

**MINUTES OF A SPECIAL MEETING OF THE PRINCETON CITY COUNCIL HELD ON
MAY 30, 2013 4:30 P.M. IN THE CITY HALL COUNCIL CHAMBERS**

Mayor Paul Whitcomb called the meeting to order and led the Pledge of Allegiance to the Flag. Council members present were Victoria Hallin, Thom Walker and Jules Zimmer. Staff present: Administrator Mark Karnowski, Finance Director Steve Jackson, Community Development Director Carie Fuhrman, Police Chief Brian Payne, Engineer Mike Nielson, Public Works Director Bob Gerold and City Clerk Shawna Jenkins. Absent was Dick Dobson and Administrator Mark Karnowski

AGENDA ADDITIONS/DELETIONS

None

OPEN FORUM

None

PUBLIC HEARINGS

A. Inline Packaging Tax Abatement Agreement – Resolution 13-24

Fuhrman reported that the City Council was asked to hold a public hearing and review a Tax Abatement Agreement for Inline Packaging LLC. The public hearing was called for by the City Council on May 9, 2013 and was published in the newspaper on May 16, 2013.

Inline Packaging (1205 18th Avenue South) is planning an expansion of both equipment capacity and building space this summer. They are requesting tax abatement from the City of Princeton and Sherburne County for the building addition, which is 8,750 square feet in size.

The City's policy in the past has been to abate up to 90% of the tax in-crease resulting from the addition for a period of up to ten (10) years and not to exceed a specified amount. According to Sherburne County, utilizing the 2013 tax rates, the city's tax portion would increase by approximately \$5,311 annually. 90% would be \$4,780.

Based on these numbers, the recommendation would be for the City to abate approximately \$4,780 annually, for up to ten years, with a maximum abatement of \$47,800. (Keep in mind that these are estimates from the Sherburne County Assessor's office. Actual annual tax increases could vary, but the maximum abatement would remain at \$47,800).

Inline currently employs 38 people. After the expansion, they are planning to add 25 jobs. The proposed average hourly wage of the jobs created is \$12.84 + \$2.22 in benefits. The EDA recommended the City Council approve the abatement with a stipulation that at least ten (10) new jobs be created at the EDA's wage standard (150% of the minimum wage – federal or state, whichever is higher). Staff is recommending the job goals be met within five (5) years of the agreement.

Staff recommends that the City Council approve Resolution 13-24, approving a Tax Abatement Agreement for Inline Packaging LLC.

Whitcomb opened the Public hearing 4:33pm

Zimmer questioned what would happen if there were not 10 new employees within the 5 years. Rob Olson responded that with the expansion, he cannot foresee not adding the 10 employees that is required. Jackson added that if that requirement was not meant, the City could quit paying the subsidy. Walker added that he feels that 10 new employees within 5 years is a very reachable number.

Zimmer moved to close the public hearing at 4:35pm and the motion was seconded by Hallin.

HALLIN MOVED TO APPROVE RESOLUTION 13-24 APPROVING PROPERTY TAX ABATE-
MENT FOR INLINE PACKAGING. ZIMMER SECONDED THE MOTION. THE MOTION CAR-
RIED UNANIMOUSLY

ADJOURNMENT

There being no further business:

ZIMMER MOVED TO ADJOURN THE MEETING AT 4:37PM. WALKER SECONDED THE
MOTION. THE MOTION CARRIED UNANIMOUSLY

Respectfully Submitted,

Shawna Jenkins
City Clerk

ATTEST:

Paul Whitcomb, Mayor