



REPORT/RECOMMENDATION

To: MAYOR AND COUNCIL	Agenda Item <u>Item No. VIII. C.</u>
From: Jesse Struve Utility Engineer	<input checked="" type="checkbox"/> Action <input type="checkbox"/> Discussion
Date: February 6, 2012	<input type="checkbox"/> Information
Subject: Energy Improvement – Grandview Tire and Auto, 5415 W. 70th Street, Resolution No. 2012-26	

ACTION REQUESTED:

Approve resolution 2012-26 for Grandview Tire and Auto’s Application to enter Edina Emerald Energy Program (EEEP) and place special assessment against the property.

INFORMATION/BACKGROUND:

On August 16, 2011, the City Council authorized staff to develop a Property Assessed Clean Energy Program (PACE) following MN Statue 216C.436. Staff created the EEEP as a method of financing energy efficiency investments through special property tax assessments.

Grandview Tire and Auto (5415 70th Street), has submitted an application requesting \$31,686 from the EEEP program. This is a portion of the \$131,375 construction costs to install solar panels on top of their facility. This will reduce energy consumption for their Grandview Tire and Auto.

Capitalized interest will be added to the amount requested to bring the total assessment levied against the property to \$34,030. Staff recommends accepting the application from Grandview Tire and Auto into the EEEP program.

ATTACHMENTS:

- Resolution No. 2012-26
- Application for Grandview Tire and Auto
- Assessment Roll for 5415 West 70th Street



**RESOLUTION NO. 2012-26
APPROVING AGREEMENT AND ADOPTING ASSESSMENT**

City of Edina

WHEREAS, Edina has been designated one of five Minnesota Green Step Communities and with the leadership of the Edina Energy and Environment Commission has developed a plan to implement the standards; and

WHEREAS, Minnesota Statutes §§ 216C.435 and 216C.436 authorizes the City to finance energy improvements using special assessments on residential, commercial and industrial properties where owners have petitioned for special assessments to repay the financing; and

WHEREAS, Edina has created an Edina Emerald Energy Program (EEEP), which authorizes voluntary special assessments for energy improvements; and

WHEREAS, Edina has received a Special Assessment Agreement from Murphy Automotive, Inc. d/b/a and owner of Grandview Tire & Auto waiving its right to a special assessment hearing and petitioning for special assessment to repay the financing.

NOW, THEREFORE, BE IT HEREBY RESOLVED BY THE CITY COUNCIL OF THE CITY OF EDINA, MINNESOTA:

1. The Special Assessment Agreement with Murphy Automotive, Inc. d/b/a Grandview Tire & Auto is approved. The Mayor and City Manager are authorized to sign the Agreement.
2. The proposed assessment in the principal amount of \$34,030.00, a copy of which is attached hereto and made a part hereof, is hereby adopted and shall constitute the special assessment against the lands named therein and each tract of land therein included is hereby found to be benefited by the proposed improvements in the amount of the assessment levied against it.
3. Such assessment shall be payable in equal annual installments extending over a period of ten (10) years, the first of the installments to be payable on or before the first Monday in January of 2013, and shall bear interest at the rate of nine percent (9%) per annum from the date of adoption of this Resolution. To the first installment shall be added interest on the entire assessment from the date of this Resolution until December 31, 2012. To each subsequent installment when due shall be added interest for one year on all unpaid installments.
4. The property owner may, at any time prior to certification of the assessment to the County, pay the whole of the assessment on such property with interest accrued to the date of payment to the City, except that no interest shall be charged if the entire assessment is paid within thirty (30) days from the adoption of this resolution and the owner may at any time thereafter pay the City the entire amount of the assessment remaining unpaid with interest accrued to December 31 of the year in which the payment is made. Such payment must be made before November 30 or interest will be charged through December 31 of the next succeeding year.

