

**WORTHINGTON CITY COUNCIL  
REGULAR MEETING, JULY 9, 2012**

The meeting was called to order at 7:02 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. Honorary Council Member: Amy Woitalewicz.

Staff present: Craig Clark, City Administrator; Mike Cumiskey, Public Safety Director; Jim Laffrenzen, Public Works Superintendent; Brad Chapulis, Director of Community/Economic Development; Janice Oberloh, City Clerk.

Others present: Ryan McGaughey, Daily Globe; Dennis Selberg, Midge White and Josh Calsbeek, First Lutheran Church; Don Klain, Lexington Hotel Group.

**HONORARY COUNCIL MEMBER**

Mayor Oberloh welcomed Amy Woitalewicz as the Honorary Council Member for the months of June, July and August, 2012.

**AGENDA APPROVED WITH CHANGES**

Staff requested the following changes to the agenda:

- The addition of item E.6. *Approve Agreement for Sports Facilities, Evaluation, Needs Assessment and Master Plan*
- Remove item G.2. *Memorandum of Understanding - Bioverse*

The motion was made by Alderman Ten Haken, seconded by Alderman Woll and unanimously carried to approve the agenda with the requested changes.

**CONSENT AGENDA APPROVED**

The motion was made by Alderman Woll, seconded by Alderman Nelson and unanimously carried to approve the consent agenda as follows:

- City Council Minutes of Regular Meeting, June 25, 2012
- Water and Light Commission Minutes of Regular Meeting, July 2, 2012
- Application for Exemption from Lawful Gambling Permit as follows:
  - Organization: St. Mary's Catholic Church
  - CEO: Fr. James F. Callahan
  - Type of Activity: Raffles
  - Date and Location of Event: October 28, 2012  
St. Mary's Catholic School, 1206 Eighth Avenue
- City Hall Closure the Friday after Thanksgiving, November 23, 2012
- Temporary On-Sale Beer license for JBS at Centennial Park from 5:00 p.m. to 9:00 p.m. on

Saturday, July 28, 2012

- Request for Street Closure for the International Festival to block 3<sup>rd</sup> Avenue and 4<sup>th</sup> Avenue between 9<sup>th</sup> and 10<sup>th</sup> Streets from 10:00 a.m. on Friday, July 13<sup>th</sup> to 11:00 p.m. on Saturday, July 14<sup>th</sup>, 2012
- Bills payable and totaling \$912,592.97 be ordered paid

**EASEMENT GRANTED TO FIRST EVANGELICAL LUTHERAN CHURCH FOR CITY PROPERTY LOCATED AT 1215 THIRD AVENUE (CURRENT FIRE STATION)**

Representatives of the First Evangelical Lutheran Church approached the City with concern about access to their garage once the City's fire department moves to its new facility. The garage is accessible only by what was at one time the alley. Three options were identified to accommodate their garage access:

- Sell the Church a 22'x124' strip along the NW side of the current City property, to which they have proposed compensation to the City of \$3,000. This would require the City to receive an easement to access our property.
- Swap the 22'x124' strip described above for the SE 28'x52' wide part of the Church parking lot property. This would require the City to receive an easement to access our property.
- Provide an easement for the 22'x124" on the City property for \$750. This easement would terminate if the Church is sold for another purpose, is demolished or the garage ceases to be used for storage of vehicles.

An existing "handshake" agreement regarding parking for the church would no longer be in effect if the City sold the old fire hall facility.

Following discussion, with input from Church representatives, the motion was made by Alderman Woll, seconded by Alderman Kuhle to grant the easement as presented pending review by the City Attorney, for the easement amount of \$750 plus attorney fees.

**AGREEMENT BETWEEN INTERNATIONAL UNION OF OPERATING ENGINEERS (IUOE) LOCAL #49 AND CITY OF WORTHINGTON APPROVED**

The motion was made by Alderman Woll, seconded by Alderman Wood and unanimously carried to approve the International Union of Operating Engineers (IUOE) Local #49 agreement for the period January 1, 2012 through December 31, 2014, with a correction to page 13, item 18.7 to reflect the effective date of the current contract, and to afford the same conditions to the non-aligned City employees as applicable.

**ORDINANCE NO. 1057 ADOPTED VACATING PART OF PLATTED PUBLIC UTILITY EASEMENTS IN PRAIRIE EXPO FIRST ADDITION**

Pursuant to published notice this was the time and date set for the third reading of a proposed ordinance vacating part of platted public utility easements in Prairie Expo First Addition as follows:

Section I.

