

**WORTHINGTON CITY COUNCIL
REGULAR MEETING, JULY 14, 2014**

The meeting was called to order at 7:00 p.m. in City Hall Council Chambers by Mayor Alan E. Oberloh with the following Council Members present: Mike Kuhle, Diane Graber, Rod Sankey, Scott Nelson. Honorary Council Member: Nicole Ektnitphong. Council Members absent: Ron Wood (excused).

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

Others present: Erin Trester, Daily Globe; Bob and Donna Tims; Gary and Darlene Oberloh; Pam Friesen; Aaron Hagen; Darlene Vortherms; Kim Collin.

The Pledge of Allegiance was recited.

PUBLIC HEARING AND RESOLUTION NO. 3552 ADOPTED APPROVING TAX ABATEMENT FOR CERTAIN PROPERTY PURSUANT TO MINN. STAT. 469.1813 - LOTS 2 AND 3, BLOCK 1, HOMEWOOD HILLS 10TH ADDITION, CITY OF WORTHINGTON, NOBLES COUNTY, MINNESOTA

This was the time and date set for a public hearing for the Nobles Home Initiative (NHI) application submitted by Johnson Builders and Realtors.

The motion was made by Council Member Kuhle, seconded by Council Member Nelson and unanimously carried to open the hearing.

Brad Chapulis, Director of Community/Econ Development, said Johnson Builders and Realtors was seeking the approval of tax abatement for the construction of a proposed triplex in its Homewood Hills 10th Addition development. The property is legally described as:

Lots 2 and 3, Block 1 Homewood Hills 10th Addition, City of Worthington, Nobles County, Minnesota

Each of the three units will be approximately 1,920 square feet with a two stall attached garage. Cumulative estimated taxable value is \$327,000, which would generate approximately \$3,944 in annual taxes utilizing the 2014 tax rate. The City's share would be approximately \$1,250. Staff reviewed the application and determined that it meets all of the parameters of the NHI Guidelines.

Mayor Oberloh asked if there was anyone who wished to present testimony on the abatement. None was received.

The motion was made by Council Member Sankey, seconded by Council Member Graber and unanimously carried to close the hearing.

The motion was made by Council Member Kuhle, seconded by Council Member Graber and unanimously carried to adopt the following resolution approving the Nobles Home Initiative application from Johnson Builders and Realtors:

RESOLUTION NO. 3552

A RESOLUTION APPROVING TAX ABATEMENT FOR CERTAIN PROPERTY PURSUANT TO MINN. STAT. 469.1813

(Refer to Resolution File for complete copy of Resolution)

RESOLUTION NO. 3553 ADOPTED APPROVING TAX ABATEMENT FOR CERTAIN PROPERTY PURSUANT TO MINN. STATUTE 469.1813- LOT 1, BLOCK 1, WOODLAND RIDGE ADDITION, CITY OF WORTHINGTON, NOBLES COUNTY, MINNESOTA

This was the time and date set for a public hearing for the Nobles Home Initiative (NHI) application submitted by Robert and Donna Tims.

The motion was made by Council Member Sankey, seconded by Council Member Nelson and unanimously carried to open the hearing.

Brad Chapulis, Director of Community/Econ Development, said Bob and Donna Tims were seeking approval of the tax abatement for the construction of a single family home on property they are acquiring in Woodland Ridge Addition. Legal description of the property is as follows:

Lot 3, Block 1, Woodland Ridge Addition, City of Worthington, Nobles County, Minnesota

The home will include 1,700 feet of living space on the main level, a finished basement and a three stall attached garage. Estimated taxable value is \$251,200, which would generate approximately \$2,942 in annual taxes at the 2014 tax rate. The City's share would be approximately \$970. Staff reviewed the application and determined it meets all of the parameters of the NHI Guidelines. The Worthington EDAu decertified the property from the TIF District #12 at their meeting earlier tonight.

Mayor Oberloh asked if there was anyone present who wished to provide testimony on the abatement. None was received.

The motion was made by Council Member Graber, seconded by Council Member Nelson and unanimously carried to close the hearing.

