

**WORTHINGTON CITY COUNCIL
REGULAR MEETING, JUNE 14, 2021**

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: Chad Cummings, Chris Kielblock, Larry Janssen, Alaina Kolpin and Amy Ernst.

Staff present: Steve Robinson, City Administrator; Todd Wietzema, Public Works Director; Jason Brisson, Assistant City Administrator/Director of Economic Development; Mindy Eggers, City Clerk.

Others present: Ryan McGaughey, The Globe.

The Pledge of Allegiance was recited.

AGENDA APPROVED WITH ADDITIONS/CHANGES

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

PUBLIC HEARING AND RESOLUTION NOS. 2021-06-28 ADOPTED ORDERING IMPROVEMENT AND PREPARATION OF PLANS AND SPECIFICATIONS AND RESOLUTION NO. 2021-06-29 ADOPTED RELATING TO FINANCING OF CERTAIN PUBLIC IMPROVEMENT BY THE CITY OF WORTHINGTON; ESTABLISHING COMPLIANCE WITH REIMBURSEMENT BOND REGULATIONS UNDER THE INTERNAL REVENUE CODE

Pursuant to published notice this was the time and date for a public hearing on the Cherrywood Addition Street Improvements.

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

Jeff Faragher, Acting Engineer, said the Cherrywood Addition Street Improvement costs and total estimated assessments for the projects are below:

STREET SURFACING

City share for non-assessable costs \$0.00
City share of assessable costs \$0.00
Total city share \$0.00

Assessments receivable \$ 66,525.00
TOTAL COST \$66,525.00

The estimated assessment rate is \$55.833/ft

Mr. Faragher said if Council orders the improvements, staff recommends that Council also pass the resolution declaring the City's intent to bond for the surfacing improvement. The maximum amount that may be bonded as stated in the resolution is approximately 10% more than listed in the report.

He noted the preliminary assessment roll for the improvements were included in the packet.

The completion date is estimated to be mid to late October.

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

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

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

RESOLUTION NO. 2021-06-28

ORDERING IMPROVEMENT AND PREPARATION OF PLANS AND SPECIFICATIONS

(Refer to Resolution File for complete copy of Resolution)

A motion was made by Council Member Cummings, seconded by Council Member Ernst and unanimously carried to adopt the following resolution:

RESOLUTION NO. 2021-06-29

RELATING TO FINANCING OF CERTAIN PUBLIC IMPROVEMENT BY THE CITY OF WORTHINGTON; ESTABLISHING COMPLIANCE WITH REIMBURSEMENT BOND REGULATIONS UNDER THE INTERNAL REVENUE CODE

CONSENT AGENDA APPROVED

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

- Special City Council Minutes of June 1, 2021
- City Council Minutes of Regular Meeting of May 24, 2021
- Special City Council Minutes of May 19, 2021
- Traffic & Safety Committee Minutes of May 25, 2021

- Water & Light Commission Minutes of May 17, 2021
- Worthington Public Arts Commission Minutes of May 11, 2021
- Local Board of Appeal/Equalization Minutes of April 29, 2021
- E.O. Olson Trust Fund Committee Minutes of April 22, 2021
- Economic Development Authority Minutes of April 12, 2021
- Center for Active Living Minutes of April 12, 2021
- Application to Block Streets - Worthington Area Chamber of Commerce Agribusiness Committee
- Application for Temporary On-Sale Liquor License - Worthington Area Chamber of Commerce
- Bills payable and totaling \$2,291,384.60 be ordered paid

APPROVED CITY PLANNING AND ZONING APPLICATION (WORTHINGTON HRA)

Jason Brisson, Assistant City Administrator/Director of Economic Development said the City's Housing and Redevelopment Authority (HRA) has expressed interest in purchasing two of the planned residential lots in the recently approved Cecilee Addition to construct market rate housing. The HRA is interested in purchasing:

Lot 2, Block 2 and Lot 1, Block 3 to construct two two-family homes. A draft concept plan for the development as currently proposed is shown in Exhibit 3A. To accommodate the proposed development, the HRA will require the property to be rezoned from its current 'R-2' - One Family, Low Density District zoning designation, intended to preserve, create, and enhance areas for single family dwellings; both detached and attached (townhouses), to an 'R-4' - Medium Density Residential District designation, intended to encourage the gradual succession of land use in the older areas of the community and to encourage redevelopment of blighted or underutilized parcels.

