

**WORTHINGTON CITY COUNCIL
REGULAR MEETING, MAY 9, 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, Bob Petrich, Lyle Ten Haken and Mike Woll.

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: Darrell Stitt, KWOA Radio; Ryan McGaughey, Daily Globe; Randy Davis, Cable 3; Clifford Schreiner, M & M Warehouse, LLC (Yourway Transportation); and Steve Johnson, Johnson Builders & Realtors, and area residents for assessment hearings.

HONORARY COUNCIL PERSON

It was noted that Karen Fury has agreed to serve as Honorary Council person for the months of May and June but was unable to attend tonight's meeting.

RESOLUTION NO. 3042 ADOPTED, ORDERING IMPROVEMENT AND PREPARATION OF PLANS AND SPECIFICATIONS

Pursuant to published notice this was the time set for the hearing on the proposed project of the following described streets, by regrading, base reconstruction, resurfacing, and necessary curb and gutter reconstruction: Dover Street from the west line of Virginia Avenue 168 feet west; Fredrick Avenue Area Streets from Clary Street to Dover Street; Sunset Road from Dover Street and Fredrick Avenue; Morningside Drive the entire length, Spruce Avenue from Morningside Drive to South Douglas Avenue, and Virginia Avenue from Oxford Street to Dover Street. The project report was submitted to Council at the April 25, 2005 meeting. Following is a summary of the improvement costs and total estimated assessments for the project:

City share for non-assessable costs*	\$323,313.55	
City share for assessable costs	<u>\$ 4,198.60</u>	
Total City share	\$327,512.15	(76.3%)
Assessments receivable	<u>\$101,787.85</u>	(22.8%)
TOTAL COST	\$429,300.00	

*City share for non-assessable costs includes: \$289,950.00 for center 24 feet, \$22,432.66 for side yard allowances, \$9,512.41 for right-of-way frontages, and \$1,418.52 for additional street width.

Updated assessment rolls were provided at the hearing due to a change from that which was stated in the project feasibility report for the Fredrick Area Streets. An error in the cost estimate used for preparation of the report resulted in an overstatement of the cost for pavement removal. Whereas 89% of the pavement removal lies within the center 24 feet, the majority of the cost decrease is

reflected in the city share. The estimated assessment rate did decrease by \$1.28 per foot.

The motion was made by Alderman Ten Haken, seconded by Alderman Hain and unanimously carried to open the hearing. Mayor Oberloh opened the hearing for presentation and comments. Dwayne Haffield, City Engineer presented the proposed project. Dwayne noted that Council may order an improvement less than that for which the hearing was ordered allowing for deletion of any of the street segments from the improvement. This project was not initiated by petition, therefore, a 4/5's vote of the Council membership will be required to order the project ahead. As there were several homeowners in attendance Dwayne went through each street segment being considered in this year's project, detailing what is to be completed and the costs involved.

Mayor Oberloh opened the floor for testimony from the audience.

A family member representing Harvey and Luella Schroeder, Parcel #3595, questioned the assessment cost of this property on Sunset Road. Why is their assessment higher than neighboring parcels? They noted that they paid more than most in 1985 also. Their concern is the way it was calculated. Dwayne responded to the concerns addressed. He explained the formula used and explained that this policy that has been in place for many years.

Following discussion, the motion was made by Alderman Ten Haken, seconded by Alderman Woll and unanimously carried to close the hearing. Due to his being a property owner in the area Alderman Nelson noted he would be abstaining from the vote on the project improvement. The motion was made by Alderman Ten Haken, seconded by Alderman Hain and unanimously carried (with it noted Alderman Nelson abstained) to approve the improvements as proposed and adopt the following resolution:

RESOLUTION NO. 3042

ORDERING IMPROVEMENT AND PREPARATION OF PLANS AND SPECIFICATIONS

(Refer to Resolution file for complete copy of Resolution)

RESOLUTION NO. 3043 ADOPTED, ORDERING IMPROVEMENT AND PREPARATION OF PLANS AND SPECIFICATIONS

Pursuant to published notice this was the time set for the hearing on the proposed project of the following described streets or avenues by necessary grading and base, and by bituminous surfacing: The un-named street lying between Lot 10, Block 2, Homewood Hills Ninth Addition and Lot 1, Block 3, Homewood Hills Ninth Addition - extending from Briarwood Drive to 176 feet north of Briarwood Drive. The project report was submitted to Council at the April 25, 2005 meeting. Following is a summary of the improvement costs and total estimated assessments for the project:

City share for non-assessable costs*	\$3,982.87
--------------------------------------	------------

City share for assessable costs	<u>\$ 0</u>	
Total City share	\$3,982.87	(47.7%)
Assessments receivable	<u>\$4,367.10</u>	(52.3%)
TOTAL COST	\$8,350.00	

*Includes side yard allowances.

