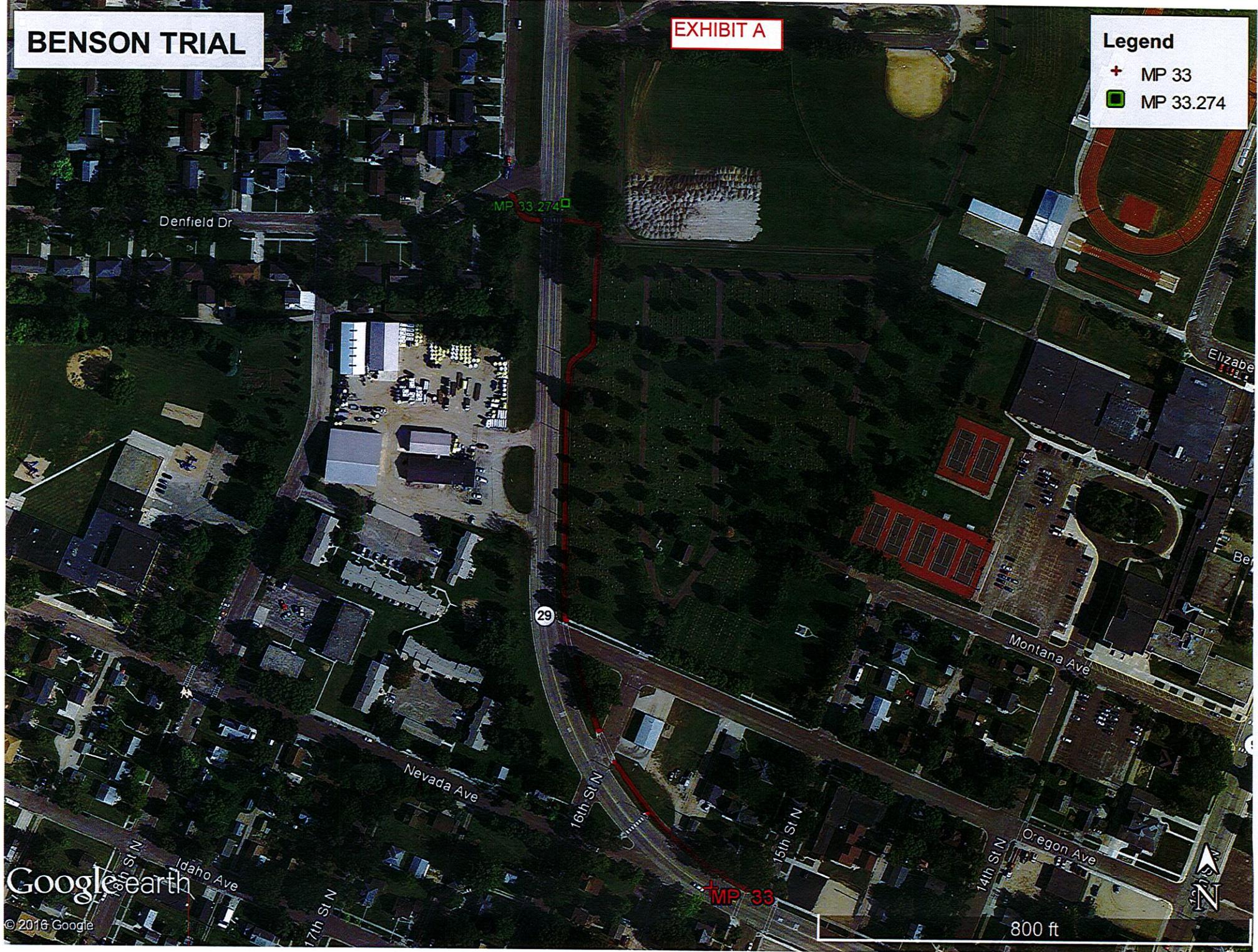
The Commissioner of Transportation
by the execution of this permit
certifies that this permit is
necessary in the public interest
and that the use intended is for
public purposes.