Mr. Brisson said the City's Planning and Zoning application requires a signature from the property owner. Since the City currently owns the property, the Mayor must sign the application.

A motion was made by Council Member Cummings, seconded by Council Member Kolpin and unanimously carried to approve the Planning and Zoning application for the Worthington HRA.

THIRD READING AND ORDINANCE NO. 1171 TO AMEND TITLE XV OF THE CITY CODE OF THE CITY OF WORTHINGTON, NOBLES COUNTY, MINNESOTA TO REZONE THE PROPERTY FROM "R-1" - ONE FAMILY DETACHED AND "R-2" - ONE FAMILY, LOW DENSITY DISTRICT ZONING TO A PUD DISTRICT #14

Pursuant to published notice, this was the time and date set for the third reading of a proposed ordinance to amend Title XV of the City Code of the City of Worthington, Nobles County, Minnesota to Rezone the Property from "R-1" - One Family Detached and "R-2" - One Family, Low

Density District Zoning to a PUD District #14

The proposed PUD will establish general and specific development requirements for the property, including, but not limited to: minimum square footage, roof pitch, garage size, and exterior building materials. The legal description of the subject property under consideration is as follows:

All of Glenwood Heights Second Addition in the City of Worthington according to the plats thereof on file and of record in the Office of the County Recorder, Nobles County, Minnesota.

A complete copy of the ordinance was provided in the May 10, 2021 council agenda.

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

ORDINANCE NO. 1171

AN ORDINANCE TO AMEND TITLE XV OF THE CITY CODE OF THE CITY OF WORTHINGTON, NOBLES COUNTY, MINNESOTA TO REZONE THE PROPERTY FROM "R-1" - ONE FAMILY DETACHED AND "R-2" - ONE FAMILY, LOW DENSITY DISTRICT ZONING TO A PUD DISTRICT #14

(Refer to Ordinance File for the complete copy of ordinance)

RESOLUTION NO. 2021-06-30 ADOPTED ACCEPTING A DONATION OF PERSONAL PROPERTY - CENTER FOR ACTIVE LIVING

Steve Robinson, City Administrator, said Barbara Baumgard has donated \$435.00 to the Center for Active Living.

A motion was made by Council Member Janssen, seconded by Council Member Cummings and unanimously carried to adopt the following resolution:

RESOLUTION No. 2021-06-30

A RESOLUTION ACCEPTING A DONATION OF PERSONAL PROPERTY

(Refer to Resolution File for the complete copy of resolution)

APPROVED ASSESSMENT CHALLENGE - PARCELS 20-0171-000 AND 31-0688-000

Mr. Robinson said at the request of the property owners, the City annexed approximately 30 acres

located in the northwest quadrant of the County Road 57 and Highway 59/60 intersection. The annexation occurred in January 2018 and led to the development of a gas station and truck stop with another 25 acres available for future commercial development. He explained with annexation, the City was required to extend utility services to the parcel which included extending sanitary sewer approximately 1,000 feet and water approximately 2,600 feet. Per City policy, benefitting property owners are assessed for infrastructure improvements.

With the new development area, parcels 20-0171-000 and 31-0688-000, owned by the same party, benefitted from the utility improvements and were subject to assessment.

Assessments on those parcels in accordance with the City's policy was as follows:

20-0171-000 Water: \$12,320.90
Sanitary Sewer: \$20,774.41
31-0688-000 Water: \$28,767.45
Sanitary Sewer: \$16,543.65
Total Assessments: \$78,406.41

The assessments for the parcels were challenged by the owner in that they exceed the special benefit. Mr. Robinson said the assessment exceeds the increase in market value benefit derived from the utility improvement.

Guidance was received from legal counsel who advised seeking an appraisal to judge to see if the assessment exceeded the special benefit. The appraiser issued an informal opinion that the assessment did exceed the increase in market value from 25% to 50%. The appraiser recommended the City negotiate with the challenging property owner to arrive at a mutually agreeable assessment.

At the August 24, 2020 City Council authorized legal counsel to negotiate acceptable terms offering a reduction of up to 50% of the total assessment (\$39,203.00). The City has received a counter offer from the property owner's representative for \$34,203.00 (43.6% of the original assessment), which was \$5,000.00 less than the City's attorney was authorized to accept.

