

**WORTHINGTON CITY COUNCIL
REGULAR MEETING, APRIL 11, 2005**

The meeting was called to order by Mayor Alan E. Oberloh at 7:00 p.m., in the City Hall Council Chambers with the following Aldermen present: Leland Hain, Roger E. Nelson, Lyle Ten Haken and Mike Woll. Honorary Council Person Jorge Lopez. Absent (Excused): Bob Petrich.

City Staff present: Bob Filson, City Administrator; Dwayne Haffield, Director of Engineering, Brad Chapulis, Director of Community/Ec. Development; and Karen Buchman, City Clerk.

Others present: Ryan McGaughey, Daily Globe; Darrell Stitt, KWOA Radio; Randy Davis, Cable 3; Lyle and Connie Voss; Norm Gallagher, Glen Thuringer, and Dan Greve.

HONORARY COUNCIL PERSON INTRODUCED

Mayor Oberloh introduced Jorge Lopez as the Honorary Council person for the months of March and April.

**RESOLUTION NO. 3037 ADOPTED, LOCAL GOVERNMENT RESOLUTION
ECONOMIC DEVELOPMENT PROGRAM**

Pursuant to published notice this was the time set for a public hearing on the request of Newport Laboratories, Inc. to sponsor its application for \$200,000 of Minnesota Agricultural & Economic Development Board (Ag Board) monies available through the Minnesota Department of Employment and Economic Development (DEED). The motion was made by Alderman Ten Haken, seconded by Alderman Woll and unanimously carried to open the hearing. Brad Chapulis gave a hearing presentation explaining that this proposal is for a 7,800 square foot research and development building on the Prairie Holdings Center Campus and as with all DEED programs, the City has to serve as the applicant on behalf of the recipient. The City's responsibility would consist of managing and disbursing the DEED money in compliance with their requirements and policies. The Ag Board does not provide any compensation for management of the loan. Prior to consideration, Council is required to hold this public hearing on the application. Mayor Oberloh opened the floor for testimony. None was received. The motion was made by Alderman Hain, seconded by Alderman Nelson and unanimously carried to close the hearing. Following discussion, the motion was made by Alderman Ten Haken, seconded by Alderman Woll and unanimously carried to approve sponsoring Newport Laboratories, Inc's. application to DEED and adopt the following resolution:

RESOLUTION NO. 3037

LOCAL GOVERNMENT RESOLUTION ECONOMIC REDEVELOPMENT PROGRAM

(Refer to Resolution for complete copy of Resolution)

RESOLUTION NO. 3038 ADOPTED, NOBLES COUNTY HRA REDEVELOPMENT PLAN

Pursuant to published notice this was the time set for a public hearing on the request of the Nobles County HRA to review their redevelopment plan. The motion was made by Alderman Woll, seconded by Alderman Ten Haken and unanimously carried to open the hearing. Brad Chapulis gave a hearing presentation explaining that the Nobles County HRA is in the process of selling real estate it owns at 2121 Nobles Street to the Nobles County Developmental Achievement Center, which is the current tenant. State Statute requires an HRA to develop a redevelopment plan to identify any and all activities that the Authority is intending to undertake within a specified area. The plan must be reviewed by the local unit of government (City) to determine that the plan complies with the Land Use regulations (Zoning and Comprehensive Plan) implemented and enforced by the City.

Mayor Oberloh opened the floor for testimony. None was received. The motion was made by Alderman Nelson, seconded by Alderman Ten Haken and unanimously carried to close the hearing. Upon recommendation of the Planning Commission who reviewed the proposed redevelopment Plan at their April 5 meeting, the motion was made by Alderman Woll, seconded by Alderman Ten Haken and unanimously carried to approve the Redevelopment Plan and adopt the following resolution:

RESOLUTION NO. 3038

RESOLUTION APPROVING THE NOBLES COUNTY HRA REDEVELOPMENT PLAN

(Refer to Resolution file for complete copy of Resolution)

AGENDA APPROVED

The motion was made Alderman Ten Haken, seconded by Alderman Woll and unanimously carried to accept the agenda as presented.

MINUTES APPROVED

The motion was made by Alderman Woll, seconded by Alderman Ten Haken and unanimously carried to approve the regular City Council minutes of March 28, 2005 as previously distributed.