The motion was made by Council Member Graber, seconded by Council Member Nelson and

unanimously carried to adopt the following resolution approving the tax abatement:

RESOLUTION NO. 3553

RESOLUTION APPROVING THE TAX ABATEMENT FOR CERTAIN PROPERTY PURSUANT
TO MINN. STAT. 469.1813

(Refer to Resolution File for complete copy of Resolution)

AGENDA APPROVED/CLOSED WITH CHANGES

Staff requested the following changes to the agenda:

- Administrative Case Item G.6. *Nominating Committee Recommendations* was included in the packet but not listed on the agenda page - add that item to the agenda page.
- Administrative Case Item G.7. *Applications for On-Sale Intoxicating Liquor and On-Sale Wine Licenses - Mini Market Lupita* was included in the agenda packet but not listed on the agenda page - add that item to the agenda page.

The motion was made by Council Member Kuhle, seconded by Council Member Nelson and unanimously carried to approve/close the agenda with the requested changes.

CONSENT AGENDA APPROVED

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

- City Council Minutes of Regular Meeting June 23, 2014
- Minutes of Boards and Commissions - Water and Light Commission Minutes of June 23, 2014; Heron Lake Watershed Board Minutes of Regular Meeting May 20, 2014; Worthington Housing and Redevelopment Authority Board Minutes of Regular Meeting May 27, 2014 and of June 10, 2014; Worthington Public Arts Commission Minutes of June 5, 2014; Center for Active Living Committee Minutes of June 9, 2014; Nobles Economic Opportunity Network Minutes of June 12, 2014; Traffic and Safety Committee Minutes of June 25, 2014; Airport Advisory Board Minutes of July 1, 2014; Planning Commission/Board of Appeals Minutes of July 1, 2014
- Financial Statements - Statement of Revenues and Expenditures for the period January 1, 2014 through June 30, 2014; Municipal Liquor Store Income Statement for the period January 1, 2014 through June 30, 2014
- Transfer of Lease of Airport Hangar Four to Prairie Holdings Group from Integrity Aviation
- Approved Second Amendment to F.B.O. Contract for changes in Airport Hangar Four Lease

- Approved Contract with Nobles County for Assessor services for the City of Worthington for a contract term of January 1, 2014 through December 31, 2018, for the amount of \$84,150 for the period January 1, 2014 through December 31, 2014
- Approved application from the Retail Committee of the Worthington Area Chamber of Commerce to block Tenth Street from Second Avenue to Fifth Avenue, including the intersections with Third and Fourth Avenues, for their Crazy Days event Tuesday, August 12, 2014 from 2:00 p.m. to 8:30 p.m.
- Approved an Application for Exemption from Lawful Gambling from Nobles County Pheasants Forever for their 2014 Pheasants Forever Banquet as follows:

Organization:	Pheasants Forever Nobles County Chapter 14
CEO:	Scott Rall
Type of Event:	Raffles
Date and Location of Event:	October 10, 2014 Worthington Event Center, 1447 Prairie Drive
- Approved an Application for Exemption from Lawful Gambling from St. Mary's Church for their Fall Bazaar as follows:

Organization:	St. Mary's Catholic Church
CEO:	Father James F. Callahan
Type of Event:	Raffles
Date and Location of Event:	September 28, 2014 St. Mary's Catholic School, 1206 Eighth Avenue
- Bills payable and totaling \$821,923.81 be paid.

ORDINANCE NO. 1080 ADOPTED AMENDING CHAPTER 113 OF THE CITY CODE OF THE CITY OF WORTHINGTON - FARMERS MARKETS

Pursuant to published notice was the time and date for the third reading of a proposed ordinance that would amend Chapter 113 of the Worthington City Code to include handmade, home-crafted products in the definition of farmers markets.

The motion was made by Council Member Nelson, seconded by Council Member Sankey and unanimously carried to give a third reading to, and subsequently adopt, the following ordinance:

ORDINANCE NO. 1080

AN ORDINANCE TO AMEND CHAPTER 113 OF THE WORTHINGTON CITY CODE

(Refer to Ordinance File for complete copy of Ordinance)

ORDINANCE NO. 1081 ADOPTED AMENDING TITLE XV OF THE WORTHINGTON CITY CODE FROM "R-3" (LOW DENSITY PRESERVATION RESIDENTIAL) TO "B-3" (GENERAL BUSINESS)

Pursuant to published notice, this was the time and date set for the third reading of a proposed ordinance that would amend Title XV of the Worthington City Code to rezone the following legally described property from "R-3" (Low Density Preservation Residential) to "B-3" (General Business):

The west 140 feet of Lot 12, Block 14, Moulton's Re-survey and Subdivision of
Clary's Addition, City of Worthington, Nobles County Minnesota

Adoption of the Ordinance will allow the applicant to expand his business onto the subject property.

