

**WORTHINGTON CITY COUNCIL  
REGULAR MEETING  
APRIL 22, 2024**

The meeting was called to order at 5:30 p.m., in City Hall Council Chambers by Mayor Rick Von Holdt with the following Council Members present: Dennis Weber, Larry Janssen, Amy Ernst, Chris Kielblock.

Members absent: Chad Cummings.

Staff present: Steve Robinson, City Administrator; Hyunmyeong Goo, City Engineer; Matt Selof, Community Development Director; Mindy Eggers, City Clerk.

Others Present: Sam Martin, The Globe; Ryan McGaughey, Radio Works; Dennis Simpson, Quarnstrom & Doering Law Firm.

The Pledge of Allegiance was recited.

**AGENDA APPROVED WITH ADDITIONS/CHANGES**

A motion was made by Council Member Kielblock, seconded by Council Member Ernst and unanimously carried to approve the agenda as presented.

**CONSENT AGENDA**

A motion was made by Council Member Ernst, seconded by Council Member Janssen and unanimously carried to approve the consent agenda as presented.

- City Council Meeting Minutes of April 8, 2024
- Heron Lake Watershed District Board Minutes of March 20, 2024
- Public Arts Commission Meeting Minutes of March 12, 2024
- Housing & Redevelopment Authority Meeting Minutes of March 6, 2024
- General Fund Statement of Revenue and Expenditures for the Period of January 1, 2024 through March 31, 2024
- Municipal Liquor Store Income Statement for the Period of January 1, 2024 through March 31, 2024
- Olson Park Statement of Revenue and Expenditures - Budget and Actual for the Period of January 1, 2024 - March 31, 2024
- Fieldhouse Statement of Revenue and Expenditures - Budget and Actual for the Period of January 1, 2024 - March 31, 2024
- Application for Temporary On-Sale Liquor License - Worthington Okabena Windsurfers
- Application to Block Street(s) - Worthington Okabena Windsurfers
- Renewal Application for On-Sale Beer License - Worthington Area Youth Baseball Association

- Approve Girl's Softball Association Agreement
- Approve 2024 Worthington Soccer League Agreement
- Bills Payable Totaling \$2,561,160.95

**THIRD READING AND ADOPTED ORDINANCE NO. 1203 TO AMEND TITLE XV OF THE CITY CODE OF WORTHINGTON, NOBLES COUNTY - CITY CODE 155 SECTION 52 AND APPENDIX B: TABLE 2**

Pursuant to published notice this is the time and date set for the third reading of a proposed ordinance amending Title XV of the City Code of Worthington, Nobles County, Minnesota.

A complete copy of the ordinance was provided in your March 25, 2024 Council agenda.

A motion was made by Council Member Kielblock, seconded by Council Member Weber and unanimously carried to approve the summary ordinance, give a third reading and subsequently adopt the following ordinance:

ORDINANCE NO. 1203

AN ORDINANCE TO AMEND TITLE XV OF THE CITY CODE OF WORTHINGTON, NOBLES COUNTY - CITY CODE 155 SECTION 52 AND APPENDIX B: TABLE 2

(Refer to Ordinance File for complete copy of Ordinance)

**ADOPTED RESOLUTION NO. 2024-04-33 TO USE WORKFORCE HOUSING DEVELOPMENT PROGRAM FUNDS FOR QUALIFIED EXPENDITURES TO COMPLY WITH APPLICABLE PROGRAM REQUIREMENTS AND APPROVED THE LETTER OF INTENT AND WORKFORCE HOUSING DEVELOPMENT PROGRAM GRANT APPLICATION - SOUTHWEST MINNESOTA HOUSING PARTNERSHIP**

Steve Robinson, City Administrator, said the Minnesota Housing Finance Agency established the Workforce Housing Development Program to assist in developing market rate residential rental properties to address the lack of workforce housing in Greater Minnesota. He explained the purpose of the program is to create new market rate residential rental properties. The deadline for the City to submit a grant request is April 30, 2024. The grant awards will be announced in August 2024.

Southwest Minnesota Housing Partnership (SWMHP) has requested that the City of Worthington submit a Request for Proposal to Minnesota Housing on behalf of their proposed market rate residential rental project that would be developed at the City-owned 1.79-acre parcel (Parcel No. 31-1068-010) located at the southeast intersection of Grand Avenue and Darling Drive, just south of the New Grand Theater. The Workforce Housing Development Program funds shall not exceed 50 percent of the total development costs and requires at least \$1.00 of local matching funds for every \$2.00 of program funding.

SWMHP's project consists of ten market rate rental twin homes with attached garages for a total of twenty new residential units. Each unit is two levels with two-bedrooms and one and a half bath.

The request for matching funds from SWMHP for this project includes the following:

- Acquisition for \$1.00 for the 1.79-acre parcel, valued at \$58,175.00,
- Five-year property tax abatement from the City of Worthington, Nobles County and ISD 518. The total five-year tax abatement is estimated to be approximately \$404,000.00 based on an estimated taxable market value of \$6,580,000,
- Worthington's 2023 and 2024 Statewide Affordable Housing Aid allocation of \$109,316.
- Roadway and utility infrastructure investments by the City of \$213,077.00 for Grand Avenue and Darling Drive abutting the parcel without which development of the parcel would not be feasible,
- A grant from the City in the amount of \$250,000.00 from Spending Plan funds, and
- A ten-year loan in the amount of \$1,000,000 at 2.0% interest, amortized at 30 years. The City's match \$2,034,568.00 exceeds the 2 to 1 local share requirement.

