

**WORTHINGTON CITY COUNCIL
REGULAR MEETING, FEBRUARY 10, 2020**

The meeting was called to order at 7:00 p.m. in City Hall Council Chambers by Mayor Mike Kuhle with the following Council Members present: Chad Cummings, Amy Ernst, Alan Oberloh, Mike Harmon, Larry Janssen.

Staff present: Steve Robinson, City Administrator; Jason Brisson, Assistant City Administrator/Economic Development Director; Jeremiah Cromie, City Planner; Troy Appel, Director of Public Safety; Todd Wietzema, Public Works Director; Mindy Eggers, City Clerk.

Others present: Rebecca Kurtz, Ehlers & Associates, Bob Demuth, Jr., Elena Harmon, Liz Clark, Kyle Johnson, Johnson Builders & Realtors, Ryan Weber, Douglas Kahl, Wold Architects, John Landgaard, District 518, Ben Weber, Bob Buysse, Virginia Buysse, Cory Greenway, YMCA, Ryan McGaughey, The Globe and other members of the community

The Pledge of Allegiance was recited.

AGENDA CLOSED / APPROVED

A motion was made by Council Member Harmon, seconded by Council Member Ernst and unanimously carried to approve the agenda as presented.

CONSENT AGENDA APPROVED

The motion was made by Council Member Janssen, seconded by Council Member Cummings and unanimously carried to approve the consent agenda as presented.

- City Council Minutes of Regular Meeting of January 27, 2020
- Convention & Visitors Bureau Board of Directors Meeting Minutes of December 10, 2019
- Application for Exemption from Lawful Gambling Permit - Pheasants Forever - Nobles County Chapter #14
- Application for Temporary On-Sale Liquor License - Avera Medical Group Worthington
- Bills payable and totaling \$1,931,697.71 be ordered paid

PUBLIC HEARING AND RESOLUTION NO. 2020-02-08 ADOPTING A MODIFICATION TO THE REDEVELOPMENT PLAN FOR REDEVELOPMENT PROJECT NO. 5; AND ESTABLISHING TAX INCREMENT FINANCING DISTRICT NO. 18 THOMPSON HOTEL THEREIN AND ADOPTING A TAX INCREMENT FINANCING PLAN THEREFOR AND RESOLUTION NO. 2020-02-09 AUTHORIZING AN INTERFUND LOAN FOR ADVANCE OF CERTAIN COSTS IN CONNECTION WITH TAX INCREMENT FINANCING DISTRICT NO. 18: THOMPSON HOTEL

Pursuant to published notice this was the time and date set for the public hearing on the Modification to the Redevelopment Plan for the Redevelopment Project No. 5 and Establishing Tax Increment

Financing District No. 18 Thompson Hotel therein and Adopting a Tax Increment Financing Plan therefor and authorizing an Interfund Loan for advance of certain costs in connection with Tax Increment Financing District No. 18: Thompson Hotel.

A motion was made by Council Member Cummings, seconded by Council Member Oberloh and unanimously carried to open the hearing.

Jason Brisson, Assistant City Administrator/Director of Economic Development, reviewed the time line of the last couple of years for the Thompson Hotel property, located at 1009 Third Avenue in downtown Worthington.

Mr. Brisson said on September 12, 2019 the property was sold to Clark Unlimited Properties, LLC. On October 28, 2019 the City Council stated its support in pursuing the establishment of a new redevelopment tax increment financing (TIF) district to assist in rehabilitating the Hotel Thompson property and approved up to \$103,560 in upfront assistance for the project. On December 9, 2019, the property was closed on by the private developer. On January 27, 2020, the City Council moved to provide another \$82,840 in upfront assistance for the project by purchasing roofing materials included in the sale from the developer. The transaction was to be finalized once the City receives the funds from its assessment on the property from Nobles County.

Rebecca Kurtz, Ehlers & Associates provided an overview of the proposed TIF plan. Ms. Kurtz said that there are some unknowns until the final value is determined after the project is completed. Right now they are using \$75.00 per square foot for the retail spaces and \$100.00 per residential unit. They are currently working with the developer to identify the expenses but early estimates indicate that the City would retain 10% for administrative services which is the maximum amount. Based on the developer's proposed plan for the property and the maximum of 26 years of tax increment, there is a potential for approximately \$4,473,519 available for eligible expenditures, including interest, to assist with facilitating the redevelopment. Ms. Kurtz noted at the end of the plan the City would be allowed to use a portion of this district on another area of redevelopment.