The motion was made by Alderman Woll, seconded by Alderman Petrich and unanimously carried to open the hearing. Mayor Oberloh opened the hearing for presentation and comments. Dwayne Haffield, City Engineer presented the proposed project. The project was initiated by petition; therefore, only a majority vote of the Council membership will be required to order the project ahead. Dwayne went through the street segment being considered in this year's project, detailing what is to be completed and the costs involved.

Mayor Oberloh opened the floor for testimony from the audience. As there was no comments received, the motion was made by Alderman Hain, seconded by Alderman Ten Haken and unanimously carried to close the hearing.

The motion was made by Alderman Woll, seconded by Alderman Petrich and unanimously carried to approve the improvement as proposed and adopt the following resolution:

RESOLUTION NO. 3043

ORDERING IMPROVEMENT AND PREPARATION OF PLANS AND SPECIFICATIONS

(Refer to Resolution file for complete copy of Resolution)

HEARING FOR JOBZ REQUEST - YOURWAY TRANSPORTATION

Pursuant to published notice this was the time set for the public hearing on the JOBZ Request of Yourway Transportation. The motion was made by Alderman Hain, seconded by Alderman Petrich and unanimously carried to open the hearing. Mayor Oberloh opened the hearing for presentation and comments. Brad Chapulis, Community/Economic Development Director gave the hearing presentation. Yourway Transportation, Inc. is proposing to construct a 20,000 square foot freezer/warehouse facility on the 5.76 acres the company has acquired from the Worthington EDA in the Industrial Park. To assist with the cost of the construction of the facility, the company is requesting JOBZ designation. The designation will allow the company to receive local and state tax exemptions related to the business activities that occur on the job site, including property tax. Yourway Transportation currently employs 4 FTE persons. With the completion of the new facility, Yourway is committing to create one additional FTE position. The total project cost is approximately \$1,800,000. The estimated JOBZ benefit for the company is \$436,321. The JOBZ Subsidy Agreement outlines the commitments the company has to make in order to receive the tax benefits. If Yourway Transportation, Inc. does not comply with the terms of the agreement, the

company would lose its tax exemptions and be required to repay the benefits obtained.

The Mayor opened the floor for testimony. None was received. The motion was made by Alderman Ten Haken, seconded by Alderman Woll and unanimously carried to close the hearing. The motion was made by Alderman Woll, seconded by Alderman Petrich and unanimously carried to apply the JOBZ benefits to the qualified business and their project, and to authorize the Mayor to execute the JOBZ Subsidy Agreement after the company executes the Relocation Agreement with the Department of Employment and Economic Development.

HEARING FOR JOBZ REQUEST - BEDFORD TECHNOLOGY

Pursuant to published notice this was the time set for the public hearing on the JOBZ Request of Bedford Technology. The motion was made by Alderman Petrich, seconded by Alderman Hain and unanimously carried to open the hearing. Mayor Oberloh opened the hearing for presentation and comments. Brad Chapulis, Community/Economic Development Director gave the hearing presentation. Bedford Technology, LLC is proposing to construct a 12,000 square foot addition to its existing facility located at 2424 Armour Road. To assist with the cost of the expansion, the company is requesting JOBZ designation. The designation will allow the company to receive local and state tax exemptions related to the expansion (Responsible to pay local and state tax, including real estate, on all existing improvements). Bedford Technology currently employs 50 FTE persons. With the completion of the proposed addition, Bedford Technology is committing to create an additional 5 FTE. The total project cost is \$400,000. The estimated JOBZ benefit for the company is \$174,000. The agreement outlines the commitments the company has to make in order to receive the tax benefits. If Bedford Technology does not comply with the terms of the agreement, the company would lose its tax exemption and be required to repay the benefits obtained.

