

**WORTHINGTON CITY COUNCIL  
REGULAR MEETING, MARCH 15, 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: Mike Kuhle, Ron Wood, Scott Nelson, Mike Woll. Honorary Council Member: Martin Rickers. Aldermen absent: Lyle Ten Haken (excused).

Staff present: Craig Clark, City Administrator; Jim Laffrenzen, Public Works Superintendent; Brad Chapulis, Director of Community/Economic Development; Dwayne Haffield, Director of Engineering; Mike Cumiskey, Director Public Safety, Kevin Black, Mindy Eggers, City Clerk.

Others present: Randy Engell, Buetow & Associates, Kevin Flynn, Jay Jensen, Mike Philips, Rick Von Holdt, Al Drost, Bob McCuen, Jim Bunner, KWOA; Justine Wettschreck, Daily Globe.

**HONORARY COUNCIL MEMBER**

Mayor Oberloh introduced Martin Rickers as the Honorary Council member for the months of March and April, 2011.

**AGENDA APPROVED**

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

**CONSENT AGENDA APPROVED**

The motion was made by Alderman Woll, seconded by Alderman Wood and unanimously carried to approve the Consent Agenda as follows:

- City Council Minutes of Regular Meeting February 28, 2011.
- Minutes of Boards and Commissions - Planning Commission/Board of Appeals Minutes of March 1, 2011; Airport Advisory Board Minutes of March 1, 2011
- Application for Off-Sale Beer License as follows:
  - Applicant: ASTRUP Drug, Inc. - Sterling Drug, 511 Tenth Street
- All Hazards Mitigation Plan
- Bills payable and totaling \$600,676.97 be ordered paid

**SECOND READING PROPOSED ORDINANCE - CHANGE OF ZONE FROM "M-1" AND "M-2" GENERAL MANUFACTURING TO "B-2" CENTRAL BUSINESS DISTRICT**

A motion was made by Alderman Kuhle, seconded by Alderman Wood and unanimously carried to give a second reading to a proposed ordinance that would rezone property owned by the City of Worthington and Rickbeil's Inc. from its current "M-1" and "M-2" General Manufacturing designations to "B-2" Central Business District as follows:

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The following legally described area, presently included in the "M-1" and "M-2" districts, shall henceforth be included in the "B-2" district:

All of Block 3, Original Plat, City of Worthington, Nobles County, Minnesota.

Together with,

That part of Auditor's Subdivision of Block 2, Original Plat, City of Worthington, Nobles County, Minnesota, and that part of the SE $\frac{1}{4}$ SE $\frac{1}{4}$  and Government Lots 4 and 5 of Section 23, Township 102N, Range 40W, City of Worthington, Nobles County, Minnesota, and that part of the NE $\frac{1}{4}$ NE $\frac{1}{4}$  and Government Lots 1 and 2 of Section 26, Township 102N, Range 40W, City of Worthington, Nobles County, Minnesota, described as follows:

Beginning at the most northerly corner of Auditor's Subdivision of Block 2, Original Plat, City of Worthington, Nobles County, Minnesota, according to the recorded plat thereof; thence on an assumed bearing of south 42°09'26" east, along the northeasterly line of said Auditor's Subdivision, a distance of 220.00 feet; thence north 47°52'16" east a distance of 313.00 feet; thence south 42°07'44" east a distance of 50.87 feet; thence south 43°45'51" west a distance of 92.95 feet; thence south 44°03'32" west a distance of 80.89 feet; thence south 42°04'02" east a distance of 0.50 feet; thence south 47°56' west a distance of 557.55 feet to the southeasterly extension of the northeasterly line of Lot 12 of said Auditor's Subdivision; thence north 42°09'27" west, along said southeasterly extension, a distance of 18.80 feet to the most easterly corner of said Lot 12; thence continuing north 42°09'27" west, along the northeasterly line of said Lot 12, a distance of 140.02 feet to the most northerly corner of said Lot 12; thence south 47°52'26" west, along the northwesterly line of said Lot 12, a distance of 30.00 feet to the southwesterly line of the northeasterly 30.00 feet of said Lot 12; thence south 42°09'27" east, along said southwesterly line, a distance of 140.02 feet to the southeasterly line of said Auditor's Subdivision; thence south 47°52'16" west, along said southeasterly line, a distance of 448.53 feet to the east line of Government Lot 2 of said Section 26; thence south 0°29'15" east, along said east line and the southeasterly line of said Auditor's Subdivision, a distance of 8.02 feet; thence south 47°52'27" west, along said southeasterly line, a distance of 69.96 feet to the northeasterly line of the southwesterly 6.00 feet of Lot 19 of said Auditor's Subdivision; thence northwesterly, along said northeasterly line, along a non-tangential curve, concave to the northeast, having a radius of 1141.83 feet, a central angle of 13°48'33", the chord of said curve bears north 31°44'19" west, a chord distance of 274.53 feet, an arc distance of 275.20 feet to the northwesterly line of said Auditor's Subdivision; thence north 47°52'26" east, along said northwesterly line, a distance of 922.17 feet to the point of beginning.