Council agreed that submitting another counteroffer would result in more legal fees and determined it may exceed the \$5,000.00.

A motion was made by Council Member Cummings, seconded by Council Member Janssen to accept the counteroffer from the property owner in the amount of \$34,203.00.

RESOLUTION NO. 2021-06-31 ADOPTED TERMINATING THE DECLARATION OF EMERGENCY FOR THE CITY OF WORTHINGTON, MINNESOTA, CORNOAVIRUS DISEASE 2019 (COVID-19)

Mr. Robinson said City Council passed a resolution declaring a local emergency at the March 23, 2020 due to the COVID-19 pandemic in accordance with Minnesota Statute 12.29.

Due to the State of Minnesota Peacetime State of Emergency restrictions being reduced by Governor Tim Walz in Emergency Executive Order 21-21 staff is requesting that the local emergency declaration be terminated.

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

RESOLUTION NO. 2021-06-31

TERMINATING THE DECLARATION OF EMERGENCY FOR THE CITY OF WORTHINGTON, MINNESOTA, CORONAVIRUS DISEASE 2019 (COVID-19)

(Refer to Resolution File for the complete copy of resolution)

RESOLUTION NO. 2021-06-32 ADOPTED RELATING TO RESCINDING GLENWOOD HEIGHTS 2ND ADDITION ASSESSMENT COLLECTION PROCESS

Mr. Robinson said City Council held a hearing on June 11, 2020 to consider approval of the project feasibility report for the Glenwood Heights Second Addition storm sewer, water, sanitary sewer and street improvements and order preparation of plans and specifications. Staff's recommendations were approved and Council passed resolutions 2020-06-32 and 2020-06-33.

The resolutions initiated the assessment procedure in accordance with Minnesota Statute 429 so that eligible costs could be assessed benefitting properties in accordance with City policy. The resolution also declared the City's intent to reimburse itself for the cost of the improvements from proceeds of tax-exempt bonds.

Following the recommendation of the Joint Housing Committee, the City Council and the Water & Light Commission, made the decision to sell the housing lots at prices that included all infrastructure costs thereby eliminating the need to proceed with the assessment collection process. Mr. Robinson noted the costs for developing the subdivision will be paid with City and Water & Light reserves and not from proceeds of tax-exempt bonds.

Council Member Cummings asked if rescinding was the right step because once it's rescinded the process would have to be started over again. Travis Winters, Bolton & Menk stated that the trunk assessments would still be done because that was for work previously completed. Rescinding the street and storm water assessments was started by Council action and a Resolution and should be rescinded with Council action.

A motion was made by Council Member Kolpin, seconded by Council Member Ernst and unanimously carried to approve the following resolution:

RELATING TO RESCINDING GLENWOOD HEIGHTS 2nd ADDITION ASSESSMENT COLLECTION PROCESS

(Refer to Resolution File for the complete copy of resolution)

APPROVED DESIGNATION OF OFFICIAL CITY REPRESENTATIVE TO CUERO, TEXAS FOR 2021 TURKEY FEST AND AUTHORIZATION FOR REIMBURSEMENT OF EXPENSES

Mr. Robinson said Turkey Fest is scheduled for October 8th -10th, 2021. Under Section 4.17 of the Worthington City Charter Historical Partnerships, provides that "Council may authorize expenditures for one or more designated City officials to serve as official City of Worthington representatives to Crailsheim Germany, Cuero, Texas, and such other destinations that have a historical partnership/significance to the City." Council Member Ernst represented the City of Worthington in Cuero in 2019.

Mayor Kuhle asked Council Member Kielblock and Council Member Kolpin if one of them would be able to attend. Council Member Kileblock said he was unable to attend. Council Member Kolpin said she would be interested in attending.

A motion was made by Council Member Cummings, seconded by Council Member Ernst and unanimously carried to designate Council Member Kolpin as the official representative to Cuero, TX in October for the TurkeyFest celebration.

APPROVED CITY OF WORTHINGTON AND NOBLES COUNTY MEMORANDUM OF UNDERSTANDING - COST SHARING FOR RECONSTRUCTION OF CSAH 35 (OXFORD STREET) FROM MCMILLAN STREET TO TRUNK HWY 59 (HUMISTON AVENUE)

Mr. Robsinson explained Oxford Street (CSAH 35) between McMillan and Humiston is scheduled for reconstruction in 2022. The Memorandum of Understanding, identifies the "Service Relationship" and "Equitable Cost Sharing" between the City of Worthington and Nobles County in the delivery of this project.