The motion was made by Council Member Kuhle, seconded by Council Member Graber and unanimously carried to give a third reading to, and subsequently adopt, the following ordinance:

ORDINANCE NO 1081

AN ORDINANCE TO AMEND TITLE XV OF THE CITY CODE OF WORTHINGTON, NOBLES COUNTY, MINNESOTA, TO REZONE PROPERTY FROM "R-3" (LOW DENSITY PRESERVATION RESIDENTIAL) TO "B-3" (GENERAL BUSINESS)

(Refer to Ordinance File for complete copy of Ordinance)

ORDINANCE NO. 1082 ADOPTED AMENDING TITLE XV, SECTION 153.04 OF THE WORTHINGTON CITY CODE - SIGNS - PAINTED WALL SIGNS

Pursuant to published notice, this was the time and date set for the third reading of a proposed ordinance that would amend Title XV, Section 153.04 of the Worthington City Code, which includes prohibiting of painted wall signs. If adopted, the ordinance would eliminate any debate in the purpose or intent of the sign ordinance by revising the definition of a sign to clearly indicate that public art outlined in Chapter 110 of the Worthington City Code is not defined as a sign.

The motion was made by Council Member Nelson, seconded by Council Member Kuhle and unanimously carried to give a third reading to, and subsequently adopt, the following ordinance:

ORDINANCE NO. 1082

AN ORDINANCE TO AMEND TITLE XV, CHAPTER 153, SECTION 153.02 AS TO THE DEFINITION OF A SIGN

(Refer to Ordinance File for complete copy of Ordinance)

COALITION OF GREATER MINNESOTA CITIES UPDATE

Bradley Peterson, Coalition of Greater Minnesota Cities (CGMC), provide an update to Council on

the activities of their organization on behalf of the City of Worthington and other rural communities across Minnesota. The Coalition represents 85 cities across the state. Mr. Peterson said while the February forecast showed a state surplus, the legislature has pretty much spent it. The CGMC had requested an increase of \$57 million in LGA, hoping to return it to the 2002 level. The 2013 increase was the third lowest increase ever - there was not much support from the Governor's office or the Senate leadership for the bills introduced for the increase. Following information on where the surplus was spent, Mr. Peterson said one good thing was that the state reserve is now about \$811 million. The session was "okay" by Greater Minnesota standards, but not great.

Mr. Peterson also reminded Council of the CGMC's Summer Conference scheduled August 20-22 in Rochester, which will include a Governor's candidate forum. They will also have candidate forums around the state. The CGMC's Fall Conference is scheduled for November 13-14, 2014.

Council thanked Mr. Peterson for the update.

APPROVAL OF ELECTION JUDGES FOR AUGUST 12, 2014 STATE PRIMARY ELECTION AND DESIGNATION OF POLLING PLACES

The motion was made by Council Member Kuhle, seconded by Council Member Sankey and unanimously carried to approve the slate of election judges for the August 12, 2014 State Primary Election and designate the polling places as presented.

NOMINATING COMMITTEE RECOMMENDATIONS FOR COMMITTEE APPOINTMENTS APPROVED

The motion was made by Council Member Sankey, seconded by Council Member Kuhle and unanimously carried to approve the Nominating Committee recommendations for committee appointments as follows:

Police Civil Service Commission

Paul Karelis to fill the unexpired term of Christina Guajardo (who resigned), which term expires December 31, 2014

Water and Light Commission

Aaron Hagen to fill the unexpired term of Kevin Donovan (who resigned), which term expires March 31, 2015

SPECIAL USE PERMIT APPROVED - WORTHINGTON CHRISTIAN REFORMED CHURCH

Worthington Christian Reformed Church was seeking the issuance of a special use permit for the

construction of a 30' x 40' accessory structure on their property at 1100 First Avenue SW. The property is zoned "R-1" - Single Family Detached Residential. Religious institutions are permitted in the "R-1" district through the issuance of a special use permit. The property is legally described as:

Lots 30 and 36, Block 17, Auditor's Plat of Block 17, Ludlow Acres, City of Worthington, Nobles County, Minnesota EXCEPT that part of Lot 36, Auditor's Plat of Block 17, Ludlow Acres, City of Worthington, lying southwesterly of a line 120 feet northwest measured at a right angle to and parallel with the centerline of the Chicago and Northwestern railroad line.