BENSON TRIAL

EXHIBIT A

Legend

- + MP 33
- MP 33.274



Google Earth

© 2016 Google

800 ft

EXHIBIT B
CITY MUNICIPAL NON-MOTORIZED RECREATIONAL TRAIL
RESOLUTION

At a regular meeting of the Benson City Board of Commissioners, duly held on the _____ Day of _____ 20____, the following resolution was offered by _____ and seconded by _____.

WHEREAS, the Commissioner of Transportation of the State of Minnesota has made available certain Trunk Highway right-of-way as shown in red on exhibit "A" in Limited Use Permit, attached hereto, and made part thereof, for the purpose of constructing, maintaining a Municipal Identification Non-Motorized Recreational Trail; and

WHEREAS, the City of Benson desires to make available to its citizens and visitors, such an area for the aforementioned purposes, in harmony and keeping with its recreational plan, and,

WHEREAS, the City of Benson is willing to operate, maintain, and safeguard the trail as set forth in the Limited Use Permit, attached hereto, and made a part thereof,

NOW THEREFORE, BE IT RESOLVED by the Council of the City of Benson, Minnesota, that the Mayor and City Administrator of the City of Benson execute the aforesaid Limited Use Permit.

Mayor of Benson, Minnesota.

CITY OF BENSON

I do hereby certify that at a regular meeting of the Board of County Commissioners, City of Benson, Minnesota, on the _____ day of _____ 20____, at which a majority of the members of the said Board were present, the foregoing resolution was adopted.

Clerk, Benson, Minnesota.

Subscribed and sworn to before me
this _____ day of _____, 20__

Notary Public _____

My Commission Expires _____

NOTARY STAMP

July 27, 2016

Mi Mexico Incorporated
(Mailing Office)
21 Ridge Road
Morris MN 56267

To whom this may concern,

Hi, my name is Stephanie Cid, my husband Juan and I own Mi Mexico here in Benson. We are writing in regards to the Old Chamber of Commerce Building and also the old Tech Box Building. We are interested in purchasing these buildings to remodel them and combine them to make it Mi Mexico's permanent home in Benson. I'm sure most have heard that the owner of the building where we are currently located has sold the building and the new owners will take over this building starting September 1st, 2016.

Due to the need of lots of remodeling to the buildings, provided the total cost can get approved, we would like to come in with an offer of \$1 per building with the City paying to fix the Structural problem and the water issue in the basement. Our plan then if these terms are accepted, would be to come in and gut the whole place, and redo all Flooring, walls, ceiling, AC, Heating, Electric, and Plumbing. This means updated and removing all out dated pipping too. Our plans are to also add a very nice high end Patio that would take the whole front of both building leaving room for entrance door. We are currently working away on getting estimates on total cost and time frame for this project as well. We plan to work with as many businesses locally as possible on this project. We hope that we could be put into consideration for these buildings.

Thank you for taking the time to review our offer and Thank you for these 9 years thus far!


Stephanie Cid

AIA[®] Document G702[™] – 1992

Application and Certificate for Payment

TO OWNER: City of Benson 1410 Kansas Ave Benson, MN 56215	PROJECT: Benson City Shop Addition 2175 Kansas Ave Benson, MN 56215	APPLICATION NO: 7 PERIOD TO: 02/29/16 CONTRACT FOR: Construction of City Shop Building Addition CONTRACT DATE: 05/18/15 PROJECT NOS: / /	Distribution to: OWNER <input checked="" type="checkbox"/> ARCHITECT <input checked="" type="checkbox"/> CONTRACTOR <input checked="" type="checkbox"/> FIELD <input type="checkbox"/> OTHER <input type="checkbox"/>
FROM CONTRACTOR: KUE CONTRACTORS, INC. 130 Central Ave S WATKINS, MN 55389	VIA ARCHITECT: Ringdahl Architects, Inc. 510 22nd Avenue East, Ste 102 Alexandria, MN 56308		

CONTRACTOR'S APPLICATION FOR PAYMENT

Application is made for payment, as shown below, in connection with the Contract. AIA Document G703[™], Continuation Sheet, is attached.

