

**WORTHINGTON CITY COUNCIL
REGULAR MEETING, AUGUST 24, 2015**

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: Scott Nelson, Diane Graber, Larry Janssen, Mike Harmon, Rod Sankey. Council Members absent: Honorary Council Member: Jessica Velasco (excused).

Staff members present: Steve Robinson, City Administrator; Brad Chapulis, Director of Community/Economic Development; Dwayne Haffield, Director of Engineering; Tammy Mackram, Memorial Auditorium Manager; Janice Oberloh, City Clerk.

Others present: Kristin Kirtz, Daily Globe; Chip Peters; Lori Klooster; Rich Pedersen; Pat McCoy; Chad Nixon; Jose Miranda.

The Pledge of Allegiance was recited.

**PUBLIC HEARING AND RESOLUTION NO. 3605 ADOPTED APPROVING TAX
ABATEMENT FOR CERTAIN PROPERTY PURSUANT TO MINNESOTA STATUTE
469.1813 - 1103 GRAND AVENUE**

Pursuant to published notice, this was the time and date set for a public hearing regarding a Nobles Home Initiative application received from Larry Davis for property he owns at 1103 Grand Avenue.

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

Brad Chapulis, Director of Community/Economic Development, said that there were three hearings tonight for Nobles Home Initiative applications, and in the interest of saving time, he would provide background information during this first hearing that is also pertinent to the other hearings. Applications were received for 1103 Grand Avenue, Larry Davis; 886 Sterling Avenue, Larry Davis; and 620 Lake Street, Doug Nau. The applicants were seeking tax abatement for the construction of single family homes. Staff has reviewed all three applications and determine that all three meet the guidelines, and were therefore recommending approval of the applications. Mr. Chapulis said a public hearing to allow public comment on the proposed abatement is required by state statute.

1103 Grand Avenue - Larry Davis was seeking approval for tax abatement for construction of a single family dwelling he will spec build at 1103 Grand Avenue, (Lot 11, Block 8, Moulton's Re-survey and Sub-division of Clary's Addition). The dwelling will include 1,566 square feet of living space on the main level, an unfinished basement, and a 24' x 24' attached garage.

Mayor Kuhle asked if there was anyone present who wished to present testimony on the request for tax abatement. There was none.

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

unanimously carried to close the hearing.

The motion was made by Council Member Graber, seconded by Council Member Harmon and unanimously carried to adopt the following resolution approving the requested tax abatement for Larry Davis - 1103 Grand Avenue:

RESOLUTION NO. 3605

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

(Refer to Resolution File for complete copy of Resolution)

PUBLIC HEARING AND RESOLUTION NO. 3606 ADOPTED APPROVING TAX ABATEMENT FOR CERTAIN PROPERTY PURSUANT TO MINNESOTA STATUTE 469.1813 - 886 STERLING AVENUE

Pursuant to published notice, this was the time and date set for a public hearing regarding a Nobles Home Initiative application received from Larry Davis for property he owns at 886 Sterling Avenue.

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

Brad Chapulis, Director of Community/Economic Development stated that Larry Davis was seeking approval for tax abatement for a single family dwelling he will spec build at 886 Sterling Avenue, (Lot 6, Block 2, Glenwood Heights First Addition). The single story home will be approximately 2,000 square feet, including a two stall attached garage.

Mayor Kuhle asked if there was anyone present who wished to present testimony on the request for tax abatement. There was none.

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

The motion was made by Council Member Nelson, seconded by Council Member Graber and unanimously carried to adopt the following resolution approving the requested tax abatement for Larry Davis - 886 Sterling Avenue:

RESOLUTION NO. 3606

A RESOLUTION APPROVING TAX ABATEMENT FOR CERTAIN PROPERTY PURSUANT

TO MINN. STAT. 469.1813

(Refer to Resolution File for complete copy of Resolution)

PUBLIC HEARING AND RESOLUTION NO. 3607 ADOPTED APPROVING TAX ABATEMENT FOR CERTAIN PROPERTY PURSUANT TO MINNESOTA STATUTE 469.1813 - 620 LAKE STREET

Pursuant to published notice, this was the time and date set for a public hearing regarding a Nobles Home Initiative application received from Doug Nau for property he owns at 620 Lake Street.