Bob Buysse, Clark Unlimited Properties, LLC said the support from the community is the main reason that they are pursuing the project. He said it will fill a need and a purpose along with transforming a landmark building. He explained they are planning a 41 unit workforce housing project. They have already put a new boiler in and the roof is almost finished, they are planning to have the front of building project done by Turkey Day and then move on with the 2nd and 3rd floor with the whole project finished in approximately a year and a half. He thanked Council for the support and said they look forward to working with them.

Mayor Kuhle asked if there was anyone that would like to speak for or against the modification to the redevelopment plan. No comments were received.

A motion was made by Council Member Oberloh, seconded by Council Member Janssen and unanimously carried to close the hearing.

A motion was made by Council Member Oberloh, seconded by Council Member Harmon and unanimously carried to adopt the following resolutions:

RESOLUTION NO. 2020-02-08

A RESOLUTION ADOPTING A MODIFICATION TO THE REDEVELOPMENT PLAN FOR REDEVELOPMENT PROJECT NO. 5; AND ESTABLISHING TAX INCREMENT FINANCING DISTRICT NO. 18 THOMPSON HOTEL THEREIN AND ADOPTING A TAX INCREMENT FINANCING PLAN THEREFOR

(Refer to Ordinance File for complete copy of Resolution)

RESOLUTION NO. 2020-02-09

A RESOLUTION AUTHORIZING AN INTERFUND LOAN FOR ADVANCE OF CERTAIN COSTS IN CONNECTION WITH TAX INCREMENT FINANCING DISTRICT NO. 18: THOMPSON HOTEL

(Refer to Ordinance File for complete copy of Resolution)

RESOLUTION NO. 2020-02-10 APPOINTING ELECTION JUDGES AND ALTERNATES FOR THE MARCH 3, 2020 PRESIDENTIAL NOMINATION PRIMARY ELECTION

Steve Robinson, City Administrator, stated State Statute 204B.21 Subd, 2 states that election judges for precincts in a municipality shall be appointed by the governing body of the municipality before the election at which they will serve, for the March 3, 2020 Presidential Nomination Primary Election. In addition, the statute provides that municipalities may by resolution authorize the City Clerk to appoint additional or alternate judges should the need arise for the Presidential Nomination Primary Election.

A motion was made by Council Member Harmon, seconded by Council Member Cummings and unanimously carried to adopt the following resolution:

RESOLUTION NO. 2020-02-10

A RESOLUTION APPOINTING ELECTION JUDGES AND ALTERNATES FOR THE MARCH 3, 2020 PRESIDENTIAL NOMINATION PRIMARY ELECTION

(Refer to Ordinance File for complete copy of Resolution)

WORTHINGTON EVENT CENTER PROPOSED RENTAL FEE ADJUSTMENTS APPROVED

Steve Robinson, City Administrator, stated that Article 5.2.1 of the Worthington Event Center Management Agreement requires City Council to establish the fees for use of the facility based on recommendations from the Center's management group. Fees are to be competitive with facilities that are similar to the Event Center. Council established the initial rental rates in October 2012. Rates were adjusted in October 2013, December 2015 and March 2017.

Dave Mallak was present via telephone and said a survey was done using items that were comparable to area venues and the proposed rates fall in the middle range and are competitive with the area venues.

A motion was made by Council Member Harmon, seconded by Council Member Ernst and unanimously carried to approve the Worthington Event Center Proposed Rental Fee Adjustments as presented.

INFORMATIONAL ITEM - 2020 LOCAL BOARD OF APPEAL/EQUALIZATION

Staff stated the City received notification from the Nobles County Assessor's Office that the Local Board of Appeal/Equalization for the City of Worthington has been scheduled for 9:00 a.m. on Thursday, April 30th, in the Nobles County Commissioners Room. If required, the meeting would continue to a future date in City Hall Council Chambers.

