

**WORTHINGTON CITY COUNCIL
REGULAR MEETING, APRIL 8, 2019**

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: Larry Janssen, Alan Oberloh, Chad Cummings, Amy Ernst, Mike Harmon.

Staff present: Steve Robinson, City Administrator; Todd Wietzema, Public Works Director; Dwayne Haffield, Director of Engineering; Jason Brisson, Director of Community Development, Planning, Zoning and Building Services; Janice Oberloh, City Clerk.

Others present: Leah Ward, The Globe; Justine Wettschreck, KWOA; Linda Unger; Brad Molgard; Randy Thompson, Worthington HRA; Ben Weber; Carl Nagel; Chris Kielblock; Kari Benson Veen; Nathalie Nkashama and Eliel McNay; Kaisha Young; Adrenno Kuzer; Shannon Dela Cruz.

The Pledge of Allegiance was recited.

AGENDA CLOSED / APPROVED WITH ADDITION

Staff was requesting the addition of Item H.4. *Hotel Thompson Update* to the agenda.

The motion was made by Council Member Ernst, seconded by Council Member Cummings and unanimously carried to close / approve the agenda with the addition of Item H.5. *Hotel Thompson Update*.

CONSENT AGENDA APPROVED

The motion was made by Council Member Harmon, seconded by Council Member Janssen and unanimously carried to approve the consent agenda as follows:

- City Council Minutes - Special Meeting March 20, 2019; Regular Meeting March 25, 2019; City Council / Worthington HRA Minutes of Special Meeting April 3, 2019
- Minutes of Boards and Commissions - Water and Light Commission Minutes of March 18, 2019; Worthington Housing and Redevelopment Authority Board Minutes of February 26, 2019; Worthington Area Convention and Visitors Bureau Minutes of February 27, 2019; Southwest Regional Development Commission Minutes of January 10, 2019; NEON Committee Minutes of January 10, 2019; Planning Commission / Board of Appeals Minutes of April 2, 2019
- Bills payable and totaling \$2,524,312.44 be ordered paid

SECOND READING PROPOSED ORDINANCE - TEXT AMENDMENT TO REMOVE "L-ZONED" PROPERTIES FROM CERTAIN PROVISIONS OF CITY CODE SECTION § 155.145 (B)(2)(b)(5)

Pursuant to published notice this was the time and date for a second reading of a proposed ordinance

for a text amendment to remove "L - Zoned" properties from certain zoning provisions of City Code Section § 155.145 (B)(2)(b)(5).) as follows:

Section 1.

Title XV, Chapter 155.145, Section (B)(2)(b)(5) of the Worthington City Code is hereby amended to read as follows:

The structure or facility must not be designed or used for human habitation and, with the exception of "L" - Lakeshore zoned properties, must not contain water supply or sewage treatment facilities;

Adoption of the ordinance would allow for water supply and sewage treatment facilities in water oriented accessory structures on "L-Zoned" properties. A two-thirds vote is required to move the ordinance forward.

The motion was made by Council Member Ernst and seconded by Council Member Harmon to give a second reading to the proposed ordinance, with the following Council Members voting in favor of the motion: Janssen, Cummings, Ernst, Harmon; and the following Council Members voting against the motion: Oberloh. Motion carried.

DESIGNATION OF OFFICIAL CITY REPRESENTATIVE TO CUERO, TEXAS FOR 2019 TURKEY FEST AND AUTHORIZATION FOR REIMBURSEMENT OF HIS/HER EXPENSES

The Chamber of Commerce was requesting that the City Council designate a member of the Council as the official representative to Cuero, Texas for the 2019 Turkey Fest, so they can obtain better pricing for travel arrangements. Turkey Fest is scheduled for October 11-12, 2019, and the travel dates will be October 10th to Cuero and October 14th back to Worthington. Section 4.17 of the Worthington City Charter *Historical Partnerships*, provides that "Council may authorize expenditures for one or more designated City officials to serve as official City of Worthington representatives to Crailsheim Germany, Cuero, Texas, and such other destinations that have a historical partnership/significance to the City." Council Member Cummings represented the City of Worthington in Cuero in 2018. Mayor Kuhle said he was willing to represent the City of Worthington at Turkey Fest this year.