The Mayor opened the floor for testimony. None was received. The motion was made by Alderman Woll, seconded by Alderman Hain and unanimously carried to close the hearing. The motion was by Alderman Hain, seconded by Alderman Ten Haken and unanimously carried to apply the JOBZ benefits to the project, and authorize the Mayor to execute the JOBZ Subsidy Agreement.

AGENDA APPROVED

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

MINUTES APPROVED

The motion was made by Alderman Petrich, seconded by Alderman Ten Haken and unanimously carried to approve the regular City Council minutes of April 25, 2005 as previously distributed.

MINUTES OF BOARDS AND COMMISSIONS

The motion was made by Alderman Hain, seconded by Alderman Petrich and unanimously carried to accept for review the Water and Light Commission minutes of May 2, 2005; Housing and Redevelopment Authority minutes of April 14, 2005; and Planning Commission/Board of Appeals minutes of May 3, 2005.

COUNCIL COMMITTEE REPORTS

A new item added to the agenda was Council Committee reports with each Council members noting highlights of their meetings:

Alderman Hain - Planning Commission approve variances

Alderman Petrich - Water & Light Commission discussions on acquiring Aquila. Memorial Auditorium discussed the need for more community sponsors for their student program.

Alderman Ten Haken, SW Regional Development Commission - 9 county board and he will keep them updated on what is happening in Worthington

Mike Woll - Hospital Board just received a grant, and Employee Insurance Committee is going to be looking at HSA's and other health insurance options.

Bob Filson also gave an Administrative update on Legislative happenings.

FINANCIAL STATEMENTS

The motion was made by Alderman Hain, seconded by Alderman Ten Haken and unanimously carried to accept the Prairie view Golf Links Statement of Revenues vs. Expenditures for the period January 1, 2005 through April 30, 2005; and the Municipal Liquor Store Income Statement for the period January 1, 2005 through April 30, 2005.

RESOLUTION ADOPTED APPROVING THE GAMBLING PERMIT AT STEPHANIE'S RESTAURANT AND LOUNGE

The motion was made by Alderman Hain, seconded by Alderman Woll and unanimously carried to adopt the following resolution:

RESOLUTION

REGARDING GAMBLING PERMIT

RESOLVED, the City of Worthington agrees to approve the gambling permit for the National Multiple Sclerosis Society, Minnesota Chapter to conduct lawful gambling at Stephanie's Restaurant and Lounge, 2015 North Humiston Avenue, Worthington, Minnesota, for the premise permit period of June 1, 2005 through December 31, 2005.

NOMINATING COMMITTEE RECOMMENDATION

The motion was made by Alderman Ten Haken, seconded by Alderman Hain and unanimously carried the approve the following appointment:

Golf Advisory Board Brad Shaffer is appointed to a three-year term expiring March 2008

PRAIRIE VIEW UPDATE

City Administrator Bob Filson gave an update on the construction project at Prairie View.

LEAGUE OF MN CITIES REGIONAL MEETING

The League of MN Cities Regional Meetings have been scheduled for June and July 2005. The closest one for Worthington is at Cottonwood, MN on July 19. Those interested in attending are to contact Janice of Karen and they will make registrations.

SUPPLEMENTAL AGREEMENT NO. 1 FOR 2005 TRUNK WATER MAIN AND 8TH AVENUE STORM SEWER IMPROVEMENTS PROJECT

Council has directed that the alignment of the trunk water main on Collegeway be altered to avoid landscaping placed in the boulevard by an abutting property owner. This alignment required installation of an additional fitting. The contractor priced the additional blocking required at the fitting to be \$200.00. Whereas this work is not identified within a specific pay item, compensation for the extra work is provided through a supplemental agreement. The new increase in pay item costs pertaining to water main installation is about \$300.00. These pay item costs may be offset by decreases in pay items for the turf restoration costs depending on the area actually disturbed.

The motion was made by Alderman Ten Haken, seconded by Alderman Woll and unanimously carried to authorize the Mayor to execute the supplemental agreement to formalize its direction. Due to the nature of the construction activities required to install such a water main, full protection of facilities within the work area can not be assured. Although the contractor understands what items are to be protected, it is not reasonable to assume that such protection can be always be achieved regardless of conditions that may exist or develop during construction.