RESOLUTION NO. 2020-02-11 APPROVING STATE OF MINNESOTA JOINT POWERS AGREEMENT WITH THE CITY OF WORTHINGTON ON BEHALF OF ITS POLICE DEPARTMENT REGARDING THE MINNESOTA HUMAN TRAFFICKING INVESTIGATORS TASK FORCE (MNHITF)

Troy Appel, Public Safety Director, stated the Worthington Police Department is seeking authorization to continue participation in a Joint Powers Agreement with the State of Minnesota Human Trafficking Investigators Task Force. The purpose of the Task Force is to use a three-pronged approach of prevention, education and enforcement to combat human trafficking and the sexual exploitation of children.

He said Worthington Police Officers will work with State of Minnesota Special Agents and other officers on a part time basis to investigate and deter human trafficking crime committed by organized groups or individuals. A team of State Agents has assisted Worthington Officers with larger scale investigations in Worthington.

A motion was made by Council Member Cummings, seconded by Council Member Ernst and unanimously carried to adopt the following resolution:

RESOLUTION NO. 2020-02-11

A RESOLUTION APPROVING STATE OF MINNESOTA JOINT POWERS AGREEMENT WITH THE CITY OF WORTHINGTON ON BEHALF OF ITS POLICE DEPARTMENT REGARDING THE MINNESOTA HUMAN TRAFFICKING INVESTIGATORS TASK FORCE (MNHITF)

(Refer to Ordinance File for complete copy of Resolution)

PHASE ONE SALES TAX - PARK BATHROOM AND SHELTER BUILDING PLANS AND AUTHORIZATION FOR BIDS APPROVED

Todd Wietzema, Public Works Director, explained one of the approved uses of this new sales tax, was for Park Improvements. Staff has started to work on what will be Phase One Park Improvements, which include; a new shelter at Centennial Park, bathroom and shelter at Slater Park, and a new restroom and storage facility at Buss Field. He said our architects from the firm of Short Elliott Hendrickson, Inc. have finalized our plans and construction documents for the phase one projects and we are now ready to advertise for bids. The plans have been reviewed and endorsed by the Park and Recreation Advisory Board. The proposed bidding schedule, if approved by council, would be as follows:

- February 12, 2020 - Advertisement for Bids
- March 5, 2020 - Bid Opening
- March 9, 2020 - Council consideration of awarding contract

Mr. Wietzema said that the architects feel that a completion date of late June is possible for Centennial Park and the rest of the parks by late summer early fall.

A motion was made by Council Member Ernst, seconded by Council Member Harmon and unanimously carried to approve the Advertisement for bids relating to the Phase One Sales Tax - Park Bathroom and Shelter Building Plans.

2020 YMCA PROGRAM FEES APPROVED

Todd Wietzema, Public Works Director stated the Park and Recreation Advisory Board has reviewed and endorsed the proposed 2020 YMCA summer program fees. The programs include the YMCA's Fun and Adventure Day Camp and Summer Sports Programs. Cory Greenway, YMCA Program Coordinator stated that the day camp numbers keep growing from year to year, there were 265

participants in 2019. Mr. Wietzema stated the YMCA proposes no increase from the 2019 Day Camp fees and no increase to the Summer Sports Programs fees.

A motion was made by Council Member Cummings, seconded by Council Member Harmon and unanimously carried to approve the 2020 YMCA Program Fees.

BEACH NOOK LEASE APPROVED

Todd Wietzema stated the Park and Recreation Advisory Board reviewed and endorsed a proposed contract with Patricia Arnt (Lessee) to operate the concession area of the Centennial beach house. He explained that Mrs. Arnt would like to purchase some new equipment for her concession area, but would like some assurances that she would be able to continue to operate out of the Beach Nook concession area. After talking with staff it was agreed upon that the city would enter into a five year agreement with Mrs. Arnt. Mr. Wietzema explained under the terms of the contract, the Lessee agrees to be open for business every day between Memorial Day and Labor Day weather permitting. The Lessee shall be paid a sum of \$5,000.00 in exchange for maintaining the restroom facilities, the beach area, and the concession area during the term of the lease.

Mr. Wietzema noted that a separate agreement would be done for the proposed recreation equipment rentals.

A motion was made by Council Member Oberloh, seconded by Council Member Janssen and unanimously carried to approve the five-year agreement with Patricia Arnt to operate the concession area of the Centennial beach house.