A motion was made by Council Member Cummings, seconded by Council Member Kolpin and unanimously carried to approve the Memorandum of Understanding for Cost sharing for reconstruction of CSAH 35 (Oxford Street) from McMillan Street to Trunk Hwy 59 (Humiston Avenue)

APPROVED OWNER'S CONSTRUCTION REPRESENTATIVE PROFESSIONAL

SERVICES AGREEMENT - WORTHINGTON AQUATIC CENTER

Mr. Robinson said The City of Worthington awarded the construction contract for the new outdoor aquatics center to Tri-State Construction on June 1, 2021. Mr. Robinson said staff solicited a proposal, from Jorge Lopez of Lopez Enterprises, LLC to perform these services on an hourly basis for a fee not to exceed \$48,000.00. Construction is scheduled to begin in June with substantial completion in early July 2022. He said staff feels it's important to contract with an experienced and qualified representative to provide on-site observation during construction to ensure compliance to the plans and specifications and act on behalf of the City's interests.

Council Member Kielblock asked who Mr. Lopez would be reporting to. Todd Wietzema, Public Works Director, stated that he would be reporting to him and parameters have been set and they have a good working relationship. Staff is expecting Mr. Lopez will work approximately 15 hours per week depending on construction.

A motion was made by Council Member Ernst, seconded by Council Member Kolpin and unanimously carried to approve the Professional Services Agreement for the Worthington Aquatic Center.

APPROVED TRAFFIC AND SAFETY COMMITTEE RECOMMENDATION

Todd Wietzema, Public Works Director, said the Traffic and Safety Committee reviewed a request for traffic control at the intersection of Darling Drive and Grand Ave. There have been some near misses between traffic at this intersection. The intersection was previously a turn only, but with the extension of Darling Drive to accommodate the new theater, it is now a T- intersection. At the present time there is no traffic control on any sides of this intersection.

Mr. Wietzema said the Traffic and Safety Committee unanimously approved putting a Stop Sign that will be placed on Grand Avenue and no traffic control on Darling Drive. The intersection will be monitored to see how the stop sign improves the safety at this intersection.

A motion was made by Council Member Council Member Kielblock, seconded by Council Member Cummings and unanimously carried to approve the recommendation from the Traffic and Safety Committee to place a stop sign on Grand Avenue.

AMENDED BUDGET AND AUTHORIZE SOLICITATION OF QUOTES FOR DARLING DRIVE STORM SEWER AND STREET REPAIRS

Mr. Wietzema said staff has requested to amend the 2021 budget to allow the solicitation of quotes for the repair of storm sewer infrastructure and street pavement located at the intersection of Darling Drive and Highway 59 frontage road. The intersection is located by Perkins Restaurant and has been a source of complaints for a number of years. He said the Public Works staff has made

numerous attempts at repairing the pavement, with only limited success, since 2009. Staff would like to replace the storm sewer infrastructure that's located under the pavement including:

- New storm piping
- New storm catch basin structures
- New castings
- New curb and gutter
- New street pavement

Mr. Wietzema explained the engineer's estimated cost to complete this project, including contingencies, is \$108,682.88. Staff is proposing using funds from 401 CIP reserves for this improvement, the reserve fund has a current balance of slightly more than 4.3 million dollars.

A motion was made by Council Member Cummings, seconded by Council Member Ernst and unanimously carried to approve the budget amendment and authorize solicitation of quotes for Darling Drive and Storm Sewer and Street Repairs.

RESOLUTION NO. 2021-06-33 ADOPTED EXPANDING PHASE 1 DEVELOPMENT OF GLENWOOD HEIGHTS SECOND ADDITION

Jeff Faragher, Acting Engineer, said the City and Worthington and the Public Utilities are acting as the developer for a residential subdivision west of Glenwood Heights. An opportunity to add nine additional buildable lots that abut the first phase of development has arisen. Staff is proposing to modify the first phase to include the additional area. Like the first phase, this area will be subject to additional assessments for trunk sewer and water improvements previously completed.

Mr. Roberson said the addition of the lots will connect the streets and allow for the recapture of the money sooner.