Together with,

That part of the Southeast Quarter of the Southeast Fractional Quarter of Section 23, Township 102 North, Range 40 West of the 5th P.M., bounded as follows: Beginning at the point of intersection of the southeasterly extension of the southwesterly line of Tenth Street and the southeasterly line of First Avenue; thence northeasterly along said southeasterly line of First Avenue, a distance of 90 feet; thence southeasterly, along a line at right angles to the last described course, an approximate distance of 46 feet to a point distant 9 feet northwesterly, as measured at right angles, from the center line of a Spur Track (I.C.C. No. 158) of the Chicago, St. Paul, Minneapolis and Omaha Railway Company, as said track is now located and established; thence southwesterly, along a line parallel with said Spur Track center line, a distance of 90 feet, more or less, to the point of intersection of said southeasterly extension of the southwesterly line of Tenth Street; thence northwesterly, along said extension of the southwesterly line of Tenth Street, to the point of beginning.

and

That part of the Southeast Quarter of the Southeast Fractional Quarter of Section 23, Township 102 North, Range 40 West of the 5th P.M., bounded as follows: on the northwest by the southeasterly line of First Avenue; on the southwest by a line drawn at right angles to said southeasterly line of First Avenue from a point on said southeasterly line which is distant 313 feet northeasterly, as measured along said southeasterly line, from the southeasterly extension of the southwesterly line of Ninth Street; on the southeast by a line drawn parallel with and distance 50 feet northwesterly, as measured at right angles, from the center line of the main track of the Chicago, St. Paul, Minneapolis and Omaha Railway Company, as now located and established; and on the northeast by the southeasterly extension of the southwesterly line of Tenth Street. Except easements of record.

**APPROVED AUTHORIZATION DESIGN DEVELOPMENT PHASE FOR NEW FIRE STATION**

The Fire Station Committee has met with Randy Engel, primary architect, eight times during site feasibility, the programmed space study and the schematic design phase. The Fire Station Committee has approved and recommended Conceptual Site Plan 2 iteration M for Council's approval and was seeking authorization to proceed to the Design Development Phase. Mr. Engel was present and presented the executive summary, the cost estimates for Fire Station with and without ambulance and helipad, Plan M Elevation, Site Plan and Floor Plan. Total estimated project cost is \$4,420,000. Council held discussion and asked questions of Mr. Engel, Police Chief Cumiskey and Fire Chief Von Holdt on the proposed schematic design as presented. A motion was made by Alderman Woll, seconded by Alderman Wood and unanimously carried to accept the schematic design as presented and to move into the design phase.

**RESOLUTION NO. 3461 ADOPTED CONCURRING WITH THE WATER AND LIGHT COMMISSION REGARDING THE SALE OF \$1,300,000 ELECTRIC REVENUE REFUND BONDS**

At their March 14, 2011 meeting the Water & Light Commission adopted Resolution No. 2011-1 Authorizing the Sale of \$1,300,000 Electric Revenue Refund Bonds.

The motion was made by Alderman Wood, seconded by Alderman Woll and carried to adopt the following Resolution concurring with the action of the Water and Light Commission;

RESOLUTION NO. 3461

RESOLUTION CONCURRING IN THE ACTION OF THE WATER AND LIGHT COMMISSION OF THE CITY OF WORTHINGTON, MINNESOTA, IN PROVIDING FOR THE SALE AND ISSUANCE OF \$1,300,000 ELECTRIC REVENUE REFUNDING BONDS, SERIES 2011A

(Refer to Resolution File for complete copy of Resolution)

**APPROVED PROPOSAL FOR THE PURCHASE OF MOWING EQUIPMENT AT PRAIRIE VIEW GOLF LINKS**

Staff presented a proposal for the purchase of a new fairway mower and a new rough mower to replace a 1995 fairway mower and add a rough mower to improve efficiency at the golf course and to reduce equipment repair costs. The new equipment would carry a 2 year warranty on parts and labor.