Together with

Lots 31 and 32, Block 17, Auditor's Plat of Block 17, Ludlow Acres, City of Worthington, Nobles County, Minnesota EXCEPT those parts of Lots 31 and 32, Auditor's Plat of Block 17 of Ludlow Acres, Nobles County, Minnesota, lying southeasterly of a line 120 feet northwest of, measured at a right angle to and parallel with, the center line of the Chicago and Northwestern Transportation Company's right-of-way. Said exception also being described as follows: The southeasterly 20 feet of Lots 31 and 32, Auditor's Plat of Block 17, Ludlow Acres, City of Worthington, containing 0.323 acres.

The Planning Commission considered the application at its July 1, 2014 meeting and, after holding a public hearing, voted unanimously to recommend Council approval of the special use permit with the following conditions:

1. The issuance of a variance for the impervious coverage for the proposed improvement;
2. The applicant agrees to prohibit simultaneous use of the facility in writing;
3. The applicant agrees to maintain the landscape buffer along the northeasterly and northwesterly property lines;
4. The applicant properly screens the trash area in compliance with the Zoning Ordinance; and
5. The proposed structure is constructed in compliance with all applicable zoning requirements for accessory structures located within residential districts.

Brad Chapulis, Director of Community and Economic Development, noted that condition #1 has been satisfied.

The motion was made by Council Member Kuhle, seconded by Council Member Sankey and unanimously carried to approve the special use permit for the Worthington Christian Reformed Church subject to the conditions as listed.

AUTHORIZATION TO ENTER INTO AGREEMENT FOR LANDSCAPE REPAIR AT THE BIOTECHNOLOGY ADVANCEMENT CENTER (BAC)

Staff received quotes for repair of the landscape at the Biotechnology Advancement Center (BAC).

Weather/winds have caused damage to the landscape over the past few years, including loss of mulch and significant tears in the landscape fabric. Quotes were based on removal of mulch, fabric repair, and installation of 1 ½ inch landscape rock. Of the two quotes received, Ideal Landscape was the low quoter in the amount of \$3,185.

Brad Chapulis, Director of Community and Economic Development, said Ideal Landscape also submitted an alternate bid for fabric repair, additional mulch placement, and application of mulch lock, a relatively new product that is a locking compound intended to prevent mulch and other landscape materials from movement by wind and rain, while allowing the substrate to drain and breathe. Re-application would be needed every 12-24 months. Initial landscape repair and application of mulch lock would be \$1,300, and future applications would be a few hundred dollars each. Staff was unsure if the mulch lock will be able to accomplish its objective, and as such, was recommending authorizing staff to enter into an agreement with Ideal Landscape for the landscape rock for an amount not to exceed \$3,185.

The motion was made by Council Member Nelson, seconded by Council Member Kuhle and unanimously carried to authorize staff to enter into an agreement with Ideal Landscape for repair of the landscape and rock work at an amount not to exceed \$3,185.

AUTHORIZATION TO ENTER INTO AGREEMENT FOR LANDSCAPE REPAIR AT THE WORTHINGTON EVENT CENTER

Brad Chapulis, Director of Community and Economic Development, stated that much like the BAC, weather/winds have caused much damage to the landscape around the Worthington Event Center, including loss of mulch and significant tears in the landscape fabric, specifically around the wedding park. Staff sought two quotes from area landscape firms, the first of which was for removal of the mulch, fabric repair, and the installation of 1 ½ landscape rock. One quote was received, and that was from VIP Landscape for \$5,475. The second quote that staff sought was for the landscape fabric repair, additional mulch for the exposed areas, and the application of mulch lock. Two quotes were received, with the lowest quote from Ideal Landscape for \$950.