FIRST READING PROPOSED ORDINANCE TO VACATE PART OF PLATTED UTILITY EASEMENT IN LOT 9, BLOCK 1, DANO ADDITION

The property owner of 2191 Eleanor Street is proposing to construct a detached garage 3 feet from the east property line. The proposed structure can not be permitted as contemplated unless the west 7 feet of the 10 foot wide platted utility easement along the property's east lot line is vacated. Vacation of a platted easement requires an ordinance to, in effect, modify the plat.

The motion was made by Alderman Hain, seconded by Alderman Ten Haken and unanimously

carried to give a first reading to the ordinance vacating the west 7 feet of that portion of the easement lying south of the easement along the property's north lot line. Final reading of the ordinance should not be given without concurrence from the Water and Light Commission.

PETITION FOR ANNEXATION - JOHNSON BUILDERS AND REALTORS APPROVED

Johnson Builders and Realtors, Inc. has submitted a petition for annexation of 26.13 acres of land that is located in the NW 1/4 of the SW 1/4 of Section 15, Township 102 North, Range 40 West, Nobles County, Minnesota. The applicant desires to annex the property to continue the development of Homewood Hills. Upon recommendation of the Planning Commission who considered the proposed annexation at the May 3rd meeting, the motion was made by Alderman Ten Haken, seconded by Alderman Petrich and unanimously carried to pass the following Joint Resolution:

IN THE MATTER OF THE JOINT
RESOLUTION OF THE TOWNSHIP OF
WORTHINGTON AND THE CITY OF
WORTHINGTON DESIGNATING AN
UNINCORPORATED AREA AS IN
NEED OF ORDERLY ANNEXATION
AND CONFERRING JURISDICTION
OVER SAID AREA TO THE
MINNESOTA MUNICIPAL BOARD

AMENDMENT TO THE JOINT
RESOLUTION FOR ORDERLY
ANNEXATION BETWEEN THE
TOWNSHIP OF WORTHINGTON
AND
THE CITY OF WORTHINGTON
ORIGINALLY ADOPTED ON
SEPTEMBER 1, 1972, PURSUANT
TO M.S. 414.0325

The Township of Worthington and the City of Worthington hereby jointly agree that the area designated for orderly annexation in the Joint Resolution between the Township of Worthington and the City of Worthington Designating an Area for Orderly Annexation dated September 1, 1972, be amended to include the following:

1. The Township of Worthington and the City of Worthington request immediate annexation of the following described territory to the City of Worthington:

The Northeast Quarter of the Southwest Quarter of Section 15, Township 102 North, Range 40 West, lying southerly of Interstate Highway 90.

EXCEPT THEREFROM

That part of the Northeast Quarter of the Southwest Quarter of Section 15, Township 102 North, Range 40 West, Nobles County, Minnesota, described as follows:

Beginning at the Southwest corner of Harchanko Development First Addition, City of Worthington, according to the recorded plat thereof; thence on an assumed bearing of North 0 degrees 00 minutes 33 seconds West, along the west line of said Harchanko Development First Addition, City of Worthington, a distance of 135.53 feet; thence South 90 degrees 00 minutes West a distance of 285.34 feet; thence South 70 degrees 00 minutes West a distance of 151.00 feet; thence South 16 degrees 11 minutes 26 seconds East a distance of 89.12 feet to the south line of

the Northeast Quarter of the Southwest Quarter of said section; thence North 89 degrees 45 minutes 29 seconds East, along said south line, a distance of 402.41 feet to the point of beginning, containing 1.23 acres, subject to easements now of record in said county and state.