Quotes were obtained from MTI in Minneapolis and TurfWerks in Sioux Falls for the two pieces of mowing equipment.

A financing agreement with MTI would result in a total cost for the equipment of \$92,050 which includes \$7,031 in finance charges (4.5% interest rate).

A financing agreement TurfWerks would result in a total cost for the equipment of \$95,075 which includes \$7,738 in finance charges (5.0% interest rate).

When preparing the 2011 year budget, the intention was to pursue a lease with an outside agency and was to be funded annually from the operating budget, which allocated \$20,300 in the 2011 budget. Because only financing is available to municipalities, not true leases, staff believes that an internal fund is the best option to pursue at this time.

An interfund loan through the City at an interest rate of 1½ percent would result in total cost for the equipment of \$87,346 which includes \$2,827 in finance charges. The interfund loan would result in finance savings of \$4,204 over the length of the loan.

It is staff's recommendation that the equipment be purchased from MTI with an interfund loan with an initial payment of \$20,300 to come from monies in the current year budget, with annual payments of \$22,349 to be budgeted for in 2012, 2013, and 2014.

Following discussion, the motion was made by Ron Wood, seconded by Mike Woll to approve the equipment purchase from MTI and the interfund loan with the initial payment of \$20,300. The following Aldermen voted in favor of the motion: Woll, Wood, Nelson, and the following Aldermen voting against the same: Kuhle. Motion passed.

### **REQUEST FOR AIRPORT HANGAR PROJECT APPROVED**

Jim Laffrenzen, Director of Public Works explained that in December the Airport Advisory Board was contacted by the local aerial agriculture chemical spray operator based at the airport to request that the Board consider constructing a hangar capable of housing an aircraft he purchased. Upon learning the aircraft has a wing span of 54 feet, it was quickly determined there wasn't a hangar at the airport capable of permitting access since the widest door is 49 feet. To meet his needs the hangar would need to be specifically designed rather than what was originally planned, which was to build a standard designed hangar. Mr. Laffrenzen stated that the operator has been informed that

if a hangar was designed and built to meet his needs that the current lease rates would not apply, therefore a Memorandum of Understanding would need to be drafted to assure his commitment to an established lease rate for the portion of the hangar designed to meet his needs. Staff has met with the operator and an agreement has been signed at the monthly rate of \$712.49. The monthly rent shall be calculated by fully amortizing the actual cost of the construction of the specified bay over a 20 year period using an interest rate of 2.40%.

Mr. Laffrenzen stated that the Board and staff have worked with Mead & Hunt, Inc. To design a hangar to not only meet the needs of the operator but also construct additional "T" hangar bays to permit the ability to market hangar space to potential aircraft owners who would desire to base at Worthington and yet stay in the allocated funds for the project. In working with the consultant 2 options are shown, a three unit hangar and a five unit hangar each option presented based upon the engineers estimates would be within budget.

The board recommends and is requesting that Council approve to seek bids for a three-unit hangar with a bid alternate of a five-unit hangar. If the alternate five-unit hangar comes in below the engineers estimate, the Board would then request Council to award the contract for the five-unit hangar at the time of consideration to award the bid.

As discussion was held Council questioned the size of the door that is in the T Hangar proposal since it's only 58 feet and the operator's plane wing span is 54 feet. Mr. Laffrenzen stated that the operator is aware and agreeable to the proposed size. Mr. Laffrenzen explained that there would be a considerable cost increase if changes were made. Alderman Wood expressed concern that we are looking at a 20 year lease that at any time could be shortened and then the City would have this large hangar that may not be used and the City should have an alternate use in mind if this were to happen. The Mayor stated that the operator would be paying more rent than would be charged for the six individual hangars. Alderman Woll stated that he is somewhat concerned that communities are building these hangars to get people in but also acknowledged that agricultural crop spraying isn't going anywhere anytime soon and the fact that we have a spray pad makes our airport a premiere location for an aerial sprayer. Administrator Clark explained that the Advisory Board and staff has taken the initiative and understands the importance of the airport for casual flyers as well as for business development.

