

**WORTHINGTON CITY COUNCIL
REGULAR MEETING, APRIL 27, 2020**

The meeting was called to order at 7:00 p.m. via conference call by Mayor Mike Kuhle with the following Council Members present: Chad Cummings, Amy Ernst, Alan Oberloh, Larry Janssen, Mike Harmon.

Staff present: Participating via conference call, Steve Robinson, City Administrator; Jason Brisson, Assistant City Administrator/ Economic Development Director; Todd Wietzema, Director of Public Works; Dwayne Haffield, Director of Engineering; Mindy Eggers, City Clerk.

Others present: Participating via conference call, Justine Wettschreck, Radio Works, Ryan McGaughey.

The Pledge of Allegiance was recited.

AGENDA CLOSED / APPROVED

Council Member Oberloh stated that he would like to have conversation regarding The Thompson Hotel to the agenda. Steve Robinson, City Administrator stated it could be added under the City Administrator's report. A motion was made by Council Member Ernst, seconded by Council Member Harmon and unanimously carried to approve the agenda as presented by roll call vote: Ayes: Cummings, Ernst, Janssen, Harmon, Oberloh. Nays: None.

CONSENT AGENDA APPROVED

The motion was made by Council Member Janssen, seconded by Council Member Harmon and unanimously carried to approve the consent agenda as presented by roll call vote: Ayes: Cummings, Ernst, Janssen, Harmon, Oberloh. Nays: None.

- City Council Minutes of Special Meeting of April 22, 2020
- City Council Minutes of Regular Meeting of April 13, 2020
- Bills payable and totaling \$1,615,958.46 be ordered paid

**PUBLIC HEARING AND RESOLUTION NO. 2020-04-19 ADOPTED APPROVING
NOBLES HOME INITIATIVE APPLICATION FOR TAX ABATEMENT- 1881 AND 1883
FIRST AVENUE SOUTHWEST**

Pursuant to published notice this was the time and date for a public hearing on a Nobles Home Initiative application for tax abatement.

The motion was made by Council Member Ernst, seconded by Council Member Cummings and unanimously carried to open the hearing by roll call vote: Ayes: Cummings, Ernst, Janssen, Harmon, Oberloh. Nays: None.

Jason Brisson, Assistant City Administrator/Director of Economic Development, presented

background on the request, noting that a Nobles Home Initiative (NHI) application had been submitted by Dan Krueger who was seeking approval of tax abatement for the construction of a two-family duplex at 1881 and 1883 First Avenue Southwest. The duplex consists of two approximately 1,291 square foot units with approximately 588 square foot attached garages. The estimated value of the project is \$350,000, which would generate approximately \$3,725 in annual taxes utilizing the 2019 tax rate. The City's share would be approximately \$1,772. Mr. Brisson said staff had reviewed the application and determined that it met all the parameters of the NHI guidelines. The public hearing was required by State Statute to allow for public comment on the proposed abatement. Staff reviewed the application and finds that it meets all the parameters of the NHI Guidelines.

Mayor Kuhle asked if there was anyone who wished to present testimony. None was received.

The motion was made by Council Member Harmon, seconded by Council Member Janssen and unanimously carried to close the hearing with a roll call vote: Ayes: Cummings, Ernst, Janssen, Harmon, Oberloh. Nays: None.

The motion was made by Council Member Cummings, seconded by Council Member Ernst and unanimously carried to adopt the following resolution approving the Nobles Home Initiative application submitted by Dan Krueger by a roll call vote: Ayes: Cummings, Ernst, Harmon, Janssen, Oberloh. Nays: None.

RESOLUTION NO. 2020-04-19

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

(Refer to Resolution File for complete copy of Resolution)

2020 PRIVATE DOCK APPLICATION APPROVED

Todd Wietzema stated staff received a private dock on public property permit application from Brian Standafer who resides at 713 May Street. Mr. Standafer has been a dock permit holder since 2015. Mr. Wietzema explained staff received a letter from the resident at 719 May Street, questioning our authority, to issue a permit to Mr. Standafer. After consulting with our City Attorney, it was determined that the City could issue a dock permit for this location.

Council Member Oberloh stated that Council made the decision to not vacate the street and has issued dock permits to the applicant in the past and feels it should be left as is.

A motion was made by Council Member Oberloh, seconded by Council Member Harmon and unanimously approved to issue the dock permit to 713 May Street by roll call vote: Ayes:

Cummings, Ernst, Janssen, Harmon, Oberloh. Nays: None.

AWARD CONTRACT FOR THE 2020 SANITARY AND STORM SEWER IMPROVEMENTS

Dwayne Haffield, Director of Engineering explained two bids were received for the 2020 Sanitary and Storm Sewer Improvements Project on April 22, 2020. The bids were:

Duininck, Inc.: \$268,266.00
Ideal Landscape and Design, Inc.: \$276,461.00
Engineer's Estimate: \$252,687.46

He said staff recommends award of the contract to the low qualified bidder, Duininck, Inc. of Prinsburg, MN. This year's bid compares to the reject bid of \$348,125.50 received last year. This year's bid does include minor work added to the project estimated at about \$5,300.