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/Economic Development, stated that Doug Nau was seeking approval of tax abatement for the construction of a single family dwelling he will spec build at 620 Lake Street (Lot 11 except the northeast 100' thereof, Block 21, Plat of Worthington). The two story home will have 1,708 square foot footprint, including a two stall attached garage.

Mayor Kuhle asked if there was anyone present who wished to present testimony on the request for tax abatement. There was none.

The motion was made by Council Member Harmon, seconded by Council Member Janssen 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 for Doug Nau - 620 Lake Street:

RESOLUTION NO. 3607

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

(Refer to Resolution File for complete copy of Resolution)

AGENDA CLOSED/APPROVED AS PRESENTED

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

CONSENT AGENDA APPROVED

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

- City Council Minutes of Regular Meeting August 10, 2015 and Special Meeting - Work Session - August 19, 2015
- Minutes of Boards and Commissions - Water and Light Commission Minutes of August 10, 2015; Planning Commission/Board of Appeals Minutes of August 4, 2015 and July 7, 2015; Prairie View Long Range Planning Committee Minutes of August 12, 2015; Worthington Housing and Redevelopment Authority Board Minutes of July 21, 2015
- Application for Exemption from Lawful Gambling Permit as follows:
 - Organization: St. Mary's Catholic Church
 - CEO: Fr. James Callahan
 - Type of Event: Raffles
 - Date and Location of Event: September 27, 2015
St. Mary's Catholic School, 1206 Eighth Avenue
- Agreement between City of Worthington and Hickory Lodge to allow dispensing of alcohol at certain events at Memorial Auditorium for the license period of one year from date of agreement
- Application for temporary on-sale liquor license for King Turkey Day, Inc. for the events/locations as requested at the Nobles County Fairground, 1600 Stower Drive for their 2015 King Turkey Day event September 18th and 19th, 2015
- Application from King Turkey Day, Inc. for a parade permit/block streets as presented for their 2015 King Turkey Day event September 18th and 19th, 2015
- Application for temporary on-sale liquor license from the Elks Lodge No. 2287 for an outdoor beer garden in the parking lot between the VFW, 1117 Second Avenue, and the Elks Club, 1105 Second Avenue, for the dates and times requested during the 2015 Turkey Day event
- Approved an agreement accepting transfer of Federal Aviation Administration Entitlement funds from City of Sauk Center, Minnesota, with no request for repayment per the agreement:
- Municipal Liquor Income Statement for the Period January 1, 2015 through July 31, 2015
- Bills payable and totaling \$581,984.13 be ordered paid

THIRD READING AND ORDINANCE NO. 1088 ADOPTED VACATING PORTION OF PLATTED PUBLIC UTILITY EASEMENT - LOT 7, BLOCK 3, COLLEGEWAY HEIGHTS ADDITION

Pursuant to published notice, this was the time and date set for the third reading of a proposed ordinance that would vacate a portion of a platted public utility easement as follows:

Section I

An ordinance vacating that portion of the platted public utility easement over the

southerly 15 feet of Lot 7, Block 3, College View Heights Addition, City of Worthington, Nobles County, Minnesota, except the westerly 8 feet thereof, lying north of the following described line:

Commencing at the southeast corner of said Lot 7; thence north along the east line of said Lot 7 a distance of 15.00 feet to the point of beginning of said line; thence westerly to a point on the west line of said Lot 7 distant 7.50 feet north of the southwest corner of said Lot 7, and there terminating.

Adoption of the ordinance would allow the property owner at 1045 Lexington Avenue to replace an existing shed on the property with a larger shed, at a slightly different location.

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. 1088

AN ORDINANCE TO VACATE A PORTION OF THE PLATTED PUBLIC UTILITY EASEMENT IN LOT 7, BLOCK 3, COLLEGE VIEW HEIGHTS ADDITION

(Refer to Ordinance File for complete copy of Ordinance)

MEMORIAL AUDITORIUM - 2015/2016 SEASON INFORMATION

Tammy Mackram, Memorial Auditorium Manager, distributed handouts on the upcoming 2015/2016 season events. Ms. Mackram also talked about the role of the "Friends of the Auditorium" Board, noting the Friends bring a season of entertainment to the auditorium - they keep the auditorium busy with the flow of people coming in, and because they are non-profit, when they make money on the events they put it back into the auditorium - helping with the sound and lighting systems They also sometimes underwrite some of the events through membership sales, which also helps to pay for residencies to work with kids in the schools. Ms. Mackram said much of the work during the events is done by volunteers, and new volunteers are always welcome.