The motion was made by Council Member Janssen, seconded by Council Member Ernst and unanimously carried to designate Mayor Kuhle as the official representative to Cuero, Texas for Turkey Fest in October 2019, and to authorize reimbursement of his expenses.

AUTHORIZATION TO EXECUTE AIRPORT FARM LAND LEASE

The current rental lease for the 319 acres of agricultural land at the Worthington Municipal Airport was set to expire on February 28, 2020, however, the current lessee informed Staff that they would not be fulfilling the complete terms of the lease. Proposals were requested for a new two-year lease, and the following bids were received on April 8, 2019:

Paul Paplow	\$60,610.00
Matt Widboom	\$53,273.00
Richard Cross	\$40,001.00

Staff was recommending that the City enter into a two-year lease with Paul Paplow at the total proposed lease amount of \$60,610 for the airport agricultural land. Todd Wietzema, Public Works Director, said the proposal breaks down to \$190/acre. The lease would commence on April 15, 2019 and terminate February 28, 2021.

The motion was made by Council Member Oberloh, seconded by Council Member Ernst and unanimously carried to approve the two-year lease agreement between the City of Worthington and Paul Paplow for the 319 acres of agricultural land at the Worthington Municipal Airport, and to authorize the Mayor and Clerk to execute the required paperwork.

AUTHORIZATION TO EXECUTE HIGHWAY 59 FARM LAND LEASE

The current rental lease for the 63 acres of agricultural land at the Highway 59 West Industrial Park was set to expire on February 28, 2020. On January 21, 2019 the current lessee informed Staff that they would not be fulfilling the complete terms of the lease. Proposals were requested for a new two-year lease, and the following bids were received on April 8, 2019:

Paul Paplow	\$12,000.00
Matt Widboom	\$11,466.00
Richard Cross	\$10,001.00

Todd Wietzema, Public Works Director, said Staff was recommending that the City enter into a two-year lease with Paul Paplow at the total proposed lease amount of \$12,000 for the 63 acres of agricultural land at the Highway 59 West Industrial Park. The proposal breaks down to \$190/acre, and the lease would commence April 15, 2019 and terminate on February 28, 2021.

The motion was made by Council Member Oberloh, seconded by Council Member Harmon and unanimously carried to approve the two-year lease agreement between the City of Worthington and Paul Paplow for the 63 acres of agricultural land at the Highway 59 West Industrial Park, and to authorize the Mayor and Clerk to execute the required paperwork.

TASK ORDER WITH AE2S APPROVED FOR PREPARING APPLICATION FOR LETTER OF MAP REVISION (LOMR)

Staff presented a task order with AE2S for preparing an application for a letter of map revision (LOMR). Dwayne Haffield, Director of Engineering, said this project has gone on for awhile and pertains to the County Ditch 12 Flood Mitigation project. By reducing the risk, we're able to pursue a map revision which could affect a large number of homes, particularly with financing and the flood insurance requirement. Going for the LOMR would be the final step in this phase of the project. Prior to undertaking the County Ditch 12 project we submitted an application for a Conditional Letter of Map Revision (CLOMR) that tests the methodology and general engineering, and takes it through FEMA to get a new map issued. That map would then be used for flood plain management for insurance requirements. Mr. Haffield said we do need to meet some requirements, which will take some time, and includes getting a certified topographic survey of the area north of I-90. Everything will be submitted again and re-looked at, and while it should go through smoothly, he warned that even with having the CLOMR we shouldn't expect it to be 100% smooth for getting the map revision.

The task order is under the original contract with AE2S so it only looks at the scope of services. The proposed estimated fees of \$37,200 will be part of the original project cost. The estimated total project cost remains at \$4.38 million with federal funding of just under \$2.5 million, and a City share of about \$1.88 million.

In response to a question from Council Member Cummings, Mr. Haffield said a response from FEMA in less than a year would be good news. Hundreds of homes are expected to come out of the flood plain with this project.

The motion was made by Council Member Oberloh, seconded by Council Member Cummings and unanimously carried to authorize execution of Task Order No. 3 as presented.