Council is requested to support the Workforce Housing Development Program grant application and authorize execution of the following:

- Letter of intent between the City and SWMHP for acquisition of and development of Lot 1, Block 2, Cecilee Street Addition,
- Workforce Housing Development Program Certification Form, and
- Adopt the resolution shown as Exhibit 5 certifying that the City is authorized to enter into an agreement with Minnesota Housing and will comply with all provisions of the grant.

The motion was made by Council Member Ernst, seconded by Council Member Kielblock and unanimously carried to approve the letter of intent, certification form and adopt the following resolution:

RESOLUTION NO. 2024-04-33

A RESOLUTION TO USE WORKFORCE HOUSING DEVELOPMENT PROGRAM FUNDS FOR QUALIFIED EXPENDITURES TO COMPLY WITH APPLICABLE PROGRAM REQUIREMENTS

(Refer to Resolution File for complete copy of Resolution)

**ADOPTED RESOLUTION NO. 2024-04-34 ACCEPTING A DONATION OF PERSONAL PROPERTY**

Mr. Robinson said the Park and Recreation Advisory Committee received a request from an individual to place a bench along a city trail. The request is as follows:

- Souriya Thepmontry to place a bench along the trail by Prairie Elementary in memory of Mr. Saw Koo.

The donation meets all the requirements as set forth in the Park Donation policy adopted by City Council. The Park and Recreation Advisory Board recommended City Council accept the donation.

The motion was made by Council Member Kielblock, seconded by Council Member Weber and unanimously carried to adopt the following resolution:

RESOLUTION NO. 2024-04-34

**A RESOLUTION ACCEPTING A DONATION OF PERSONAL PROPERTY**

(Refer to Resolution File for complete copy of Resolution)

**APPROVED TASK ORDER 27 WITH BOLTON AND MENK TO PROVIDE PRELIMINARY ENGINEERING SERVICE**

Hyunmyeong Goo, City Engineer, said the State awarded the City of Worthington \$1,440,400.00 from the Local Road Improvement Program (LRIP) fund for Service Drive and Service Road along Oxford Street. The scope of the project includes the reconstruction of Service Road, extension of Service Drive to tie into State Highway 60, and the reconstruction of the utilities. However, the LRIP fund does not cover the engineering service fee, right of way acquisition, or the utility reconstruction. The total project cost is estimated to be at \$1,884,900.00 and is proposed for 2025. Task Order 27, provides engineering service for the project development including right of way acquisition, surveying, wetland delineation, and project design. The cost is not to exceed \$167,500.00.

The motion was made by Council Member Ernst, seconded by Council Member Kielblock and unanimously carried to approve Task Order Number 27 not to exceed \$167,500.00.

**APPROVED COMMERCIAL AND INDUSTRIAL TAX ABATEMENT PROGRAM ADOPTION**

Matt Selof, Community Development Director, said in an effort to encourage commercial and industrial development within the City of Worthington, staff has developed a commercial and industrial tax abatement program for Council's consideration.

The program, as proposed, will provide abatement of the City's share of property taxes for 5 years, with the City abating 20% less each year. It will be a sliding scale, 5-year abatement program. The program will be structured as follows:

- Year 1: 100% of captured tax capacity will be abated.
- Year 2: 80% of captured tax capacity will be abated.
- Year 3: 60% of captured tax capacity will be abated.
- Year 4: 40% of captured tax capacity will be abated.
- Year 5: 20% of captured tax capacity will be abated.

Each application under the program will require that an application be made to the City, a public hearing be held, and a development agreement be made between the City and the applicant/business/developer.

The motion was made by Council Member Ernst, seconded by Council Member Weber and unanimously carried to approve the Commercial and Industrial Tax Abatement Program adoption.

### **COUNCIL COMMITTEE REPORTS**

Mayor Von Holdt - Attended JBS Awards Banquet, met the new plant manager Matt Altman.  
Council Member Janssen - No report.  
Council Member Ernst - Welcomed Dennis.  
Council Member Kielblock - Welcomed Dennis. Attended the Legislative Breakfast and took part in a CGMC zoom session regarding the legislative session. Also attended the JBS Awards Banquet.  
Council Member Weber - Thanked everyone and said he is honored to be serving the citizens of Worthington.  
Council Member Cummings - No report.

### **CITY ADMINISTRATOR REPORT**

Mr. Robinson stated that he met with representatives of MN West regarding a long term arrangement with the fieldhouse.

### **CLOSED SESSION UNDER MINN. STAT. § 13D.05, SUBD. 3(B) ATTORNEY CLIENT PRIVILEGE - 8TH AVENUE RECONSTRUCTION**

Mayor Von Holdt announced Council would be going into closed session under the above referenced Minnesota Statute for attorney client privilege, litigation strategy.

The following were present for the closed session: Mindy Eggers, Steve Robinson, Dennis Weber, Larry Janssen, Amy Ernst, Chris Kielblock, Hyunmyeong Goo, Dennis Simpson.

The motion was made by Council Member Janssen, seconded by Council Member Kielblock and unanimously carried to close the meeting at 5:49 p.m.

The motion was made by Council Member Kielblock, seconded by Council Member Weber and unanimously carried to reopen the meeting at 6:10 p.m.

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The motion was made by Council Member Kielblock, seconded by Council Member Ernst and unanimously carried to reduce the liquidated damages to \$24,000.00 and agree to the other six items as presented in the mediator's proposal.

**ADJOURNMENT**

The motion was made by Council Member Kielblock, seconded by Council Member Weber and unanimously carried to adjourn the meeting at 6:12 p.m.

Mindy Eggers, MCMC  
City Clerk