5. The City Clerk shall forthwith transmit a certified duplicate of this assessment to the County to be extended on the property tax lists of the County and such assessments shall be collected and paid over in the same manner as other municipal taxes

Dated: February 6, 2012

Attest: _____
Debra A. Mangen, City Clerk

James B. Hovland, Mayor

STATE OF MINNESOTA)
 (ss.
COUNTY OF HENNEPIN)

CERTIFICATE OF CITY CLERK

I, the undersigned duly appointed and acting City Clerk for the City of Edina do hereby certify that the attached and foregoing Resolution was duly adopted by the Edina City Council at its Regular Meeting of February 6, 2012, and as recorded in the Minutes of said Regular Meeting.

WITNESS my hand and seal of said City this _____ day of _____.

City Clerk

**City of Edina, Minnesota
Edina Emerald Energy Program
APPLICATION AND PETITION FOR
SPECIAL ASSESSMENTS**

4501 West 50th Street, Edina, Minnesota 55347
Phone: (952) 927-8861 Fax: (952) 826-0390
E-mail: www.cityofedina.org
REV 01/20/2012

The Edina Emerald Energy Program (“EEEP”) provides financing for the installation of energy efficiency and conservation improvements that are permanently fixed to commercial / industrial real property (“Improvements”). The undersigned applicant(s) hereby submits the following application for financing and petition for special assessments in accordance with Minnesota Statutes Sections 216C.435 and 216C.436, Chapter 429 and the Edina Emerald Energy Program.

Section 1: Eligibility Requirements

- Applicant(s) is/are legal owner of the property described in the Application (the “Property”).
- Property is developed and located within the City of Edina.
- Property Owner is current on all mortgage(s). Lender has signed the Lender Acknowledgment form for EEEP Financing.
- Property Owner is not in bankruptcy and the property is not an asset in a bankruptcy proceeding.
- There are no federal or state income tax liens, judgment liens, or similar involuntary liens on the Property.
- Improvement costs are reasonable for the scope of the proposed project and in relation to Property value.
- Requested Financing Amount does not exceed 10 percent of the Property Market Value or the actual cost of installing the energy improvements , including the cost of necessary equipment, materials, and labor, the costs of energy audit or renewable energy feasibility study, and the cost of verification of installation, less the value of expected rebates.
- Term of financing requested does not exceed the weighted average of the useful life of the Improvements.
- Applicant(s) has/have obtained an energy audit or renewable energy feasibility study on the Property.

For Further information on eligibility requirements, see the Program Report and Administrative Guidelines, or contact the Program Administrator at _____.

For Office Use Only

File No. _____

(Date Stamp)

Received On: _____

By: _____

SECTION 2: Applicant Information

PROPERTY OWNER(S) LEGAL NAME(S) AS THEY APPEAR ON PROPERTY TAX RECORDS		
OWNER 1 TIMCIN PROPERTIES LLP	LAST 4 DIGITS OF SSN OR TIN XXX-XX-7110	LIST ALL PARCEL #'s OWNED BY APPLICANT 08-116-21-11-0005
OWNER 2	LAST 4 DIGITS OF SSN OR TIN XXX-XX-	LIST ALL PARCEL #'s OWNED BY APPLICANT
OWNER 3	LAST 4 DIGITS OF SSN OR TIN XXX-XX-	LIST ALL PARCEL #'s OWNED BY APPLICANT
OWNER 4	LAST 4 DIGITS OF SSN OR TIN XXX-XX-	LIST ALL PARCEL #'s OWNED BY APPLICANT

PROPERTY OWNER(S) TYPE (Check all that apply)		
<input type="checkbox"/> Individual(s) / Joint Tenants / Common Property (Not in Trust)	<input type="checkbox"/> Corporation	<input type="checkbox"/> Limited Liability Company
<input type="checkbox"/> Trust / Trustees / Living Trust	<input checked="" type="checkbox"/> Partnership	<input type="checkbox"/> Other (Please specify)

PROPERTY OWNER CONTACT INFORMATION		
NAME TIMOTHY R. MURPHY	EMAIL ADDRESS tim.murphy@murphyauto.net	DAYTIME TELEPHONE NO 612-719-9745

