

**WORTHINGTON CITY COUNCIL
REGULAR MEETING, JANUARY 24, 2011**

The meeting was called to order at 7:00 p.m. in City Hall Council Chambers by Mayor Alan E. Oberloh with the following Aldermen present: Lyle Ten Haken, Mike Kuhle, Scott Nelson, Ron Wood, Mike Woll.

Staff present: Craig Clark, City Administrator; Dwayne Haffield, Director of Engineering; Brad Chapulis, Director of Community/Economic Development; Janice Oberloh, City Clerk.

Others present: Jacob Holck.

AGENDA APPROVED

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

CONSENT AGENDA APPROVED

The motion was made by Alderman Ten Haken, seconded by Alderman Wood and unanimously carried to approve the consent agenda as follows:

- City Council Minutes of Regular Meeting January 10, 2011.
- Minutes of Boards and Commissions: Water and Light Commission Minutes of Regular Meeting January 10, 2011; Airport Advisory Board Minutes of January 4, 2011; Park and Recreation Advisory Board Minutes of January 6, 2011; Worthington Housing and Redevelopment Authority Board of Commissioners Minutes of November 16, 2010.
- Bills payable and totaling \$703,026.18 be ordered paid.

**WORTHINGTON REGIONAL ECONOMIC DEVELOPMENT CORPORATION (WREDC)
REQUEST FOR CITY SUPPORT OF 2011 BIOSCIENCE CONFERENCE APPROVED**

Council discussed a request from Glenn Thuringer of WREDC for City sponsorship in the amount of \$1,500 for the 2011 Bioscience Conference scheduled for April 7th and 8th, 2011. The 2011 budget does not include any funding for the conference, however, there is \$14,000 remaining in the Economic Development Authority levy from which the appropriation could be made. Craig Clark, City Administrator, noted it would need to be done through advertising, which is allowed by statutes, and would include attendance of four representatives from the City.

The motion was made by Alderman Nelson, seconded by Alderman Wood and unanimously carried to approve the participation through advertising of the 2011 Bioscience Conference in the amount of \$1,500.

**RESOLUTION NO. 3457 ADOPTED AUTHORIZING CREATION OF JOINT AIRPORT
ZONING BOARD**

Staff presented a resolution authorizing creation of a Joint Airport Zoning Board, which is one of the first steps in updating of the airport zoning ordinance as approved by Council at their December 27, 2010 regular meeting. The resolution also identifies the City's right to appoint two representatives to the Board. Appointments will be made at a future meeting and cannot be Council members.

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

RESOLUTION NO. 3457

AUTHORIZING THE CREATION OF A JOINT AIRPORT ZONING BOARD

(Refer to Resolution File for complete copy of Resolution)

APPLICATION AUTHORIZED FOR 2011 MINNESOTA CITY PARTICIPATION PROGRAM

Staff was requesting Council authorization to submit an application for the Minnesota City Participation Program (MCP) offered through the Minnesota Housing Finance Agency (MHFA). Brad Chapulis, Director of Community/Economic Development, provided a usage summary of the MCP in previous years, noting the program does not require a local match or administration.

The motion was made by Alderman Woll, seconded by Alderman Kuhle and unanimously carried to authorize staff to submit an application for the 2011 MCP program.

RESOLUTION NO. 3458 ADOPTED APPROVING THE DECERTIFICATION OF TAX INCREMENT FINANCING DISTRICT NO. 4 (THOMPSON HOTEL) IN THE CITY OF WORTHINGTON, MINNESOTA

Council considered a resolution approving the decertification of TIF District No. 4, (Thompson Hotel) which is mandatory per State Statute to occur 25 years from the date the first increment is collected (1985). Brad Chapulis, Director of Community/Economic Development, noted the City provided \$165,000 through bond issuance toward the redevelopment expenditures of the Hotel, and in 2002 the TIF plan was amended to allow the City to recuperate as much as possible of the \$177,969 in bond payments it incurred while the Hotel property was in tax forfeiture status. To date, \$93,564 has been recovered.