The following described portion of the platted public utility easement in Lot 1, Block 2, Prairie Expo First Addition, City of Worthington, Nobles County, Minnesota, be vacated:

The east 10.00 feet of the north 280.00 feet of the south  
290.00 feet of Lot 1, Block 2, Prairie Expo First Addition,  
City of Worthington, Nobles County, Minnesota.

Section II.

The following described portion of the platted public utility easement in Lot 2, Block 2, Prairie Expo First Addition, City of Worthington, Nobles County, Minnesota, be vacated:

The west 10.00 feet of the north 280.00 feet of the south  
290.00 feet of Lot 2, Block 2, Prairie Expo First Addition,  
City of Worthington, Nobles County, Minnesota.

The motion was made by Alderman Ten Haken, seconded by Alderman Kuhle and unanimously carried to give a third reading to, and subsequently adopt the following ordinance:

ORDINANCE NO. 1057

AN ORDINANCE TO VACATE PART OF PLATTED PUBLIC UTILITY EASEMENTS IN LOTS  
1 AND 2, BLOCK 2, PRAIRIE EXPO FIRST ADDITION

(Refer to Ordinance File for complete copy of Ordinance)

**ORDINANCE NO. 1058 ADOPTED AMENDING TITLE XV OF THE WORTHINGTON  
CITY CODE TO REZONE - 1415 FOURTH AVENUE**

Pursuant to published notice this was the time and date set for the third reading of a proposed ordinance amending Title XV of the Worthington City Code to rezone property located at 1415 Fourth Avenue from “R-4” One Family Detached Residential Districts to Planned Unit Development (PUD) District #11 as follows:

**SECTION I.**

That Title XV of the City Code be amended by rezoning the following described property from “R-4” One Family Detached Residential Districts to Planned Unit Development

(PUD)District #11.

All of Block 35, Plat of Worthington (Original Townsite), City of Worthington, Nobles County, Minnesota.

The above-described property shall be subject to the following zoning/land use regulations:

**Permitted Uses** - Office Services and all other permitted uses and special uses in the "R-4" - One Family Detached Residential District shall be permissible within this PUD.

**Density Area and Bulk Regulations** - All development within the PUD must comply with the following the density, area and bulk regulations established for the "R-4" District.

**Site Plan** - For the purpose of this Ordinance, the information presented in "Exhibit A" shall serve as the approved site plan for the Planned Unit Development. Any delineation from the approved plan shall require approval from the City Council, after receiving a recommendation from the Planning Commission.

Any regulation, standard, provision or requirement that is not specifically addressed within this Ordinance that is regulated elsewhere in the City Code of Worthington, Minnesota, the requirements of the City Code shall still be enforced.

The motion was made by Alderman Woll, seconded by Alderman Ten Haken and unanimously carried to give a third reading to, and subsequently adopt the following ordinance:

ORDINANCE NO. 1058

AN ORDINANCE TO AMEND TITLE XV OF THE CITY CODE OF THE CITY OF WORTHINGTON, NOBLES COUNTY, MINNESOTA.

(Refer to Ordinance File for complete copy of Ordinance)

**APPOINTMENT OF ELECTION JUDGES AND DESIGNATION OF POLLING PLACES FOR THE 2012 PRIMARY ELECTION AND THE 2012 GENERAL ELECTION**

The motion was made by Alderman Nelson, seconded by Alderman Woll and unanimously carried to appoint election judges and designate polling places for the 2012 Primary Election and the 2012 General Election as follows:

**First Ward - First Precinct**

**First Baptist Church - 1000 Linda Lane**

*Karen Buchman, 2650 East Avenue (co-head judge)*  
*Gary Brandt, 307 Lake Avenue (co-head judge)*  
Ginny Tate, 705 Ash Road  
Jerry Sandstrom, 759 W. Shore Drive  
Pat Eggers, 402 Worthmore Street

**First Ward - Second & Third Precinct**

**First Baptist Church - 1000 Linda Lane**

*Corky Tate, 705 Ash Road (co-head judge)*  
*Jacoba Nagel, 804 Omaha Ave (co-head judge)*  
Mavis Sandstrom, 759 W. Shore Drive  
Linda Wildeman, 230 W. 11th Avenue  
Chuck Winter, 1733 N. Douglas Avenue