1. ORIGINAL CONTRACT SUM	\$	586,040.00
2. NET CHANGE BY CHANGE ORDERS	\$	5,568.00
3. CONTRACT SUM TO DATE (Line 1 ± 2)	\$	580,472.00
4. TOTAL COMPLETED & STORED TO DATE (Column G on G703)	\$	580,472.00
5. RETAINAGE:		
a. _____% of Completed Work (Columns D + E on G703)	\$.00
b. _____% of Stored Material (Column F on G703)	\$.00
Total Retainage (Lines 5a + 5b, or Total in Column I of G703)	\$.00
6. TOTAL EARNED LESS RETAINAGE	\$	580,472.00
(Line 4 minus Line 5 Total)		
7. LESS PREVIOUS CERTIFICATES FOR PAYMENT	\$	575,472.00
(Line 6 from prior Certificate)		
8. CURRENT PAYMENT DUE	\$	5,000.00
9. BALANCE TO FINISH, INCLUDING RETAINAGE (Line 3 minus Line 6)	\$.00

CHANGE ORDER SUMMARY	ADDITIONS	DEDUCTIONS
Total changes approved in previous months by Owner	\$ 2,932.00	\$ 8,500.00
Total approved this month	\$.00	\$.00
TOTAL	\$ 2,932.00	\$ 8,500.00
NET CHANGES by Change Order	\$ 5,568.00	

The undersigned Contractor certifies that to the best of the Contractor's knowledge, information and belief the Work covered by this Application for Payment has been completed in accordance with the Contract Documents, that all amounts have been paid by the Contractor for the Work for which previous Certificates for Payment were issued and payments received from the Owner, and that current payment shown herein is now due.

CONTRACTOR: KUE Contractors, Inc.

By: [Signature] Date: 02/23
 State of: Minnesota

County of: Meeker

Subscribed and sworn to before me this 23rd day of February 2016

Notary Public: [Signature]
 My commission expires: January 31, 2020



ARCHITECT'S CERTIFICATE FOR PAYMENT

In accordance with the Contract Documents, based on on-site observations and the data comprising this application, the Architect certifies to the Owner that to the best of the Architect's knowledge, information and belief the Work has progressed as indicated, the quality of the Work is in accordance with the Contract Documents, and the Contractor is entitled to payment of the AMOUNT CERTIFIED.

AMOUNT CERTIFIED \$ 5,000.00

(Attach explanation if amount certified differs from the amount applied. Initial all figures on this Application and on the Continuation Sheet that are changed to conform with the amount certified.)

ARCHITECT:
 By: [Signature] Date: 4/25/16

This Certificate is not negotiable. The AMOUNT CERTIFIED is payable only to the Contractor named herein. Issuance, payment and acceptance of payment are without prejudice to any rights of the Owner or Contractor under this Contract.

CAUTION: You should sign an original AIA Contract Document, on which this text appears in RED. An original assures that changes will not be obscured.



AIA[®] Document G703[™] – 1992

Continuation Sheet

AIA Document G702[™]-1992, Application and Certificate for Payment, or G732[™]-2009, Application and Certificate for Payment, Construction Manager as Adviser Edition, containing Contractor's signed certification is attached.
 In tabulations below, amounts are in US dollars.
 Use Column I on Contracts where variable retainage for line items may apply.