Council thanked Ms. Mackram for her information.

EMERGENCY OPERATIONS PLAN - ORGANIZATIONAL COMMAND STRUCTURE APPROVED

Steve Robinson, City Administrator, presented an organizational command structure chart for Council consideration, that will become part of an Emergency Operations Plan for the City that he and Director of Public Safety Troy Appel have been working on. The Plan will include a General Plan, Annexes, Standard Operating Procedures and a Resource Manual. Mr. Robinson said the

purpose of having such a plan is to ensure the effective, coordinated use of resources to:

- Maximize the protection of life and property
- Prepare for and respond to emergencies and recover to a state of normalcy
- Ensure the continuity of government, and
- Provide support to all areas within the City that require assistance

Until the plan is complete, which staff is hopeful will be accomplished by the end of the year, the organizational chart will establish which person or department is responsible for the various operations.

The motion was made by Council Member Janssen, seconded by Council Member Graber and unanimously carried to approve the Emergency Operations Plan Organizational Command Structure.

BIOSCIENCE DRIVE STREET AND SANITARY SEWER EXTENSIONS AND FINANCING PLAN APPROVED

At a special meeting July 14, 2015 Council prioritized street and storm sewer improvements to extend BioScience Drive from TH 59 through County Ditch (CD) 12 and to extend trunk sanitary sewer from CD 12 through the City-owned property abutting I-90. Steps needed to initiate those improvements include development of a finance plan and procurement of professional services for design and the construction phase of the projects. Preliminary estimated costs for the improvements, including engineering and contingencies, are as follows:

Street Extension:	\$490,000
Storm Sewer Improvements:	<u>\$170,000</u>
Total Street and Storm Sewer	\$660,000
Trunk Sanitary Sewer:	<u>\$365,000</u>
TOTAL	\$1,025,000

Dwayne Haffield, Director of Engineering, said it would be appropriate for the City to consider financing the street and storm sewer improvements as a developer as they will only serve properties to be developed by the City. Staff was suggesting the use of hospital sale proceeds that have been earmarked for economic development for initial financing, with funds to be replenished as the property is sold. Mr. Haffield noted the appraised value of the property is greater than the project estimates at this time, but also noted that if Council would discount the properties for development then it would just be hospital proceeds being used for that purpose rather than just financing the infrastructure. Staff is proposing to proceed with the sanitary sewer extension as a normal special assessment project as it will be large and deep and be expected to serve more than just the properties

it abuts. There will be a City share and assessments to the abutting properties, which are all owned by the Economic Development Authority (EDA), and it will be an annual cost to the City. Because the EDA levy is currently going for other purposes, the EDA will need to supplement their revenue in some manner to pay those assessments. If at any point we would sell the property there would be an option to transfer or just let them ride with the property - if the buyer can't have that for financing reasons they could be included in the cost of the property for recovering the assessments. The sanitary sewer project would be funded completely separate from the use of hospital proceeds, and will be a typical stand alone sanitary sewer project. Discussion was held on the possibility of establishing a TIF district there.

Bolton and Menk has submitted a proposal to provide design and construction phase services for the proposed improvements at not to exceed fees of approximately 15% of the project costs. They will complete the feasibility report for the sanitary sewer project out of existing proposals. Staff hopes to get some things going under contract on the street out there this year. It is hoped to bid the storm sewer project this fall for completion late next year. The sanitary would not go out to bid until next year.

The motion was made by Council Member Nelson, seconded by Council Member Graber and unanimously carried to approve the street and storm sewer funding plan with hospital dollars and to replenish those funds as the properties are sold, and to approve the sanitary sewer as an assessable project, and to accept the proposal from Bolton and Menk for design and construction phase services for the proposed improvements at a not to exceed fee of 15% and authorize the Mayor to execute a contract with Bolton and Menk in a form acceptable to the City Attorney.