Mr. Laffrenzen stated that there are constraints on the funding as the State Engineer is holding the funding open for us but we need to move forward quickly to take advantage of the funding opportunity.

A motion was made by Alderman Woll, seconded by Alderman Kuhle and unanimously carried to work with Mead & Hunt and consider a larger door and move forward with bid requests for construction of a the three unit hangar with a five unit as a bid alternate.

**APPROVED PETITION TO VACATE PORTIONS OF FIRST AVENUE AND NINTH STREET**

Staff presented a petition to vacate portions of First Avenue and Ninth Street. The City Charter requires submission of a petition of owners of more than fifty percent of the property within a distance of three hundred feet in each direction from the ends of the street. A petition for vacating these portions of First Avenue and Ninth Street required for construction of the proposed fire station has been circulated and executed by owners of more than fifty percent of the owners within three hundred feet of the street segment. Staff is recommending that the Council authorize the Mayor and Clerk to execute the petition and the standard application form used for vacation of a public way. Once this is completed the proposed street vacation will be forwarded to the Planning Commission for a public hearing.

A motion was made by Alderman Woll, seconded by Alderman Kuhle and unanimously carried to execute the Petition to vacate portions of First Avenue and Ninth Street and the standard application form.

**APPROVED SPECIAL USE PERMIT - LOTS 1 & 2, BLOCK 1, WOODLAND RIDGE ADDITION**

Brad Chapulis, Director of Community/Economic Development, stated that an application has been submitted by Bob McCuen for the issuance of a special use permit for property owned by FDAC, L.L.C., directly southwest of the intersection of Knollwood Drive and Woodland Court and legally described as: Lots 1 and 2, Block 1, Woodland Ridge Addition, City of Worthington, Nobles County, Minnesota. With this special use permit the applicant would be allowed to construct a tri-plex on the identified property. Staff stated the property is located within the "R-1" - Single Detached Residential District. Duplexes, tri-plexes and multi family housing are only permissible through the issuance of a special use permit in the "R-1" District. The Planning Commission considered the change of zone application at its February 1, 2011, meeting. It is the Commission's opinion that the proposed development would be within the unit density range outlined in the City's Comprehensive Plan.

Mr. Chapulis stated that it is staff's and the Commission's opinion that the proposed triplex development would serve as a buffer between the single family residential development of Woodland Ridge and the non-residential uses to the east as well as the 1<sup>st</sup> Avenue Southwest and Knollwood Drive traffic corridors, which is the reason tri-plexes are identified as a "Special Use" in the "R-1" District.

Mr. Chapulis explained that the information was provided to all property owners in the Woodland Ridge Addition and he visited with a couple of property owners in person and there has been no

objection from any of them.

Following discussion, the motion was made by Alderman Kuhle, seconded by Alderman Nelson to approve the Special Use Permit for Lots 1 & 2, Block 1, in the Woodland Ridge Addition. The following Aldermen voted in favor of the motion: Kuhle, Nelson, Woll and the following Aldermen voting against the same: Wood. Motion passed

### **WORTHINGTON REDISCOVERED REQUEST APPROVED**

Brad Chapulis, Director of Community/Economic Development, stated on March 4, 2011, the Worthington Rediscovered Committee considered an application submitted by Ben & Krista Petersen for their proposed redevelopment of their residence at 1533 Park Avenue. Mr. Chapulis explained the proposed redevelopment project consists of demolishing the existing single family dwelling and constructing a new single family dwelling in its place. The demolition cost will be \$8,850, which is the lowest of the two quotes the Petersen's received. The new house will increase the estimated taxable value from the current \$104,100 to \$274,700 and would result in approximate 312% increase in real estate taxes.

Mr. Chapulis stated that the while the application does not pass the eye test of dilapidated housing, the Committee concluded that the house does have deficiencies that do warrant concern of long term dilapidation of the structure and issues that make it difficult to justify the reinvestment in the structure. With this, the Committee's findings were that the home is substandard. Mr. Chapulis explained that the Committee, on a 2-1 vote, recommended awarding the \$8,850 to the applicant for the demolition of the existing single family dwelling. A development contract has been drafted to outline the obligations for both parties.

Alderman Kuhle stated that he disagrees with this decision as this could lead to the domino effect and we could have many people approach the Committee with this same request. Alderman Woll and Alderman Nelson both serve on the Committee and stated that they felt that this would encourage others to reinvest in their own neighborhoods as the Committee is not in the business to push this program.