2. Both the Township of Worthington and the City of Worthington agree that no alteration of the stated boundaries of this agreement is appropriate. Furthermore, both parties agree that no consideration by the Municipal Board is necessary. Upon receipt of this resolution, passed and adopted by each party, the Municipal Board may review and comment, but shall, within thirty (30) days, order the annexation, in accordance with the terms of this joint resolution.
3. That the Town Board of the Township of Worthington, and the City Council of the City of Worthington, upon passage and adoption of this resolution and upon the acceptance by the Municipal Board, confer jurisdiction upon the Municipal Board over the various provisions contained in this Agreement.
4. That this certain property which abuts the City of Worthington is presently urban or suburban in nature or is about to become so. Further, the City of Worthington is capable of providing services to this area within a reasonable time, and the annexation is in the best interest of the area proposed for annexation.
5. The population change with this annexation shall be 0. There is no existing housing stock within the annexation area.
6. Upon the annexation the parcel shall be zoned "PUD" - Planned Unit Development #9.
7. The tax differential for this annexation shall be established over a five year period.

FIRST READING PROPOSED ORDINANCE, CHANGE OF ZONE APPLICATION - JOHNSON BUILDERS AND REALTORS

Johnson Builders and Realtor's Inc. has submitted an application to rezone 10.776 acres of land directly north of Homewood Hills 9th Addition from the current "TZ" Transitional Zone and "R-1" One Family Detached Residential zoning classifications to the Planned Unit Development classification applied to Homewood Hills 10th Addition. Approval of the rezoning would allow the applicant the ability to construct three 3-unit townhouse structures without having to obtain a special use permit for each building constructed. According to the applicant, the PUD classification will allow the company to provide prospective buyers with alternatives, such as three-season rooms, screened porches, etc..., that would not be possible through the special use process without applying for an amendment for each alternative chosen by the company's client.

Upon recommendation of the Planning Commission who held a public hearing on this item, the motion was made by Alderman Hain, seconded by Alderman Woll and unanimously carried to give a first reading the proposed ordinance approving the Change of Zone Application by adopting an

amendment to PUD #9 to include the subject to the following conditions:

1. The approval of the applicant's annexation petition
2. Inclusion of Lot 2, Block 2 as an eligible lot for townhouse development.

PRELIMINARY PLAT - HOMEWOOD HILLS 11TH ADDITION APPROVED

Johnson Builders and Realtors (JBR) is seeking preliminary plat approval for certain property located directly north of Homewood Hills 9th Addition. The plat consists of 13 lots on 10.776 acres of land. The property is the 11th phase in the Homewood Hills Addition development. Upon recommendation of the Planning Commission who held a public hearing on the proposed preliminary plat at the May 3rd meeting, the motion was made by Alderman Hain, seconded by Alderman Petrich and unanimously carried to approve the Homewood Hills 11th Addition's preliminary plat contingent on the following conditions:

1. The applicant submit a revised preliminary plat illustrating City Engineer approved utility extensions.
2. The applicant grant the following easements:
 - * 10' easement along the north property lines of Lots 2 through 5, Block 2;
 - * 10' easement along the west property line of Lots 7 and 8, Block 1;
 - * 8' easement along the north property line of Lot 8, Block 1;
 - * 8' easement along the east property line of Lots 4 and 6, Block 1;
 - * 8' easement along the west property line of Lot 1, Block 1;
 - * 8' easement along the west property line of Lot 3, Block 2;

PRELIMINARY PLAT - NORTHLAND PARK 2ND ADDITION APPROVED

Johnson Builders and Realtors (JBR) is seeking preliminary plat approval for certain property located directly west of Northland Park 1st Addition on Cecilee Street. The plat consists of 10 residential lots on 2.63 acres of land. The property is second phase in the Northland Park Addition development. Upon recommendation of the Planning Commission who held a public hearing on the proposed preliminary plat at their May 3, meeting, the motion was made by Alderman Woll, seconded by Alderman Hain and unanimously carried to approve the Northland Park 2nd Addition preliminary plat contingent on the applicant granting the following easements:

- * 10' easement along the north property lines of Lots 1 through 5, Block 2;
- * 10' easement along the south property line of Lots 1 through 5, Block 1;
- * 8' easement along the west property line of Lots 2 and 5, Block 1 and Lot 5, Block 2;
- * 8' easement along the east property line of Lot 3, Block 2.

BILLS PAYABLE

The motion was made by Alderman Ten Haken, seconded by Alderman Hain and unanimously

carried that bills payable and totaling \$596,371.48 be ordered paid.

ADJOURNMENT

The motion was made by Alderman Ten Haken, seconded by Alderman Hain and unanimously carried to adjourn the meeting at 8:38 p.m.

Karen Buchman
City Clerk