FIRST READING PROPOSED ORDINANCE - ZONING AMENDMENT - SCHEDULED OF LAND USES (PUBLIC INSTITUTIONAL AND CULTURAL) - FAILED

Brad Chapulis, Director of Community/Economic Development, said Jose Miranda has submitted an application for a text amendment to the City's Zoning Ordinance - Schedule of Land Uses, to include the public institutional and cultural land use group to be permitted by special use permit in the "M-2" - General Manufacturing zoning district (heavy manufacturing/heavy industrial). Specifically, Mr. Miranda had also submitted a special use application along with the text amendment request that would allow for installation of a church in an existing building at 500 Stower Drive, which he is seeking to purchase. Based on a recommendation from the Planning Commission, who had spent some time looking at this, Council had approved a zoning amendment in 2014 that changed the previous zoning of the district the property is located in from "M1" - Light Manufacturing to "M2" - General Manufacturing, to bring the area in line with the City's Comprehensive Plan. Mr. Chapulis noted that approval of the zoning amendment would affect all of the "M2" Districts in the City. Chad Nixon, President of the Planning Commission, said the Commission had worked for the past 12-14 months to get the zoning mess straightened out in that area. Approving the zoning amendment would open the area up to more than just churches.

Lori Klooster, owner of the property in question, Pastor Miranda and Rich Pedersen, were present at the meeting, and Ms. Klooster said the rezoning to "M2" had devaluized her property. Mr. Pedersen said there is not enough vacant property to build anything else in the "M2" district, the block plant and elevator are boxed in and should be moved to the edge of town.

Mr. Chapulis stated that the building code is also a consideration regarding the special use permit as the building would need to be reviewed with the change in occupancy. He also noted that the surrounding property owners in that zoning district have the property rights to continue to develop their property to their full potential - the earlier statement that the area is fully developed was incorrect. Notices were sent out to the property owners prior to the zoning change in 2014, and a public hearing was held, which Ms. Klooster did not attend. Ms. Klooster said she never received the notice, and did not challenge the re-zoning because it wasn't an issue then.

The motion was made by Council Member Sankey and seconded by Council Member Graber to deny the request to give a first reading to the zoning amendment - Schedule of Land Uses. Council Member Graber said that when she first became a member of the Planning Commission one of their goals was to make Worthington a more consistent place where there is predictability of what's in an area and how it relates to the Comprehensive Plan. Council hired the Planning Commission to look at these things, which they did, and Council and the Commission worked to clear this up and have better planning here. Council Members Harmon and Nelson said they felt the City has created a hardship situation here.

Council Member Sankey called the question. The following members voted in favor of the motion to deny the first reading of a proposed ordinance for a zoning amendment to the Schedule of Land Uses: Nelson, Graber, Sankey; and the following members voted against the motion to deny: Janssen, Harmon. Motion carried.

COUNCIL COMMITTEE REPORTS

Mayor Kuhle - Nothing to report just a reminder of the first budget work session scheduled for Wednesday, it's important that Council is there, and also reminded them of the special meeting/work session regarding Prairie View on Tuesday night, and of the September 2nd budget work session. Council Member Harmon said he would not be at the first budget meeting on Wednesday.

Council Member Nelson - HRA met last Tuesday, they're working for the final date for the contractor to be done at Rising Sun Estates to be September 8. The units are renting out rapidly, there have been some issues with the siding but they should be able to be pretty close to being done by that date. There are 30 to 32 units rented, some to college students.

Council Member Graber - Nothing but the Planning Commission and the Prairie View Long Range Planning Committee.

Council Member Janssen - Nothing to report.

Council Member Harmon - Also attended the Prairie View Long Range Planning Committee

meeting, and Cable 3 annual meeting. Attended the NEON meeting - they are trying to put together a legislative program.

Council Member Sankey - The Heron Lake Watershed District met and discussed the buffer strip system. They approved their budget at \$216,000 for 2016. He also attended the special meeting regarding annexation, and enjoyed the Nobles County fair.

CITY ADMINISTRATOR'S REPORT

Steve Robinson, City Administrator, noted that he will be joining several others at a lunch meeting with Axel Huss this Friday. Mr. Huss is the architect from Crailsheim and will be here to discuss Worthington's half of his bridge sculpture project. We are still waiting for the Public Arts Commission to present their information so we can move forward with our complimentary project here in Worthington.

ADJOURNMENT

The motion was made by Council Member Graber, seconded by Council Member Nelson and unanimously carried to adjourn the meeting at 9:04 p.m.

Janice Oberloh, MCMC
City Clerk