

**WORTHINGTON CITY COUNCIL
REGULAR MEETING, AUGUST 25, 2008**

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: Lyle Ten Haken, Mike Woll, Ron Wood, Mike Kuhle, Bob Petrich.

Staff present: Gary Hoffmann, Interim Administrator; Dwayne Haffield, Director of Engineering; Brad Chapulis, Director of Community/Economic Development; Janice Oberloh, City Clerk.

Others present: Darrell Stitt, KWOA; Ryan McGaughey and Laura Grevas, Daily Globe; Jason Junker.

AGENDA APPROVED

Staff was requesting the addition of two items to the agenda: E.8. Appoint Designee for Board of Canvass for November 4, 2008 General Election, and E.9. Amendment No. 1 to YMCA Ground Lease.

The motion was made by Alderman Ten Haken, seconded by Alderman Petrich and unanimously carried to approve the agenda with the additions of E.8 and E.9.

CONSENT AGENDA APPROVED

The motion was made by Alderman Petrich, seconded by Alderman Ten Haken and unanimously carried to approve the consent agenda as follows:

- City Council Minutes - Regular meeting August 11, 2008, Special meeting (budget) August 19, 2008, Special meeting (budget) August 21, 2008.
- Minutes of Boards and Commissions - Worthington Housing & Redevelopment Authority Board of Commissioners meeting July 10, 2008; Airport Advisory Board meeting August 12, 2008; Park & Recreation Advisory Board meeting August 14, 2008.
- Financial Statements - Municipal Liquor Store Income Statement for the period January 1, 2008 through July 31, 2008.
- Application for Exemption from Lawful Gambling as requested:

Organization:	Tomorrow's Turkeys
Chief Executive Officer:	Allen J. Thiner
Types of Games:	Raffles
Location:	Elk's Lodge, 1105 Second Avenue, Worthington, MN
Date of Activity:	September 20, 2008

- Bills Payable and totaling \$1,390,334.95 be ordered paid.

SECOND READING PROPOSED ORDINANCE - CHANGE OF ZONE PLANNED UNIT

DEVELOPMENT #10

Pursuant to published notice this was the time set for the second reading of a proposed ordinance amending Title XV of the City Code of the City of Worthington, Nobles County, Minnesota by rezoning the following legally described property from "R-1" One Family Detached Residential Districts to a Residential Planned Unit Development (PUD) District #10:

That part of the Southeast Quarter of the Southeast Quarter of Section 28, Township 102 North, Range 40 West, City of Worthington, Nobles County, Minnesota, described as follows:

Commencing at the Southeast corner of said Section 28; thence on an assumed bearing of North 0 degrees 27 minutes 21 seconds West, along the east line of said section, a distance of 493.00 feet; thence South 87 degrees 53 minutes 14 seconds West, parallel with the south line of said section, a distance of 20.00 feet to the point of beginning of the tract to be described; thence continuing South 87 degrees 53 minutes 14 seconds West, parallel with the south line of said section, a distance of 749.71 feet to the easterly right of way line of County State Aid Highway No. 10; thence North 0 degrees 39 minutes 31 seconds West, along said easterly right of way line, a distance of 449.96 feet to the south line of Olson Park; thence North 87 degrees 53 minutes 14 seconds East, along the south line of said Olson Park, a distance of 771.30 feet to the east line of said section; thence South 0 degrees 27 minutes 21 seconds East, along said east line, a distance of 176.70 feet; thence South 87 degrees 53 minutes 14 seconds West, parallel with the south line of said section, a distance of 20.00 feet; thence South 0 degrees 27 minutes 21 seconds East, parallel with the east line of said section, a distance of 273.30 feet to the point of beginning, containing 7.83 acres, subject to easements now of record in said county and state.

The motion was made by Alderman Wood, seconded by Alderman Woll and unanimously carried to give a second reading to the proposed ordinance.