RESOLUTION NO. 2019-04-16 ADOPTED PERTAINING TO INTENT TO BOND FOR COSTS INCURRED IN MAKING PUBLIC IMPROVEMENT

Federal tax regulations require that local governments declare the intent to reimburse themselves for prior costs incurred in making public improvements with proceeds from bonds. Dwayne Haffield, Director of Engineering, said this means the City must state their intent to sell bonds for a project after significant costs have already been incurred for the project. Staff was recommending that Council pass a resolution stating such intent as it pertains to the 2019 East Avenue Street Improvement project that was approved by Council at their March 25, 2019 meeting.

The motion was made by Council Member Cummings, seconded by Council Member Oberloh and unanimously carried to adopt the following resolution relating to public financing of certain public

improvement:

RESOLUTION NO. 2019-04-16

RELATING TO FINANCING OF CERTAIN PUBLIC IMPROVEMENT BY THE CITY OF WORTHINGTON; ESTABLISHING COMPLIANCE WITH REIMBURSEMENT BOND REGULATIONS UNDER THE INTERNAL REVENUE CODE

(Refer to Resolution File for complete copy of Resolution)

FIRST READING PROPOSED ORDINANCE - CHANGE OF ZONE - 1790 COLLEGEWAY

Jason Brisson, Director of Community Development, Planning, Zoning and Building Services, said KC Properties submitted a petition for a change of zone for property they own at 1790 Collegeway from "R-4" - Medium Density Residential to "R-5" - Multi-Family, Medium and High Density as follows:

The following legally described area, presently included in the "R-4" district, shall henceforth be included in the "R-5" district:

That part of the West Half of the Northwest Quarter of Section 22, Township 102 North, Range 40 West, City of Worthington, Nobles County, Minnesota, described as follows:

Commencing at the southeast corner of the West Half of the Northwest Quarter of said Section 22; thence on an assumed bearing of North 0 degrees 13 minutes 00 seconds East, along the east line of said West Half of the Northwest Quarter, a distance of 710.60 feet to an iron monument; thence North 89 degrees 47 minutes 00 seconds West a distance of 281.35 feet to an iron monument; thence South 0 degrees 13 minutes 00 seconds West a distance of 353.25 feet to an iron monument located on the northeasterly line of Collegeway; thence North 62 degrees 48 minutes 04 seconds West, along said northeasterly line, a distance of 56.11 feet to an iron monument said last described iron monument being the point of beginning of the tract to be described; thence North 0 degrees 13 minutes 00 seconds East a distance of 321.33 feet to an iron monument; thence North 82 degrees 25 minutes 07 seconds West a distance of 238.42 feet to an iron monument located on the easterly right-of-way line of County State Aid Highway No. 10; thence South 43 degrees 33 minutes 11 seconds West, along said easterly right-of-way line, a distance of 215.00 feet to the northeasterly line of said Collegeway; thence South 62 degrees 48 minutes 04 seconds East, along said northeasterly line, a distance of 430.91 feet to the point of beginning.

The change of zone would permit a proposed 16-unit, approximately 8,350 square foot memory care expansion of the Golden Horizons Assisted Living Facility by increasing the maximum building

coverage of the subject property from 30% to 50%.

The Planning Commission considered the request at their April 2, 2019 meeting, and after holding a public hearing, voted unanimously to recommend Council approval of the change of zone.

Brad Molgaard, Administrator of the South Shore and Crossroads Care facilities since June of 2018, was at the meeting and requested to address Council regarding the rezoning for Golden Horizons and how it relates to Crossroads Care Center, indicating it could force his facility to close. Council thanked Mr. Molgaard for his presentation, but said the consideration before them was a request and recommendation from the City's Planning Commission to rezone and his comments could not be taken into consideration at this time.

The motion was made by Council Member Cummings and seconded by Council Member Ernst to give a first reading to the proposed ordinance with the following Council Members voting in favor of the motion: Oberloh, Cummings, Ernst, Harmon; and the following Council Members voting against the motion: Janssen. Motion carried

CONDITIONAL USE PERMIT APPROVED - PROPERTY SOUTH OF 555 KRAGNESS AVENUE AT OKABENA STREET AND KRAGNESS AVENUE

Carl Nagel was seeking approval of a conditional use permit for property owned by Brian Nielsen to operate a 477 square foot warehouse south of 555 Kragness Avenue on the corner of Okabena Street and Kragness Avenue. A 432 square foot legally nonconforming warehouse currently operates on the subject property without a conditional use permit, however, any expansion of a nonconforming use must meet current zoning requirements for the zoning district. Jason Brisson, Director of Community Development, Planning, Zoning and Building Services, said warehousing is permitted in the "B-3"- General Business District, which is the zoning classification for the entire subject property, through the issuance of a conditional use permit only.