The Worthington Economic Development Authority approved the decertification by adoption of Resolution No. 3456 EDAu at their meeting on January 24, 2011.

The motion was made by Alderman Wood, seconded by Alderman Ten Haken and unanimously carried to adopt the following resolution approving the decertification:

RESOLUTION NO. 3458

APPROVING THE DECERTIFICATION OF TAX INCREMENT FINANCING DISTRICT NO. 4 (THOMPSON HOTEL) IN THE CITY OF WORTHINGTON, MINNESOTA

(Refer to Resolution File for complete copy of Resolution)

AMENDMENT TO COOPERATIVE AGREEMENT WITH NEW CASTLE TOWNHOMES APPROVED

Staff presented an amendment to the cooperative agreement with the Southwest Minnesota Housing Partnership approved by Council in 2008 in support of a Small Cities Application for the New Castle Townhomes development. The agreement stated the City would sponsor/apply for the program funds for the project and the Partnership would be responsible for all costs related to the application and administer the grant at no cost, if awarded. In its annual project review, the MN Department of Employment and Economic Development (DEED) indicated that language regarding the compliance of all applicable laws and regulations provision in paragraph 8 of the agreement was not sufficient, and was requesting a language change to the following:

“At least 51% of the project units must be rented to low to moderate income households whose total income from all members does not exceed 80% of the current Area Median Income, adjusted for household size as published by the Department of Housing and Urban Development (HUD). Incomes must be verified by a third party. Rents on these units must also be affordable which is defined as the Fair Market Rate or Section 8 voucher “payment standard” for the number of bedrooms in each unit or a rent that will be affordable to households at 60% of area median, adjusted for household size.”

Brad Chapulis, Director of Community/Economic Development, noted the amendment has no impact on the project or the City of Worthington.

The motion was made by Alderman Woll, seconded by Alderman Wood and unanimously carried to approve the amendment to the Cooperative Agreement with Southwest Minnesota Housing Partnership for New Castle Townhomes.

COUNCIL COMMITTEE REPORTS

Mayor Oberloh - noted it was great that so many Councilmen were interested in attending the

CGMC's Legislative Action Day in St. Paul, but was concerned at the same time at having almost the entire Council go because of costs. He doesn't think the Legislators want to discuss projects this year but rather just the deficit.

Alderman Ten Haken - Discussed a letter done and sent out by the School Board Association - the deficit will hit us all the way around. Also mentioned discussion at a meeting about Common Cents Taxpayer Approach - only one citizen showed up along with several elected officials and the City Administrator. Very disappointing.

Alderman Kuhle - nothing to report.

Alderman Nelson - attended an Economic Development Ad Hoc Committee meeting with Alderman Kuhle - talked about "pillars" (education, transportation, bioscience, and retail). There is some talk of wanting to create a transportation committee, and additional talk about a community information officer, maybe a collaborative effort.

Alderman Wood - met with HRA and talked about security issues at the Atrium - a special committee will be meeting on that in February. Had an LEC and Dispatch meeting and basically said "thank you" and decided to go home. May still have three partners in this. Also commented on impact of state-wide public sector layoffs if LGA is cut - any savings would be reduced by unemployment, etc. He would rather see a 5% payroll cut across the board.

Alderman Woll - will be doing a punch list at the Auditorium on Wednesday - it looks terrific. Will be having a Health Insurance meeting this week. The first event at the Auditorium will be early April.

CITY ADMINISTRATOR'S REPORT

Craig Clark, City Administrator, noted most of what he had to report had already been talked about. Did note that since 2003 we've lost \$1.2 million in LGA, and provided an explanation of "certified LGA."

ADJOURNMENT

The motion was made by Alderman Ten Haken, seconded by Alderman Kuhle and unanimously carried to adjourn the meeting at 8:11 p.m.

Janice Oberloh
City Clerk