MEMORANDUM OF UNDERSTANDING FOR SUMMER HOURS - LOCAL NO. 49 EXTENDED

At their April 14, 2008 meeting, Council approve a memorandum of understanding for summer hours for the Local No. 49 bargaining unit which set the summer hours of operation as 7:00 a.m. to 4:30 p.m. Monday through Thursday, and 7:00 a.m. until 12:00 noon Friday. The memorandum expired at the end of April, but because the summer hours allowed for increased efficiency as hoped, the Local No. 49 was requesting Council approval of an extension of the summer hours through Friday, September 26, 2008.

The motion was made by Alderman Kuhle, seconded by Alderman Wood and unanimously carried to approve the extension of the Memorandum of Summer hours for Local No. 49 through September

26, 2008.

DATE AND TIME SET FOR TRUTH IN TAXATION HEARING IF NECESSARY

Staff was requesting that Council set a date and time for a Truth in Taxation Hearing, and a Continuation of Hearing date, should the State notify us that we would be required to hold such a hearing. The City was not required to hold the hearing in 2007 based on our levy, and opted not to have the hearing in an effort to save tax payer money.

The motion was made by Alderman Ten Haken, seconded by Alderman Woll and unanimously carried to set the time and date for the City's Truth in Taxation Hearing as 7:00 p.m. on December 1, 2008, in City Hall Council Chambers, and the time and date for Continuation of Hearing would be 7:00 p.m on December 1, 2008 at the Regular City Council Meeting.

OPTIONS DISCUSSED FOR MARKETING CITY-OWNED LAND, INCLUDING LISTING WITH LOCAL REALTOR

Council discussed marketing of City-owned land, including that in our business parks, including the pros and cons of listing with a local realtor. Brad Chapulis, Director of Community/Economic Development, pointed out that land designated for economic development purposes is automatically exempted from the City's Property Disposal Policy. Alderman Woll noted he liked the idea of working with a realtor but still work with Glenn or Brad. Brad Chapulis responded the commission on selling the property will be the question and whether or not the realtor would still receive it if the contact was made through a state website. Alderman Wood suggested we need to go beyond our local Realtors with a broader base. Mr. Chapulis said Glenn Thuringer, WREDC, is willing to work on marketing but their funds are limited. A lengthy discussion was held on options available. Brad Chapulis and Gary Hoffmann will make some contacts for additional information. Alderman Ten Haken expressed his agreement with Alderman Wood that we go for the broader perspective and not just stay local.

APPLICATION FOR ON-SALE BEER LICENSE APPROVED

An application for an On-Sale Beer License was received from Ignacio Romero for his business at 1719 East Avenue, El Tio Nachos #2. Mr. Romero currently operates El Tio Nachos #1 in Sibley, Iowa and recently purchased the property here in Worthington. All the required paperwork and the fee were received.

The motion was made by Alderman Woll seconded by Alderman Wood and unanimously carried to approve the following On-Sale Beer License:

2008-16 (*onst*)

Ignacio Romero, El Tio Nachos #2, 1719 East Avenue.

ALDERMAN WOOD APPOINTED AS DESIGNEE FOR BOARD OF CANVASS FOR NOVEMBER 4, 2008 GENERAL ELECTION

The date for the Board of Canvass for the September 9, 2008 Primary Election has been set at 9:00 a.m. on Friday, September 12th, and the Board of Canvass for the November 4, 2008 General Election has been set at 9:00 a.m. on Friday, November 7th. As the Mayor of the most populous city in Nobles County, Worthington's Mayor serves by default on the Nobles County Board of Canvass. Mayor Oberloh will be unavailable for the November 7th Board of Canvass, therefore, Council was asked to appoint a designee to take his place.

The motion was made by Alderman Woll, seconded by Alderman Petrich and unanimously carried to appoint Alderman Wood as the designee for the November 7th Nobles County Board of Canvass for the General Election November 4, 2008.