CONDITIONAL USE PERMIT - 1220 OSLO STREET: WOLD ARCHITECTS AND ENGINEERS (TROJAN FIELD)

Jeremiah Cromie, City Planner explained Wold Architects and Engineers submitted a request for a conditional use permit to allow the use of a field, buildings and grandstands in the flood plain at 1220 Oslo Street also known as “Trojan Field” owned by Independent School District No. 518 (ISD 518). The applicant would like to have structures that are not elevated by fill or flood-proofed to the regulatory flood protection elevation, store materials below the regulatory flood protection elevation and place more than 1,000 cubic yards of fill that will not be used to elevate a structure. All three of these are only allowed with the issuance of a conditional use permit.

Mr. Cromie said the Planning Commission voted unanimously to recommend City Council approve the preliminary plat subject to the following conditions:

1. All buildings and structures over 576 square feet are dry flood-proofed to the regulatory flood protection elevation of 1575.9 feet;

2. All accessory structures 576 square feet and less are wet flood-proofed;
3. All buildings and structures comply with Minnesota State Administrative Rules Chapter 1335;
4. All materials that in the time of flooding, are buoyant, flammable, explosive, or could be injurious to human, animal, or plant life shall be stored at or above the regulatory flood protection elevation of 1575.9 feet, flood-proofed, or protected by structural measures in accordance with Minnesota Statute 6120.5800 Subp. 4(F);
5. The grading, drainage and erosion control plan shown in Exhibit 2C be amended to not have fill encroach into the Floodway;
6. The site be in accordance with the Paving and Geometric Plan in Exhibit 2D;
7. Receiving no negative comments from the Department of Natural Resources (DNR); and
8. The site complies with all applicable local, state and federal regulations.

A motion was made by Council Member Oberloh, seconded by Council Member Harmon and carried to approve the Condition Use Permit - 1220 Oslo Street (Trojan Field). Council Members voting in favor of the motion were Cummings, Harmon, Janssen, and Oberloh. Council Member Ernst recused herself from voting.

CONDITIONAL USE PERMIT - 1211 CLARY STREET: WOLD ARCHITECTS AND ENGINEERS (WORTHINGTON HIGH SCHOOL)

Jeremiah Cromie, City Planner, explained Wold Architects and Engineers submitted a request for a conditional use permit to allow a 2nd story addition of 11,740 square feet and physical outward expansion of approximately 510 square foot space for an elevator and staircase to Worthington High School at 1211 Clary Street owned by Independent School District No. 518 (ISD 518). The land use of public institutional and cultural is only allowed in an “R-3” district, its current designation, with the issuance of a conditional use permit.

Mr. Cromie said the Planning Commission voted unanimously to recommend the City Council approve the conditional use permit subject to the following conditions:

1. The proposed addition conforms to the location shown on the site plan in Exhibit 3B-1.
2. The site complies with all local, state and federal regulations.

A motion was made by Council Member Cummings, seconded by Council Member Janssen and carried to approve the Conditional Use Permit - 1211 Clary Street (Worthington High School). Council Members voting in favor of the motion: Cummings, Harmon, Janssen, and Oberloh. Council Member Ernst recused herself from voting.

FIRST READING PROPOSED ORDINANCE TO AMEND TITLE XV OF THE CITY CODE OF WORTHINGTON, NOBLES COUNTY, MINNESOTA - PROPOSED TEXT AMENDMENT – CITY OF WORTHINGTON (COMMERCIAL TOWERS IN RESIDENTIAL DISTRICTS)

Jeremiah Cromie, City Planner, explained at the Planning Commission meeting on January 7, 2020, it was discussed about restricting commercial towers in residential districts to only be on school, hospital and other institutional uses after discovering that commercial towers could be allowed in residential districts as long as they were the height of the tower away from any adjacent property line. The proposed text amendment is to address the issue and restrict commercial towers in residential districts to only be on principal land uses of schools, hospitals or other institutional uses.