The project includes storm sewer repairs in four locations:

Eighth Avenue - 13th Street to 185 feet southwest: replace main and manhole
At 12th Street and 4th Avenue: replace 2 catch basins & lead, add manhole
Ninth Street at 6th Avenue: replace catch basin, lead & manhole
4th Avenue at 11th Street: install catch basin lead

The project also includes sanitary sewer repairs in two locations:

Doratha Boulevard: replace 330 feet of main
Fourth Avenue - 10th to 11th Street: Two spot repairs

The motion was made by Council Member Oberloh, seconded by Council Member Janssen and unanimously carried to approve the 2020 Sanitary and Storm Sewer Improvements by roll call vote: Ayes: Cummings, Ernst, Janssen, Harmon, Oberloh. Nays: None.

AWARD CONTRACT FOR AIRPORT TAXIWAY B & C PAVEMENT MAINTENANCE PROJECT

Dwayne Haffield, Director of Engineering, stated that three bids were received for the Airport Taxiway B & C Pavement Maintenance Project. The bids were:

Fahrner Asphalt Sealers, LLC: \$57,247.60
Asphalt Surface Technologies Corp.: \$75,704.55
American Road Maintenance : \$102,205.00
Engineer's Estimate: \$142,897.50

Staff is recommending that Council award the contract to Fahrner Asphalt Sealers, LLC, the low

qualified bidder, subject to receipt of a Federal Aviation Administration (FAA) grant. Fahrner Asphalt Sealers, LLC has completed similar projects for the City. He said the project includes maintenance work on Taxiway B east of Runway 18/36 and on Taxiway C north of Runway 11/29. Maintenance includes necessary crack repairs prior to providing a slurry seal.

The motion was made by Council Member Cummings, seconded by Council Member Harmon and unanimously carried to approve the Airport Taxiway B & C Pavement Maintenance Project by roll call vote: Ayes: Cummings, Ernst, Janssen, Harmon, Oberloh. Nays: None.

AIRPORT SOUTH CONCRETE APRON RECONSTRUCTION PROJECT

Dwayne Haffield, Director of Engineering, stated three bids were received for the Airport South Concrete Apron Reconstruction Project. The bids were as follows:

Henning Construction, Inc.: \$480,787.25
Duininck, Inc.: \$522,892.25
K & M Concrete: \$530,084.20
Engineer's Estimate: \$592,948.00

Staff is recommending that Council award the contract to the low qualified bidder, Henning Construction, Inc. of Adrian, MN. This award should also be subject to receipt of an FAA grant. Mr. Haffield stated that K&M Concrete had a substantial bid error and withdrew their bid as allowed in the project specifications.

The project involves the reconstruction of the south part of the concrete Apron A. This portion of the concrete Apron A (located in the terminal area) abuts the majority of the FBO Hangar and provides access to the jet fueling.

Mr. Haffield said, at the May 13, 2019 City Council meeting, Council approved a master services agreement with the firm of Bolton and Menk for identified airport projects that are initiated within five years of that date. He explained the approval of the master agreement followed an open consultant selection process as required by the Federal Aviation Administration (FAA). The master services agreement establishes the terms and conditions that may be common to all airport projects undertaken by the firm. Work Orders address the scope of services and any other specific terms relating to specific projects.

The first work order under the master services agreement for design and bidding services for the South Concrete Apron Reconstruction Project were also approved at the May 13, 2020 meeting. Mr. Haffield explained that work order did not include construction and close out phase services. The construction administration services of \$43,238.00 are proposed as hourly (actual) plus a fixed fee. He said although the City's preference for fees is hourly not to exceed, current application of FAA requirements directs the use of hourly plus fixed fee for services such as those for construction

phases. The hours and rates assigned to derive the fee are found to be reasonable. Mr. Haffield explained the City will have adequate federal entitlement funds for the two airport projects as a result of the favorable bids and will not need to advance funds or borrow from another community. The Coronavirus Aid, Relief, and Economic Security (CARES) Act adds funding to increase the federal funding to 100% of eligible costs. He said the apron reconstruction project continues to have costs that are not eligible due to areas of the apron being under the departure surface.

The motion was made by Council Member Janssen, seconded by Council Member Cummings and unanimously carried to approve the Airport South Concrete Apron Reconstruction Project by roll call vote: Ayes: Cummings, Ernst, Janssen, Harmon, Oberloh. Nays: None.

APPROVED REBUILDING TOGETHER LETTER OF SUPPORT

Jason Brisson, Assistant City Administrator/Director of Economic Development, stated Rebuilding Together Twin Cities, an affiliate of Rebuilding Together, Inc., has been preserving homes and revitalizing communities in the 7-county metropolitan area since 1997. They work year-round to sustain healthy neighborhoods and ensure that people in need can live independently and safely in their homes. Mr. Brisson explained Rebuilding Together has recently worked with Worthington, Jackson, and Windom City staff on establishing a pilot project in Southwest Minnesota.

He said the City and Rebuilding Together staff recently hosted a community event to learn about community housing needs and recruit volunteers for a Nobles County project. Rebuilding Together is now applying for funds to move forward with the project and has requested a letter of support from the City of Worthington for their applications. Each of them includes a component in Nobles County.