**First Ward - Fourth & Fifth Precinct**

**American Reformed Church, 1720 N. Burlington**

*Bill Knigge, 962 Briarwood Drive (co head judge)*  
*Burt Levine, 1702 Rust Road (co-head judge)*  
Evelyn Lambert, 610 W. Lake Avenue  
John Groendyke, 1434 1st Avenue SW  
Mary Ferguson, 907 Liberty Drive

**Second Ward - First Precinct**

**YMCA - 1501 Collegeway**

*Mary Ann Winter, 1733 N Douglas Ave (co-head judge)*  
*Sharon Johansen, 620 Thompson Ave (co-head judge)*  
Kathy Reker, 515 Strait Avenue  
Carole Wiese, 320 W. Okabena Street  
Betty Burns, 925 Liberty Drive (*General Only*)  
Bob Petrich, 1010 W. Lake Avenue  
Jeanne Townswick, 936 Miles Drive  
Kelly Reeves, 517 Lake Avenue (*Primary Only*)

**Second Ward - Second & Third Precincts**

**No. County Public Works Bldg.- 960 Diagonal Rd.**

*David Copperud, 1111 5th Avenue (head judge)*  
Pat Ingenthron, 120 W. Okabena Street  
Marjorie Livingston, 418 W. Clary Street  
Loren Marsh, 814 Humiston Ave - 6:00 am - 1:00 pm  
Marion Hinders, 1005 Park Ave -1:00 - 8:00 pm  
George Habeck, 1919 Dorathea Blvd.

**Second Ward - Fourth & Fifth Precincts**

**Solid Rock Church, 1730 Diagonal Road**

*Gary Koster, 1321 E. Ninth Ave (co-head judge)*  
*Bernice Camery, 1031 Liberty Dr (co-head judge)*  
Rosie Nerem, 1823 S. Shore Drive  
Fern Anderson, 1214 Clary Street  
Norma Janssen, 1717 Rust Road  
Shirley Adel, 1328 E. Ninth Avenue  
Karen Doeden, 1016 Apel Avenue

**AGREEMENT APPROVED WITH HOISINGTON KOEGLER GROUP INC. FOR SPORTS FACILITIES, EVALUATION, NEEDS ASSESSMENT AND MASTER PLAN**

The motion was made by Alderman Ten Haken, seconded by Alderman Kuhle and unanimously carried to approve an agreement with Hoisington Koegler Group Inc. (HKGI) for a sports facilities, evaluation, needs assessment and master plan for a final negotiated cost for services of \$35,000, and to authorize the Mayor and Clerk to execute the Agreement.

Total budget available for the agreement between the City, School District 518, MN West Community and Technical College, and the Convention and Visitors Bureau was \$37,500. The final Master Plan will include priority recreation system improvement recommendations along with a

schematic plan for a regional sports complex, and will be presented to the funding entities for adoption by December 31, 2012.

**RESOLUTION ADOPTED AUTHORIZING EXECUTION OF SAFE AND SOBER AGREEMENT**

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

**RESOLUTION AUTHORIZING EXECUTION OF AGREEMENT**

Be it resolved that the Worthington Police Department enter into a grant agreement with the Minnesota Institute of Public Health for the ALCOHOL COMPLIANCE CHECK grant program during the period from July 1, 2012 through May 31, 2013.

The Public Safety Director, Michael J. Cumiskey is hereby authorized to execute such agreements and amendments as are necessary to implement the project on behalf of the Worthington Police Department and to be the fiscal agent and administer the grant.

**RESOLUTION ADOPTED AUTHORIZING CITY OF WORTHINGTON TO ENTER INTO A JOINT POWERS AGREEMENT FOR PARTICIPATION IN SOUTHWEST MINNESOTA REGIONAL PUBLIC SAFETY BOARD**

The motion was made by Alderman Wood, seconded by Alderman Kuhle and unanimously carried to adopt the following resolution authorizing the City of Worthington to enter into a Joint Powers Agreement for the participation in the Southwest Minnesota Regional Public Safety Board:

**RESOLUTION RELATING TO COUNTY AND CITY PARTICIPATION IN SOUTHWEST MINNESOTA REGIONAL PUBLIC SAFETY BOARD**

WHEREAS, the Counties of Nobles, Murray, Pipestone, Lyon, Yellow Medicine, Redwood, by and through their County Boards, and the Cities of Marshall and Worthington, by and through their City Councils (sometimes referred to herein as the ‘parties’), have desired to form a Regional Public Safety Board for the purpose of administering and governing of regional logging services to meet their joint and individual needs for recording of essential public safety communications; and