Mr. Cromie said the Planning Commission considered the proposed text amendment at its February 4, 2020 meeting. After holding a public hearing, the Commission voted unanimously to approve the proposed text ordinance. The Commission's recommendation was based on the following considerations:

Towers in a residential district are an unwelcome sight to many as they hinder views, cast long shadows and could have serious physical consequences if they were to fall over. The following text amendment addressed these by placing limits on where commercial towers can go in residential districts. The ordinance would create a new definition in Section §155.010 for Commercial Communication Towers and modifies Section §155.072 to disallow commercial communication towers in residential districts unless the principal land use is a school, hospital or other institutional use as shown in the modifications below in red and italics:

§ 155.010 DEFINITIONS; RULES OF CONSTRUCTION AND INTERPRETATION.

COMMERCIAL COMMUNICATION TOWER. Any pole, monopole, lattice, guyed tower, spires or structure intended primarily for the purpose of mounting an antenna, meteorological device or similar apparatus above grade for commercial purposes subject to the requirements contained within 155.072.

§ 155.072 GENERAL PROVISIONS.

(A) Uses. Table 5 designates the only uses permitted in the various residential districts *except for 155.072 (F)*. To determine the districts where a use is permitted, find the use in the first column, the use is permitted in those districts directly above each mark in the line of the use. If a mark is a "P,"

the use is permitted; if the mark is an "S," the use is a conditional use; if marked an "A," the use is an accessory use; and if marked "-" the use is not permitted in the district.

(B) *Density*. Table 1 designates the minimum lot size in area in square feet (or acres when indicated) and width in feet, the minimum yard setback for front, rear and side yards in feet, the clear passage to be maintained along a side yard in feet, the maximum height in feet and stories, the maximum floor area ratio, and the minimum floor area in square feet required of dwelling units. To determine the requirement for each district, find the category in the first column, the requirement for the category is found on the line directly below the designated district.

(C) *Parking*. Table 2 designates the minimum required parking and loading spaces by type of use.

(D) *Location of certain nonresidential uses*.

(1) Any commercial use except mortuaries *and commercial towers*, located in a residential district shall be in a building devoted primarily to a residential use and the entrance to the nonresidential use shall be from within the building.

(2) Parking lots to be located within a residential district shall be approved only after review of its location and features by the Administrator. The Administrator may make conditions for approval of use.

(E) *Variable setback regulations*. Notwithstanding the provisions of this chapter to the contrary, in order to provide maximum flexibility to owners of property on which construction has not occurred, the owner may elect to adopt a variable setback plan. Under the plan the setback may be reduced to not less than 25 feet, providing the following conditions are met:

(1) The minimum average setback of all structures on the same side of the street in a single block shall be at least 30 feet.

(2) The maximum difference in setback on two contiguous lots shall be ten feet.

(3) No more than two contiguous lots shall have the same front yard setback.

(4) Any lot in a proposed development that is adjacent to a previously developed lot, shall use the standard minimum front yard setback.

(5) This option shall apply only to a minimum of four or more contiguous lots on the same side of the street in a single block.

(6) The owner shall adopt the variable plan by filing with the Zoning Administrator a map of the lots affected. The map shall show in sufficient detail the setback selected for each such

lot. The owner shall include in any instrument conveying title to such a lot a stipulation of the designated setback for such lot. Prior to the conveyance of the first lot included in such plan, the owner may file with the Zoning Administrator an amended plan revising the setbacks; provided, however, that the amended plan meets all of the requirements of this section. After the sale of the first lot included in such plan, no changes may be made unless agreed to by at least 75% of the owners of lots included in the plan provided that the change meets all of the requirements of this section. Such changes shall be made in the form of an amended plan filed with the Zoning Administrator and signed by the required number of owners.

(F) Commercial Towers are not permitted in Residential Districts unless the principal land use is a school, hospital or other institutional use. Any commercial tower accessory to a school, hospital or other institutional use over 50 feet in height requires a conditional use permit in accordance with §155.186.

After discussion council agreed to add clarifying language clearly identifying tower use for institutions.

A motion was made by Council Member Oberloh, seconded by Council Member Harmon and unanimously carried to give a first reading to the proposed ordinance subject to language additions clearly identifying institutions.

FIRST READING PROPOSED ORDINANCE TO AMEND TITLE XV OF THE CITY CODE OF WORTHINGTON, NOBLES COUNTY, MINNESOTA

Jeremiah Cromie, City Planner, explained at the January 7, 2020 Planning Commission Meeting, outdoor service areas were discussed, mostly for private property. This discussion came after a local business owner was wondering about putting seats on the sidewalk. Staff explained that there are no regulations regarding outdoor seating areas on public or private property currently and this could potentially create conflicts in the future. The Commission noted that they would like to keep the regulations for outdoor seating on private property simple and not overbearing and did not want to require conditional use permits for it unless it had a lot of outdoor seating.