AMENDMENT NO. 1 TO THE YMCA GROUND LEASE APPROVED

Staff presented Amendment No. 1 to the YMCA Ground Lease for Council approval. The amendment states that the Y shall provide within 30 days a sublease between the Y and the City which covers the aquatics center. It also grants the City the right to enter into the Y's position if the Y defaults, and only if the City desires. Mark Shepherd, City Attorney, was recommending approval of the amendment. Gary Hoffmann, Interim Administrator, noted we still needed to come to an agreement for an operating agreement, which is separate.

The motion was made by Alderman Woll, seconded by Alderman Petrich and unanimously carried to approve Amendment No. 1 to the YMCA Ground Lease.

RESOLUTION NO. 3347 ADOPTED RECEIVING REPORT AND ORDERING HEARING FOR IMPROVEMENT OF PROPERTY TO BE PLATTED AS CHERYWOOD ADDITION

At their August 11, 2008 regular meeting, Council passed Resolution No. 3346 authorizing Midwest Engineering to prepare a feasibility report on the proposed improvements of the property to be platted as Cherrywood Addition. The petition is for extension of the municipal sewer and water systems, and for improvement of the area by extension of the municipal storm water collection and management system. The feasibility report provides detailed information on the proposed improvement including location, need for improvement, costs, and proposed financing. Staff was requesting Council to adopt a resolution receiving the report and ordering a hearing on the improvement at 7:00 p.m. at the next regular Council meeting on September 8, 2008.

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

RESOLUTION NO. 3347

RECEIVING REPORT AND CALLING FOR HEARING ON PROPOSED IMPROVEMENT

(Refer to Resolution File for complete copy of Resolution)

RESOLUTION ADOPTED CALLING FOR A PUBLIC HEARING ON APPROVAL OF A MODIFICATION TO THE TAX INCREMENT FINANCING PLAN FOR TAX INCREMENT FINANCING (REDEVELOPMENT) DISTRICT NO. 7 IN THE CITY OF WORTHINGTON

Staff has worked with Springsted, Inc. to prepare Amendment #7 to the Tax Increment Financing Plan for District #7. The amendment revises the redevelopment plan to allow tax increment funds to be expended on several projects, including the Highway 59 access road, infrastructure improvements/extensions/ relocations, industrial wastewater treatment facility improvements, site preparation program funding, and housing. Prior to any TIF amendment, Council must hold a public hearing on the matter. Staff was proposing that Council set the time and date for the hearing as 7:00 p.m. on October 13, 2008, at the regular scheduled Council meeting.

The motion was made by Alderman Woll, seconded by Alderman Wood and unanimously carried to adopt the following resolution:

RESOLUTION

RESOLUTION CALLING FOR A PUBLIC HEARING ON APPROVAL OF A MODIFICATION TO THE TAX INCREMENT FINANCING PLAN FOR TAX INCREMENT FINANCING (REDEVELOPMENT) DISTRICT NO. 7 IN THE CITY OF WORTHINGTON

BE IT RESOLVED by the City Council of the City of Worthington, Minnesota (the "City"), as follows:

1. Tax Increment Financing Plan Modification. The City has previously approved a plan (the "Redevelopment Plan") for redevelopment activities to be undertaken in Redevelopment Project Area No. __ (the "Project Area"), and a Tax Increment Financing Plan, as described in Minnesota Statutes, 469.175, Subdivision 1 (the "TIF Plan"), establishing a tax increment financing district, as defined in Minnesota Statutes, Section 469.174, subdivision 9, designated as Tax Increment Financing (Redevelopment) District No. 7 within the Project Area. It has been proposed that this Council hold a public hearing on the modification of the TIF Plan to provide for an increase in the captured net tax capacity to be retained by the City, all in accordance with and pursuant to Minnesota Statutes, Section 469.175, Subdivision 4; and further, that the Council approve the modified TIF Plan.

2. Public Hearing. A public hearing is hereby scheduled to be held on the modified TIF Plan at 7:00 p.m. on October 13, 2008, at the Worthington City Hall, 303 9th Street, Worthington, Minnesota. The Interim City Administrator is hereby authorized and directed to cause notice of such public hearing in substantially the form of Exhibit A attached hereto to be published in the official newspaper of the City not less than 10 days nor more than 30 days prior to the date of the hearing, and to provide the information required by Minnesota Statutes, Section 469.175, subdivisions 2 and 2a, to the appropriate parties.