WHEREAS, the parties have determined that the radio board should be called the ‘Southwest Minnesota Regional Public Safety Board’; and

WHEREAS, the parties have determined that, pursuant to Minn. Stat. §471.59, they should form a Joint Powers Agreement for the purposes of coordinating and administrating Southwest Minnesota Regional Public Safety Board’s efforts, and to receive grant funds

available for regional interoperable communications through the State and Federal Government;

NOW THEREFORE BE IT RESOLVED, by the Worthington City Council, that the City of Worthington enter into a Joint Powers Agreement with the parties for the purpose of forming the 'Southwest Minnesota Regional Public Safety Board';

BE IT FURTHER RESOLVED that Janice Oberloh, City Clerk, and Alan Oberloh, Mayor, are authorized to execute such agreement and any amendment thereto.

### **FINAL PLAT APPROVED - CENTRAL SQUARE ADDITION**

The motion was made by Alderman Kuhle, seconded by Alderman Woll and unanimously carried to approve the final plat of Central Square Addition as presented.

Approval was subject to the third reading and subsequent adoption of a proposed ordinance for change of zone for the property. Alderman Woll requested that the parking lot agreement and assignment to the Dayton House that is in place be reviewed.

### **FINANCIAL ASSISTANCE REQUEST APPROVED FOR LEXINGTON HOTEL DEVELOPMENT**

Lexington Hotel Development Group was seeking financial assistance from the City to cover a potential shortfall of up to \$400,000 in the total equity requirement of \$2,379,177 needed to obtain permanent financing for their 75 room Comfort Suites hotel project adjacent to the City's Event Center. The company intended to sell 28 investment shares at \$50,000 each to reach their goal, but has fallen short of their anticipated success with only 18.5 shares sold and/or committed as of June 28<sup>th</sup>, and were asking for financial assistance from the City either through the purchase of shares or in the form of a bridge loan. Brad Chapulis, Director of Community/Economic Development, noted that while State Statute would allow the City's EDA to purchase or be a limited partner in such projects, staff was highly recommending to not use this option due to legal uncertainties on to the actual amount the EDA could participate and the precedence that would be set.

The other option, a bridge loan, would be deferred and in second real estate lien position to the primary lender, which would allow it to be used as equity. Though deferred, the loan would bear interest for its term. Monies collected from sold shares would be pledged to pay off the City loan and at the end of the loan term, Lexington would be required to make a balloon payment for the balance of the loan. Because the loan would be in a subordinate position to the primary lenders on the real estate it would require the personal guarantees from all of the principal owners of Lexington. Not providing assistance would cause delay of the hotel project. Mr. Chapulis said staff was suggesting the loan be made at 8% for two years, however, Bob Campbell of the Lexington Group had stated in conversations with Mr. Chapulis that they would like 6% for 5 years. Don Klain,

representing the Lexington Hotel Group, was present at the meeting to discuss their request with Council.

Following a lengthy discussion, the motion was made by Alderman Woll and seconded by Alderman Wood to approve the bridge loan at 6% for the first year then 8% thereafter.

Mr. Chapulis reminded Council that a public hearing must be held prior to any action by Council to approve the loan as required by Minnesota's business subsidy laws, and that staff was only looking for direction from Council at this time on whether to elect to no provide financial assistance or whether to formally consider the loan and schedule a public hearing. The motion and second were rescinded.

Following further discussion, it was decided to formally consider the loan of up to \$400,000 at 7% for three years and schedule a public hearing at 7:00 p.m. on Monday, July 23, 2012, at the regular City Council meeting.

#### **COUNCIL COMMITTEE REPORTS**

No committee reports were provided by Council.

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

Craig Clark, City Administrator, reminded Council of the upcoming special City Council meeting at 7:00 a.m. on Wednesday, July 11<sup>th</sup> and the continuation of the special meeting July 9<sup>th</sup> to 7:30 a.m. on Wednesday, July 11<sup>th</sup>. Mr. Clark also reminded everyone of the International Festival scheduled for this weekend, the 13<sup>th</sup> and 14<sup>th</sup> of July.

#### **ADJOURNMENT**

The motion was made by Alderman Wood, seconded by Alderman Nelson and unanimously carried to adjourn the meeting at 8:10 p.m.

Janice Oberloh, MCMC  
City Clerk