City Council also discussed the matter at their January 22, 2020 Special City Council Meeting and did not want to see a conditional use permit or many regulations to private outdoor seating areas but enough that they would have grounds to go against someone if they were causing problems.

Mr. Cromie said the Planning Commission considered the proposed text amendment and voted unanimously to recommend the City Council approve the proposed text ordinance. The Commission's recommendation was based on the following considerations:

To help prevent conflicts for outdoor seating areas and have some general rules in place, the following language is proposed to be updated in the City's Zoning Code:

Create a new land use in Section 155: Appendix E Table 5 entitled "Outdoor Seating Areas" defined as "*An outdoor seating/serving area compact and contiguous to a bar, tavern, restaurant, café, coffee shop, brewery, brewpub, or distillery subject to §155.085(G)*" that are permitted by right in a "B-2", "B-3", "B-4" district.

This ordinance would also create a new subsection in 155.085 General Provisions that would include the following provisions:

Outdoor Seating Areas

(G) All outdoor seating areas are subject to the requirements below:

- 1. All outdoor seating areas shall comply with the City Code requirements of §92.56*
- 2. The outdoor seating area shall be designated by screening, fences, planters, markings or paint.*
- 3. The business owner shall be responsible to ensure that the service area is properly maintained and litter-free.*
- 4. Outdoor lighting for the service area shall comply with City Code requirements §155.044(A)(3)*
- 5. All outdoor seating areas shall conform to accessibility standards*
- 6. No additional parking is required for 30 outdoor seats or less. Any additional seating over 30 seats shall provide required parking based on the parking requirements for restaurants located in City Code Chapter 155 Appendix B.*
- 7. Any outdoor service areas where alcohol is permitted shall comply with the City Code Chapter 111.*

A motion was made by Council Member Janssen, seconded by Council Member Oberloh and unanimously carried to give a first reading to the proposed ordinance.

FIRST READING PROPOSED ORDINANCE TO AMEND TITLE XV OF THE CITY CODE OF WORTHINGTON, NOBLES COUNTY, MINNESOTA, TO REZONE PROPERTY FROM "TZ" (TRANSITION ZONE) TO "R-1" (ONE FAMILY DETACHED)-CHANGE OF ZONE - PARCEL #31-3997-000

Staff presented a proposed ordinance to consider a change of zone of approximately 2.15 acres that the City of Worthington owns North of Sutherland Drive and approximately 120 feet West of Sterling Avenue The City is considering rezoning the property from its current "TZ" Transitional Zone designation to "R-1" - One Family Detached designation. The legal description of the property

under consideration is as follows:

That part of the Southeast Quarter of the Northeast Quarter of Section 28, Township 102 North, Range 40 West, City of Worthington, Nobles County, Minnesota, lying west of Glenwood Heights First Addition, City of Worthington, Nobles County, Minnesota, according to the recorded plat thereof, and north of the south line of said Glenwood Heights First Addition projected westerly.

Jeremiah Cromie, City Planner stated the Planning Commission considered the application and voted unanimously to recommend the City Council approve the requested change of zone.

A motion was made by Council Member Oberloh, seconded by Council Member Cummings and unanimously carried to give a first reading to the proposed ordinance.

COUNCIL COMMITTEE REPORTS

Mayor Kuhle - No report.

Council Member Janssen - No report.

Council Member Oberloh - Reported he is on the building committee for the Armory project. If Council is interested he could see if they could do a walk through.

Council Member Cummings - No report.

Council Member Ernst - No report.

Council Member Harmon - No report.

CITY ADMINISTRATOR'S REPORT

Steve Robinson, City Administrator, asked Council Members to respond to his email asking about the proposed lobbyist to help in the bonding efforts for the WELL project.

ADJOURNMENT

The motion was made by Council Member Cummings, seconded by Council Member Ernst and unanimously carried to adjourn the meeting at 8:24 p.m.

Mindy L. Eggers, MCMC
City Clerk