The list of projects and applications are below:

- Affordable Housing for Rural Veterans Initiative (via the Housing Assistance Council). \$7,000 (committed) for two Safe at Home (ramp) projects for low-income veterans in qualifying rural areas of Cottonwood, Jackson, and Nobles Counties.
- MN Department of Human Services. Amount to be determined for accessibility modifications and program staff in Cottonwood, Jackson, and Nobles Counties.
- USDA Housing Preservation Grant Program. Amount to be determined for critical repairs and/or accessibility modifications in qualified rural areas of Cottonwood, Jackson, and Nobles Counties.

A motion was made by Council Member Cummings, seconded by Council Member Janssen and unanimously carried to approve the Rebuilding Together letter of support by roll call vote: Ayes: Cummings, Ernst, Janssen, Harmon, Oberloh. Nays: None.

APPROVED NOBLES HOME INITIATIVE GUIDELINES AMENDMENT

Jason Brisson, Assistant City Administrator/Director of Economic Development stated, the Nobles Home Initiative program has been successful in increasing the amount of new single family homes built in Nobles County since its creation and adoption in 2014. The current Nobles County Auditor-Treasurer discovered that some past payments hadn't been calculated correctly and that there were numerous scenarios that weren't anticipated when the program was created.

Mr. Brisson explained to improve the program's effectiveness and reduce the staff time required to administrate it, the City, County, and School District committee met to discuss proposed amendments to the existing Nobles Home Initiative program guidelines. Staff from each entity have also provided comments on the proposed changes. He said the guidelines were first adopted in May 2014 and have been revised five times between August 2014 and April 2020. The most recent version as revised in March 2016.

The new proposed changes are as follows:

- Formally modified the end date to December 31, 2022
- Changed the language in the 'Eligible Participants' section from "100% tax abatement" to "tax abatement from the County, appropriate City and School District"
- Added number 6 to the 'Eligible Participants' section requiring 'Construction must commence within 6 months of application approval'
- Removed the language for multifamily projects to seek longer abatement in the 'Eligible Participants' section
- Clarified the language of how the abatement will be calculated in the 'Eligible Participants' section
- Added language in the 'Eligible Participants' section defining the base value
- Added the 'Calculation of the Abatement' section that defines how abatement calculations are performed. This section also includes language that provides that these changes are retroactive
- Added language in the 'Application' section similar to number 6 in the 'Eligible Participants' section requiring application approval before the start of construction
- Changed the programs administrative agency from the Worthington Regional Economic Development Corporation to the Nobles County Government Administration
- Added language in the 'Application' section encouraging applicants to attend the public hearings on the abatement and clarified that each entity will conduct separate hearings on the application

Mr. Brisson said the last change is the addition of a submittal sheet that lists the required documentation for applications. This will need to be filled in or submitted before Nobles County will disburse any abatement funds. This is intended to ensure that the Nobles County Auditor-Treasurer has all the required documentation for auditing purposes. The Nobles County

Board approved the amendment to adopt the program guidelines at its April 21, 2020 meeting.

A motion was made by Council Member Cummings, seconded by Council Member Janssen and unanimously carried to approve the Nobles Home Initiative Guidelines by roll call vote: Ayes: Cummings, Ernst, Janssen, Harmon, Oberloh. Nays: None.

COUNCIL COMMITTEE REPORTS

Mayor Kuhle - Thanked City Staff for helping get everything ready for the COVID-19 testing at the Nobles County Fairgrounds.

Council Member Janssen - No report.

Council Member Oberloh - No report.

Council Member Cummings - Thanked the Worthington Hockey Association and the Nobles County Fair Association for their help in the testing that was held at the fairgrounds. The Certificates of Stability Program Auction will be held in conjunction with the Chamber of Commerce on May 1st. A matching fund of 25% has been built by businesses to aid the businesses that cannot be open at this time.

Council Member Ernst - No report.

Council Member Harmon - Has been getting calls on the trash pick-up and when it will be rescheduled.

CITY ADMINISTRATOR'S REPORT

There are very few people paying rent at the Thompson Hotel at this time. The Governor's order went into effect that placed a moratorium on evictions. Cannot identify at this time which units are being lived in and the Police Department cannot act unless there is a complaint. Jason Brisson stated that some folks do have a lease but some do not and are squatting and the owners have been unable to identify who is and who isn't.

Council Member Oberloh stated that the City had a court order that deemed the building unsafe and that the building needed to be emptied. He suggested that Steve reach out to the Governor's office, there has to be something that can be done to help the new owners so the project can move forward. Council Member Janssen stated that the city will have to be careful as squatters have rights. Mr. Robinson stated that he will find out what our legal options are.

The masonry on the exterior of the movie theater is moving along. The Centennial Park shelter construction is also moving along.

ADJOURNMENT

The motion was made by Council Member Oberloh, seconded by Council Member Cummings and unanimously carried to adjourn the meeting at 7:39 p.m.

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Mindy L. Eggers, MCMC
City Clerk