Because the wedding park is partially shielded by the hotel from direct winds, and in wanting to maintain the ambiance/intimacy of the wedding park, staff suggested preservation of the mulch. Mr. Chapulis noted the cost difference between the installation of rock and the application of the mulch lock allows the City to test the mulch lock with minimal financial impact. In response to a question from Council Member Nelson, Mr. Chapulis said the higher cost for the rock installation was because all the improvements at the Wedding Park means most of the rock would need to be installed by hand and would therefore be labor intensive.

The motion was made by Council Member Sankey, seconded by Council Member Nelson and unanimously carried to authorize staff to enter into a contract with Ideal Landscape for mulch repair

and installation of mulch lock in an amount not to exceed \$950.

INFORMATIONAL ITEM - SALE OF LOT 1, BLOCK 1, WORTHINGTON BIOSCIENCE INDUSTRIAL PARK ADDITION

Brad Chapulis, Director of Community/Econ Development, noted that this item was informational only, and that Council should use this opportunity as a fact finding opportunity only, that due diligence still needed to be done before it could be presented for Council action.

Darlene Vortherms and Pam Friesen were present at the meeting to present information to Council about their plans for expansion of their business, PurNet, Inc. The company is a medical device and supply purchase/sales company based in Worthington that currently employs 19 people. They are looking to construct a 10,000 square foot office building on City-owned property located at Lot 1, Block 1, Worthington Bioscience Industrial Park Addition, and are hoping to add an additional 10-20 FTE's within the next ten years. Ms. Vortherms and Ms. Friesen are unsure if they would be able to attend future Council meetings so wanted to present this information to Council now. Council Member Nelson noted he was in favor of the project but wants to be sure all the options for a location are explored - he would prefer a different location than the site requested.

Brad Chapulis, Director of Community/Econ Development, said the land sale will come back before Council for action on the 28th of July, following completion of the necessary due diligence required.

APPLICATION FOR ON-SALE INTOXICATING LIQUOR AND ON-SALE WINE LICENSE APPROVED - MINI MARKET LUPITA, 1906 OXFORD STREET

The motion was made by Council Member Sankey, seconded by Council Member Kuhle and unanimously carried to approve the following on-sale licenses for Mini Market Lupita - Maria Parga, 1906 Oxford Street, for the license period July 15, 2014 through June 30, 2015:

On-Sale Intoxicating Liquor
On-Sale Wine

Council Member Kuhle requested that staff work with Ms. Parga to clean up items that have accumulated around her building.

COUNCIL COMMITTEE REPORTS

Mayor Oberloh - Opened the International Festival this past Friday with the welcome - had a great time - it looked like it was well attended. This Friday he and Craig Clark and Scott Hain will be meeting with the Governor in Luverne regarding the Lewis and Clark project.

Council Member Kuhle - Attended a Nobles Economic Opportunity Network meeting July 10th - talked about the Broadband Initiative-might have to wait until next year to apply for grant money.

John Landgaard talked about school issues at the meeting - they are looking at a \$500 per pupil increase in their referendum - mandates call for testing 77 days of the school year - they are putting together an Industrial Maintenance Trade program. He also attended a Public Arts Commission meeting.

Council Member Graber - Wanted to commend people who volunteer - the Center for Active Living and the Auditorium have many volunteers.

Council Member Sankey - Airport Board met - there was some shingle damage and maintenance issues on some hangar doors and the FBO's house. Attended the Nobles Economic Opportunity Network meeting - they're looking for volunteers to help set up IPADS for school students - they also talked about Broadband.

Council Member Nelson - Met regarding the City entrance signs - they are looking at concrete signs now which are more expensive so they will be coming back to Council for increased budget. The Mayor proposed taking an additional \$10,000-\$15,000 from undesignated reserves and then replenishing that account.

CITY ADMINISTRATOR'S REPORT

Crazy Days are scheduled for July 25 and 26. He will be meeting with Weber and Hamilton (conference call) tomorrow - wants to visit with them prior to the Governor's visit on Friday regarding the \$45 million for Lewis and Clark.

ADJOURNMENT

The motion was made by Council Member Kuhle, seconded by Council Member Nelson and unanimously carried to adjourn the meeting at 8:30 p.m.

Janice Oberloh, MCMC
City Clerk