APPLICATION NO: 7
 APPLICATION DATE: 02/22/16
 PERIOD TO: 02/29/16
 ARCHITECT'S PROJECT NO:

A ITEM NO.	B DESCRIPTION OF WORK	C SCHEDULED VALUE	D WORK COMPLETED		E THIS PERIOD	F MATERIALS PRESENTLY STORED (Not in D or E)	G TOTAL COMPLETED AND STORED TO DATE (D+E+F)		H BALANCE TO FINISH (C - G)	I RETAINAGE (If variable rate)
			FROM PREVIOUS APPLICATION (D + E)				%	(G ÷ C)		
010000	General Requirements	45,883	45,883	0	0	45,883	100	0	0	
011000	Bonds	8,828	8,828	0	0	8,828	100	0	0	
032000	Concrete Reinforce/033000	0	0	0	0	0	0	0	0	
033000	Cast-in-Place Concrete	93,789	93,789	0	0	93,789	100	0	0	
055000	Metal Fabrications	3,644	3,644	0	0	3,644	100	0	0	
055410	Cast Trench Drains	6,412	6,412	0	0	6,412	100	0	0	
061000	Rough Carpentry	844	844	0	0	844	100	0	0	
072120	Board Insulation	1,582	1,582	0	0	1,582	100	0	0	
079000	Joint Sealers	4,241	4,241	0	0	4,241	100	0	0	
081100	Steel Doors and Frames	7,301	7,301	0	0	7,301	100	0	0	
083600	Sectional Overhead Doors	33,332	33,332	0	0	33,332	100	0	0	
086310	Tubular Plastic Windows	2,059	2,059	0	0	2,059	100	0	0	
087100	Door Hardware/081100	0	0	0	0	0	0	0	0	
088000	Glass and Glazing	211	211	0	0	211	100	0	0	
099000	Painting	6,330	6,330	0	0	6,330	100	0	0	
105200	Fire Exting & Cabinets	485	485	0	0	485	100	0	0	
133419	Metal Building Systems-M	117,067	117,067	0	0	117,067	100	0	0	
133421	Metal Building System-L	82,079	82,079	0	0	82,079	100	0	0	
133422	Building Insulation	11,658	11,658	0	0	11,658	100	0	0	
220000	Plumbing	74,483	74,483	0	0	74,483	100	0	0	
230000	HVAC/220000	0	0	0	0	0	0	0	0	
260000	Electrical	73,379	73,379	0	0	73,379	100	0	0	
312316	Excavation	12,433	12,433	0	0	12,433	100	0	0	
312317	Trenching/312316	0	0	0	0	0	0	0	0	
312513	Erosion Controls/312316	0	0	0	0	0	0	0	0	
	GRAND TOTAL	586,040	586,040	0	0	586,040	100	0	0	

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AIA[®] Document G703[™] – 1992

Continuation Sheet

AIA Document G702[™]-1992, Application and Certificate for Payment, or G732[™]-2009, Application and Certificate for Payment, Construction Manager as Adviser Edition, containing Contractor's signed certification is attached.
 In tabulations below, amounts are in US dollars.
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APPLICATION NO:
 APPLICATION DATE: 7
 PERIOD TO: 02/22/16
 ARCHITECT'S PROJECT NO: 02/29/16

A ITEM NO.	B DESCRIPTION OF WORK	C SCHEDULED VALUE	D WORK COMPLETED		F MATERIALS PRESENTLY STORED <i>(Not in D or E)</i>	G TOTAL COMPLETED AND STORED TO DATE <i>(D+E+F)</i>		H BALANCE TO FINISH <i>(C - G)</i>	I RETAINAGE <i>(If variable rate)</i>
			FROM PREVIOUS APPLICATION <i>(D + E)</i>	THIS PERIOD		% <i>(G ÷ C)</i>			
321600	Ext Site Concrete/033000	0	0	0	0	0	0	0	0
400010	Change Order #01	726	726	0	0	726	100	0	0
400020	Change Order #02	5,000-	5,000-	0	0	5,000-	100	0	0
400030	Change Order #03	2,206	2,206	0	0	2,206	100	0	0
400040	Change Order #04	3,500-	3,500-	0	0	3,500-	100	0	0
GRAND TOTAL		580,472	580,472	0	0	580,472	100	0	0

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