Following discussion, the motion was made by Alderman Nelson, seconded by Alderman Woll to approve the development contract awarding the applicant \$8,850 for the demolition of the existing family dwelling. The following Aldermen voted in favor of the motion: Woll, Wood, Nelson, and the following Aldermen voting against the same: Kuhle. Motion passed.

### **CONTRACT AWARDED FOR BIOSCIENCE TRAINING AND TESTING CENTER PROJECT**

Mr. Chapulis stated that the City received seven responsive bids for the Bioscience Training and

Testing Center Project and are shown as follows:

<b>Bidder</b>	<b>Base Bid + Alternates 1, 3, &amp; 4</b>
KUE Contractor's, Inc.	\$1,330,637.00
Salonek	\$1,398,700.00
ALM Builders	\$1,394,000.00
Joseph Co.	\$1,447,500.00
Wilcon	\$1,442,700.00
Merrimac Construction	\$1,478,324.00
Sussner	\$1,537,500.00

Three of the seven bids were below the architect's estimate of \$1,398,258. The low bid of the base bid and all alternates is \$67,621 under the estimated construction cost. KUE Contractors, Inc. Of Watkins, MN was the low bidder for the base bid and all combinations of alternates at a total of \$1,330,637.00.

Steve Robinson, SEH stated that construction would begin after the information is forwarded to the U.S. Economic Development Administration and the contract would be contingent on their approval. A tentative completion date of September 30, 2011 is planned.

A motion was made by Alderman Wood, seconded by Alderman Kuhle and unanimously carried to award the contract to KUE Contractors, Inc. contingent on approval from the U.S. Economic Development Administration.

### **APPROVED EVENT CENTER LOI EXTENSION**

Mr. Chapulis stated that in December, Council entered into a Letter of Intent with Cornerstone Construction to exclusively negotiate the necessary agreements for the proposed public-private partnership of the event center and hotel. Mr. Chapulis explained that staff has been working with the representatives from Cornerstone on the agreements and believe that progress is being made. However, the letter of intent is set to expire tonight. Cornerstone has agreed to extend the LOI an additional 30 days to come to terms on an agreement.

A motion was made by Alderman Wood, seconded by alderman Nelson and unanimously carried a 30 day extension on the agreement.

### **COUNCIL COMMITTEE REPORTS**

Mayor Oberloh - Attended an E.O. Olsen Meeting this morning. Also attended an Okabena-Ocheda Watershed Meeting. Would like to congratulate the Memorial Auditorium on the completed



renovation and would also like to thank the community for supporting the local option sale tax that made the renovation possible at the Auditorium.

Alderman Kuhle- Attended an Airport Board Meeting and a Marketing Meeting for the airport, postcards have been sent out to a 60 mile radius marketing our airport facility. Also attended the Memorial Auditorium ribbon cutting earlier this evening.

Alderman Nelson - Attended a Worthington Rediscovered Meeting.

Alderman Wood - Attended a MN West Housing Meeting and have been in Washington working with the legislators on the Lewis & Clark project. Also attended a Housing & Redevelopment Authority Meeting.

Alderman Woll - The Memorial Auditorium will begin having events the first week in April. Final checklists being taken care of at the Auditorium. Council will need to start working on uses for old fire hall.

### **CITY ADMINISTRATOR'S REPORT**

Craig Clark, City Administrator, reported he attended a Coalition Meeting in St. Paul. He noted that Worthington will receive the certified LGA amount in 2011. The proposed bill includes a property tax freeze on levies for those cities that receive LGA, no freeze for those cities that do not receive aid unless the city is willing to give back the LGA. In 2012 the City will receive a \$210,000 cut in the property tax division. This year the market value will be reduced by \$199,000 down to the 2010 level. In 2011 first class cities will start to see a 25% reduction and the metro cities will see a 50% reduction. By 2012 no metro cities will be getting aid. Will be attending another Coalition Meeting in St. Paul on March 23<sup>rd</sup> and a League of Minnesota Cities Meeting on the 24<sup>th</sup>, if anyone is interested please let staff know.

### **ADJOURNMENT**

The motion was made by Alderman Nelson, seconded by Alderman Kuhle and unanimously carried to adjourn the meeting at 9:24 p.m.

Mindy Eggers  
Assistant City Clerk