Attest:

Interim City Administrator

Mayor

EXHIBIT A

NOTICE OF PUBLIC HEARING ON APPROVAL OF A
MODIFICATION TO THE TAX INCREMENT FINANCING
PLAN FOR TAX INCREMENT FINANCING
(REDEVELOPMENT) DISTRICT NO. 7 IN THE CITY OF
WORTHINGTON

NOTICE IS HEREBY GIVEN that the City Council of the City of Worthington (the "City") will hold a public hearing on the approval of a modification to the Tax Increment Financing Plan (the "TIF Plan") for Tax Increment Financing (Redevelopment) District No. 7 (the "TIF District") within Redevelopment Project Area No. __ (the "Project Area") at 7:00 p.m. on Monday, October 13, 2008, at the Worthington City Hall, 303 9th Street, Worthington, Minnesota.

The modified TIF Plan provides for the financing, with tax increment revenues, of a redevelopment project and public improvements directly related thereto.

Accompanying this notice is a map of a portion of the City. The map shows the area encompassed by the Project Area and the TIF District from which tax increment may be collected, pursuant to the modified TIF Plan, and the area in which such tax increment may be expended.

All who wish to be heard as to the modification of the TIF Plan will be given an opportunity to express their views at the time of the public hearing or may file written comments with the Interim City Administrator prior to the public hearing.

By /s/ Gary Hoffmann, Interim City Administrator

COUNCIL COMMITTEE REPORTS

Mayor Oberloh - nothing to report.

Alderman Ten Haken - Will be a meeting with the Seniors at 5 p.m. on Wednesday.

Alderman Woll - nothing to report.

Alderman Wood - Campus View Apartments are in the College hands for management. The HRA Board will probably request to make a presentation to Council

Alderman Kuhle - Reminder of the Air Show a week from Saturday.

Alderman Petrich - the Coalition meeting he attended was good. MMUA information on a new system they are trying in Luverne for storing energy from the wind turbines - batteries the size of a semi trailer. The water tower is still going up.

CITY ADMINISTRATOR REPORT

Gary Hoffmann, Interim Administrator, reported that according to Springsted they received 25 applications for the Administrator position, however, two of them have withdrawn their application. They are currently checking backgrounds and grouping and ranking the applicants. A meeting is scheduled September 9th with Council to review the applications, and they would like Council to select either September 18 - 20 or September 25 - 27 for interviews.

CLOSED SESSION UNDER MINNESOTA STAT. § 13D.05 SUBD. 3 AND 13.44 SUBD. 3 TO DISCUSS SALE OF CITY OWNED REAL PROPERTY - STOWER DRIVE

Mayor Oberloh asked for a roll call of those present for the closed session: Janice Oberloh, Lyle Ten Haken, Mike Woll, Brad Chapulis, Glenn Thuringer, Ron Wood, Mike Kuhle, Bob Petrich, Gary Hoffmann. (Alan Oberloh).

The motion was made by Alderman Woll, seconded by Alderman Wood and unanimously carried to close the meeting under Minnesota Stat. §13D05 Subd. 3 and 13.44 Subd. 3 to discuss the sale of City-owned property on Stower Drive.

The motion was made by Alderman Wood, seconded by Alderman Ten Haken and unanimously carried to reopen the meeting.

The motion was made by Alderman Wood, seconded by Alderman Petrich and unanimously carried to establish an asking price of \$23,958 per acre for the City-owned property on Stower Drive, based on the City's historical forgivable loan rate of 55 cents per square foot for its property on Industrial Lane, and to market the two parcels as one package.

ADJOURNMENT

The motion was made by Alderman Ten Haken, seconded by Alderman Woll and unanimously carried to adjourn the meeting at 8:30 a.m.

Janice Oberloh
City Clerk

ADJOURNMENT