The Planning Commission considered the application at their April 2, 2019 meeting, and after holding a public hearing, voted unanimously to recommend City Council approval of the conditional use permit subject to the following conditions:

1. The development maintain compliance with City Code Chapter 97 governing abandoned and inoperable vehicles;
2. The development maintain compliance with City Code Section §155.042 governing parking and loading spaces; and
3. If at any time the development no longer meets the qualifications of a low volume occasional use, the required hard surfacing is installed within one year as outlined in City Code Section §155.042.

The motion was made by Council Member Cummings, seconded by Council Member Ernst and unanimously carried to approve the Conditional Use Permit for the property located south of 555 Kragness Avenue at Okabena Street and Kragness Avenue.

MUNICIPAL SUBSIDIES POLICY ADOPTED

At their January 23, 2019 retreat Council and Staff discussed a proposed Municipal Subsidies Policy. The intent of the policy would be to establish guidelines and criteria regarding the use of municipal subsidies such as Tax Increment Financing (TIF), tax abatement, and other business subsidies for private development projects within the city of Worthington, to see that the City's limited subsidy funds are used for the best and highest purpose to ensure maximum benefit to the City and its residents. During that discussion, several changes to the proposed policy were suggested. Jason Brisson, Director of Community Development, Planning, Zoning and Building Services, said the changes had been incorporated and Staff was requesting Council approval of the revised Subsidies Policy.

The motion was made by Council Member Cummings, seconded by Council Member Ernst and unanimously carried to adopt the Municipal Subsidies Policy as presented.

HOTEL THOMPSON UPDATE

Jason Brisson, Director of Community Development, Planning, Zoning and Building Services, said his intention tonight was to provide an update to Council on the Hotel Thompson based on legal advice received from the City Attorney following action taken at the Special City Council / HRA meeting on April 3, 2019. However, since that information had been received from the Attorney, a private party has come forward with interest in the property. At the April 3rd meeting Council determined to move forward with the roof replacement on the hotel, however, the party that came forward said they are interested in completing the roofing project themselves. Council Member Oberloh said he was contacted by two different parties who were very interested but needed to some time to get financing in order. One of those parties was interested in purchasing the roofing materials from the City and completing that project himself, if there was an opportunity to buy the materials on payments. Council and Mayor agreed to slow down in the process with the roof and any moving of tenants from the building. Mayor Kuhle expressed concern that we could fall into the same situation if the purchaser did not have adequate financing. Council Member Oberloh noted it was made pretty clear to the one party that the apartments would need to be inspected before coming on line for rental. Staff indicated they had spoken to Lighthouse Management earlier in the day regarding this potential opportunity.

COUNCIL COMMITTEE REPORTS

Mayor Kuhle - No report.

Council Member Janssen - No report.

Council Member Oberloh - Reported the ATV Committee had met again and came up with additional revisions to the proposed ATV ordinance. It is hopeful it will be ready to come to Council at their next meeting.

Council Member Cummings - No report.

Council Member Ernst - Attended a NEON meeting last week - they discussed the Pipeline Program.

Council Member Harmon - No report.

CITY ADMINISTRATOR'S REPORT

Steve Robinson, City Administrator, reported that the House Tax Committee published their All Delete amendment today - the modifications that came out two weeks ago were removed and it was restored back to the original language. A new element was included that the City will need to pass a new resolution that specifically identifies the projects, which he believes was included in the resolution already passed by Council, however, we will do it again to comply. The House Tax Committee Delete All amendment has new LGA monies that would restore LGA amounts back to the 2002 funding level. Under that proposal, Worthington would receive an additional \$176,000. This is the House version - the Senate still has their version to come out, but they probably won't address their Delete All amendment until after the Easter recess.

ADJOURNMENT

The motion was made by Council Member Ernst, seconded by Council Member Cummings and unanimously carried to adjourn the meeting at 8:16 p.m.

Janice Oberloh, MCMC
City Clerk