PHYSICAL PROPERTY ADDRESS (Site of improvements)			
STREET ADDRESS 5415 70TH STREET WEST	CITY EDINA	STATE MN	ZIP 55439

MAILING ADDRESS (If different)			
MAILING ADDRESS 9110 225TH STREET WEST	CITY LAKEVILLE	STATE MN	ZIP 55044

SECTION 3: Property Information

PROPERTY TYPE)	
<input type="checkbox"/> Industrial	<input checked="" type="checkbox"/> Commercial

SECTION 4: Proposed Improvement Project Information**PROPOSED IMPROVEMENT PROJECT (Attach additional page(s) if necessary.)**

1. DESCRIPTION OF IMPROVEMENT SOLAR ELECTRIC SYSTEM		TRACK FOR PARTICIPATION (CHECK ONE) <input checked="" type="checkbox"/> Solar <input type="checkbox"/> Energy Efficiency <input type="checkbox"/> Custom Measure	
PROPOSED IMPROVEMENT COST \$ 131,375.00	(-) LESS REBATE \$ 60277.00	(+) PLUS ESTIMATED PERMIT FEE \$ INCLUDED	(=) NET PROPOSED IMPROVEMENT COST \$ 71,098.00

2. NAME OF CONTRACTOR BLUE HORIZON ENERGY	ADDRESS OF CONTRACTOR 7246 WASHINGTON AVE. SO. EDEN PRAIRIE, MN 55344
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EVIDENCE OF ENERGY AUDIT OR RENEWABLE ENERGY SYSTEM FEASIBILITY STUDY (attach)**SECTION 5: Request for Financing****REQUESTED FINANCING AMOUNT**

A. Construction contract(s) (bid price for cost of materials and labor less any applicable rebates), excluding permit fees (attach copy):	\$ 131375.00
B. Costs of energy audit or feasibility study	\$ 400.00
C. Professional services (Appraisal, drafting, engineering, project management and/or plan preparation costs):	\$ INCLUDED
D. <input type="checkbox"/> Permit Fee: _____ <input checked="" type="checkbox"/> Permit included in bid	\$
Total:	\$ 131,775.00
Requested Financing Amount:	\$ 31,686.00

Minimum amount is \$2500.

SECTION 6: Petition for Assessment

We hereby acknowledge that we will be obligated to pay the assessments when due. The assessment and the interest and any penalties thereon will constitute a lien against the Property until they are paid, even if I(we) sell the Property to another person. I(we) understand that assessment installments together with the interest on the assessment will be collected on my/our property tax bill in the same manner and at the same time as property taxes and will be subject to the same penalties, remedies, and lien priorities as for property taxes in the event of delinquency, including foreclosure. I(we) waive any and all procedural and substantive objections to the installation of the Improvements and the special assessments, including but not limited to hearing requirements and any claim that the assessment exceeds the benefit to the Property. I(we) waive any appeal rights otherwise available pursuant to M.S.A. § 429.081.

REQUESTED ASSESSMENT REPAYMENT PERIOD 5 Years 10 Years

The minimum amount for an EEEP Assessment is \$2,500. For assessments between \$2,500 and \$4,999, the term will be 5 years. Assessments \$5,000 and above may be for a term of 5 or 10 years.

SECTION 7. Current Mortgage Financing (Attach copy of Mortgage Statement)

1. Name and Address of Mortgage Lender: LAKEVIEW BANK 9725 W 163RD ST. LAKEVILLE, MN 55044
2. Outstanding Principal Balance: \$1,409,827.99

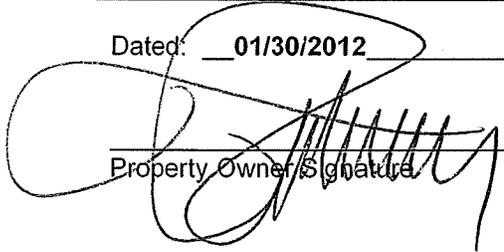
SECTION 8. Declarations

By signing this Application, the undersigned hereby declares under penalty of perjury under the laws of the State of Minnesota all of the following:

1. I (we) am (are) current owner(s) of record of the property described herein (the "Property").
2. The Property is not currently involved in a bankruptcy proceeding.
3. I (we) are current on any mortgage or other loan secured by the Property.
4. I (we) and the Property meet the eligibility requirements listed in Section 1.
5. That (i) the information provided in this Application is true and correct as of the date set forth opposite my/our signature(s) on this Application and (ii) that I/we understand that any intentional or negligent misrepresentation(s) of the information contained in this Application may result in civil liability and/or criminal penalties including, but not limited to, fine or imprisonment or both and liability for monetary damages to the City of Edina, its agents, successors and assigns, insurers and any other person who may suffer any loss due to reliance upon any misrepresentation which I/we have made in this Application.
6. I (we) agree that the selection of any product(s), equipment, and measures referenced in this Application (the "Improvements"), the selection of any manufacturer(s), dealer(s) supplier(s), contractor(s) and installer(s), and the decision regarding the purchase, installation and ownership/maintenance of the Improvements is (are) my (our) sole responsibility and that I (we) have not relied upon any representations or recommendations of the City of Edina, its agents, representatives, assignees, or employees, in making such selection or decision, and that my manufacturer, dealer, supplier, contractor or installer of the Improvements is not an agent, employee, assignee or representative of the City of Edina.
7. I (we) understand that the City of Edina makes no warranty, whether express or implied, with respect to the choice, use or application of the Improvements, including without limitation, the implied warranties of merchantability and fitness for any particular purpose, use or application of the Improvements.

I (we) agree that the City of Edina has no liability whatsoever concerning (i) the quality or safety of any Improvements, including their fitness for any purpose, (ii) the estimated energy savings produced by or performance of the Improvements, (iii) the workmanship of any third parties, (iv) the installation or use of the Improvements including, but not limited to, any effect on indoor pollutants, or (iv) any other matter with respect to the Edina Emerald Energy Program.

Dated: 01/30/2012



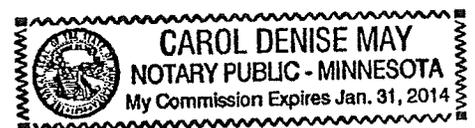
 Property Owner Signature

TIMOTHY R MURPHY _____
 Printed Name
MANAGING PARTNER, TIMCIN PROPERTIES LLP

Property Owner Signature

Printed Name

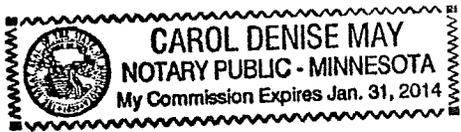
*Timothy R. Murphy appeared
 before me on the 31st day of January, 2012.
 Carol Denise May*



LENDER ACKNOWLEDGMENT FORM

The undersigned, on behalf of the Lender which is the holder of a mortgage lien on the Property described in this Application and Petition for Special Assessments in accordance with the Edina Emerald Energy Program, acknowledges that it has been informed of Applicant's application and petition, and confirms that Applicant's receipt of EEEP financing and petition for assessment in connection therewith, will not constitute a default under Lender's mortgage.

*Michael W. Puppe appeared
before me this 31st day of
January, 2012.
Carol Denise May*



Lender:

LAKEVIEW BANK
Name of Institution

By: *[Signature]*
Signature

Name: Michael W. Puppe

Title: SVP

Date: 1-31-2012

ASSESSMENT ROLL
EDINA EMERALD ENERGY PROGRAM

PROPERTY ADDRESS	PID	OWNER	MAILING ADDRESS	CITY/STATE/ZIP	ASSESSMENT
5415 70th Street	08-116-21-11-0005	TIMCIN Properties LLP	9110 225th Street W	Lakeville, MN 55044	\$ 34,030.00