MINUTES OF BOARDS AND COMMISSIONS

The motion was made by Alderman Nelson, seconded by Alderman Ten Haken and unanimously carried to accept for review the Water and Light Commission minutes of April 4, 2005; Traffic & Safety Advisory Committee minutes of March 30, 2005; Planning Commission/Board of Appeals minutes (with one correction noted) of April 5, 2005; Convention & Visitors Bureau minutes of February 28, 2005; and Worthington Regional Hospital Board minutes of March 21, 2005.

FINANCIAL STATEMENTS

The motion was made by Alderman Hain, seconded by Alderman Ten Haken and unanimously carried to accept as presented the Prairie View Golf Links Statement of Revenues vs. Expenditures for the period January 1, 2005 through March 31, 2005; Municipal Liquor Store Income Statement for the period January 1, 2005 through March 31, 2005; General Fund Statement of Revenues and Expenditures - Budget and Actual for the period January 1, 2005 through March 31, 2005.

STATE OF MINNESOTA LEASE AGREEMENT APPROVED

The motion was made by Alderman Woll, seconded by Alderman Hain and unanimously carried to approve a lease agreement with the MN Department of Administration, and authorize the Mayor and Clerk's signatures. The lease agreement with the MN Department of Administration, acting for the Department of Public Safety, allows them to use a portion of the Memorial Auditorium Parking lot as a motorcycle skill test course between the hours of 8:00 a.m. 4:00 p.m., on Tuesday or Thursday of each week, weather permitting. This lease will be in effect from May 1, 2005 through April 30, 2010.

NOMINATING COMMITTEE RECOMMENDATIONS APPROVED

Upon recommendation of the Nominating Committee the motion was made by Alderman Ten Haken, seconded by Alderman Woll and unanimously carried to approve the following appointment and reappointments to boards and commissions:

- | | |
|------------------------------------|---|
| Water and Light Commission | Reappoint Don Fleming and Elena Harmon to three-year terms expiring April 2008 |
| Downtown Parking Advisory Board | Reappoint Marty Johnson and Janet Belz to three-year terms expiring February 2008 |
| Park and Recreation Advisory Board | Reappoint Jacoba Nagel and Dr. David reeves to three-year terms expiring April 2008 |
| Planning Commission | Reappoint Ron Scharpen to a three-year term expiring April 2008 |
| | Appoint Jan Lowe to a three-year term expiring April 2008 |

APPLICATIONS FOR DOCK PERMITS APPROVED

The motion was made by Alderman Nelson, seconded by Alderman Ten Haken and unanimously carried to approve the following applications for permits to install docks on public property:

- | | |
|-----------------|---|
| Clarence Kremer | Across the street from 916 West Lake Avenue |
|-----------------|---|

Dale Ryen

Across the street from 920 West Lake Avenue

BIDS AWARDED FOR 2005 TRUNK WATER MAIN AND 8TH AVENUE STORM SEWER IMPROVEMENTS PROJECT

Bids were received on April 8, 2005 for the 2005 Trunk Water Main and 8th Avenue Storm Sewer Improvements Project which include the following schedules:

- Schedule 1: Collegeway Trunk Water Improvements
- Schedule 2: Park Avenue Trunk Water Improvements
- Schedule 3: 8th Avenue Storm Sewer Reconstruction

Two bids were received for this project:

<u>Bidder</u>	<u>Amount</u>
Larson Crane Service, Inc.	\$313,857.50
Svoboda Excavating, Inc.	\$424,340.00

The motion was made by Alderman Nelson, seconded by Alderman Hain and unanimously carried to award the bid for this project to Larson Crane Service, Inc. in the amount of \$313,857.50 as the lowest qualified bid received.

RESOLUTION NO. 3036 ADOPTED, ORDERING PREPARATION OF FEASIBILITY REPORT ON PROPOSED IMPROVEMENT

The Feasibility Report on the improvement of the following streets was presented:

Dover Street from the west line of Virginia Avenue to 168 feet west

Fredrick Avenue Area Streets from Clary Street to Dover Street
Fredrick Avenue from Clary Street to Dover Street
Sunset Road from Dover Street to Fredrick Avenue

Morningside Drive - the entire length

Spruce Avenue from Morningside Drive to Douglas Avenue

Virginia Avenue from Oxford Street to Dover Street

Before voting on this project, Alderman Nelson noted he would abstain from voting. The motion was made by Alderman Ten Haken, seconded by Alderman Woll and unanimously carried to order preparation of a report on the proposed improvement by adopting the following resolution:

RESOLUTION NO. 3036

ORDERING PREPARATION OF FEASIBILITY REPORT ON PROPOSED IMPROVEMENT

(Refer to Resolution file for complete copy of Resolution)

MEMORANDUM OF UNDERSTANDING - YOURWAY TRANSPORTATION APPROVED

A copy of a proposed Memorandum of Understanding (MOU) between the City of Worthington and Yourway Transportation, Inc. was presented. The document describes the transactions required to assure the construction of a 20,000 square foot warehouse/freezer facility to be owned and operated by Yourway Transportation within the Industrial Park. The estimated project cost is \$1.87 million. Within the Uses/Sources Statement of the MOU, the project does include participation (financial and technical) from the City of Worthington as follows:

Sale of Industrial Park Property - The City will sell Lots 24-37, Block 1, Worthington Industrial Park to Yourway Transportation for \$137,998. The purchase would be financed through the City's forgivable loan program established for purchasing Industrial Park property.

Purchase of existing Yourway Property - City will purchase Yourway's existing facility for \$135,000. The City would take possession of the property after the new facility is completed and Yourway has relocated.

Assist with the application to the Minnesota Ag Board - City, with the help of WREDC, will assist the company with the completion and submission of an application for Minnesota Agricultural and Economic Board funds.

Authorize JOBZ designation - Job Opportunity Building Zones (JOBZ) is a local/state program that provides qualified businesses certain local and state tax exemptions to expand and/or relocate their operations into a designated area. Upon execution of the MOU, the City Council is agreeing to apply the JOBZ designation toward the project once the applicant meets the definition of a qualified business as defined by the State of Minnesota. Final approval of the JOBZ designation will occur at a later date after the public hearing required by State Statute is held.

A qualified business is defined as a business that agrees to either increase their full time employment by 20% within the first full taxable year of operation within the Zone or make a capital investment in the Zone equivalent to at least 10% of gross revenues for the taxable year immediately proceeding relocation within the Zone.

Following discussion the motion was made by Alderman Ten Haken, seconded by Alderman Nelson and unanimously carried to participate in the proposed project and authorize the Mayor to execute the Memorandum of Understanding.

WORTHINGTON HOUSING PLAN APPROVED

A final draft of the Worthington Housing Plan was presented. The plan was presented to Council, HRA and the general public at a community forum on March 8, 2005. Based on comments received, the Southwest Minnesota Housing Partnership and City staff added a section addressing the existing dilapidated housing stock. This section proposes that the City commit \$150,000 a year for the next four years for the purchase and demolition of existing structures that are beyond repair. A lengthy discussion was held on this proposed spending of \$600,000 over the four-year period. The plan encompasses a February 2005 through December 2009 time frame, constitutes a strategy for home construction and rehabilitation in the city at an estimated cost of \$30 million. Following discussion a motion was made by Alderman Woll, seconded by Alderman Ten Haken to approve the Worthington Housing Plan including the section added that the City commits \$150,000 a year for the next four years for the purchase and demolition of existing structures that are beyond repair. The vote followed with the following Aldermen voting in favor of the motion: Woll and Ten Haken; the following Aldermen voting against the same: Hain and Nelson. Being a tie vote, the Mayor voted in favor of the motion whereby, the motion passed.

SPECIAL USE PERMIT FOR V & O PROPERTIES, INC. APPROVED

V & O Properties, Inc., submitted an application for a special use permit for a 4.06 tract of land located on Crailsheim Road directly west of the Olson Park/Campground entrance. This would allow the applicant to construct a 17-unit townhouse/condominium development on the property in question. Townhouses/Condominiums are identified as a "special use" in the "R-1" - One Family Detached Residential Zoning District, which is the zoning classification of the subject property. Upon recommendation of the Planning Commission who held a public hearing on this item at their April 5 meeting, the motion was made by Alderman Woll, seconded by Alderman Ten Haken and unanimously carried to approve this special use permit subject to the following conditions:

1. Submission of a detailed site plan illustrating compliance with all applicable zoning requirements.
2. County approval of Crailsheim Road access
3. Limit the impervious coverage to 25% or receive approval of a storm water management system by DNR/City Engineer.

BILLS PAYABLE

The motion was made by Alderman Woll, seconded by Alderman Ten Haken and unanimously carried that bills payable and totaling \$355,532.50 be ordered paid.

ADJOURNMENT

The motion was made by Alderman Woll, seconded by Alderman Ten Haken and unanimously carried to adjourn the meeting at 8:05 p.m.

Regular City Council Minutes, April 11, 2005
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Karen Buchman
City Clerk