A motion was made by Council Member Cummings, seconded by Council Member Kolpin and unanimously carried to approve the following resolution:

RESOLUTION NO. 2021-06-33

A RESOLUTION EXPANDING PHASE 1 DEVELOPMENT OF GLENWOOD HEIGHTS SECOND ADDITION

(Refer to Resolution File for the complete copy of resolution)

PROFESSIONAL SERVICES FOR TWENTY-SEVENTH STREET PAVEMENT IMPROVEMENTS

Mr. Faragher said a proposal from Bolton and Menk has been received that would provide engineering services to prepare for the hard surfacing improvement of 27th Street from the current

pavement end thence approximately 1,250 feet to the western edge of the City owned Commercial/Industrial Park property.

Mr. Faragher said the scope of work includes:

1. Topographic survey of the project corridor for use during preliminary and final design.
2. Preliminary engineering to provide schematic layouts, preliminary cost estimates, assessment costs/rates and ultimately a report as necessary under MN Statute Chapter 429.
3. Final design to prepare plans, specifications, and contract documents.
4. It is anticipated that two project meetings will be needed with City staff during preliminary and final design phases of the project.
5. Bidding assistance and bid award recommendation.

He said construction services are not included in this task order but it is anticipated that they will be included in a later task order once bidding is completed.

The work will be preformed on an hourly basis for a fee not to exceed \$46,000.00.

A motion was made by Council Member Janssen, seconded by Council Member Ernst and unanimously carried to approve the Professional Service Agreement with Bolton and Menk, Inc. for the Twenty-Seventh Street Pavement Improvements.

APPROVED CONDITIONAL USE PERMIT (CITY OF WORTHINGTON)

Matt Selof, City Planner, said the City of Worthington has applied for a conditional use permit for the construction of an approximately 27,000 square foot indoor recreation facility and associated parking and infrastructure improvements, including an approximately 800-foot sidewalk. The subject property for the proposed facility is located southeast of Second Avenue, approximately 180 feet northeast of Lake Street and is currently owned by the City of Worthington.

Pursuant to Minnesota Statute § 462.3595 and as outlined in Worthington City Code Chapter 155, Appendix E, the City requires that public and quasi-public recreational land uses, including recreation and community center buildings and grounds, require a conditional use permit in the 'B-2' – Central Business District, the zoning designation of the subject property. The legal description of the subject property under consideration is as follows:

Lots 3 through 11, Lot 12 except the northeast 30 feet thereof, and Lots 13 through 19; all in Block 2; Auditor's Subdivision of Block 2 (Original Town), City of Worthington, Nobles County, Minnesota.

Mr. Selof said the City Planning Commission voted unanimously to recommend approval of the applicant's conditional use permit subject to the following conditions:

1. The site plan be in accordance with Exhibit 1E;

2. A trash enclosure that meets the minimum standards established in City Ordinance § 155.043 (G);
3. The property complies with City Code Section 155.042: Parking and Loading;
4. The subject property must maintain compliance with all applicable local, State, and Federal standards and requirements.
5. The applicant provide fencing at a minimum height of four feet six inches (4'6") that meets the criteria of City Ordinance § 155.043 (C) along the southeast property line of the project area.

Mr. Selof said the Commission also made an informal recommendation to consider extending the fencing along the southeast property line to the Worthington Fire Hall, outside of the scope of the project, to provide a physical barrier between the proposed green space and the adjacent railroad tracks. There will also be 105 parking spaces. Mr. Brisson said there were some areas that would not allow for fencing or barriers along the railroad racks.

A motion was made by Council Member Cummings, seconded by Council Member Janssen and unanimously carried to approve the Conditional Use Permit as presented.

APPROVED CORPORATE GUARANTY, LOAN AGREEMENT, PROMISSORY NOTE, AND SECURITY AGREEMENT (SWIFT PORK COMPANY)

Jason Brisson, Assistant City Administrator/Director of Economic Development, said now that the DEED grant contract has been approved for JBS, City approval is needed on the proposed corporate guaranty, loan agreement, promissory note, and security agreement for the project. The corporate guaranty and promissory note are pledges from Swift that they will repay the loan when due; the loan agreement establishes the terms of the loan, references the City's grant contract, and defines the terms of the proposed forgiveness; and the security agreement establishes the City's collateral, the freezing/storage system that holds Swift's product in the new facility.

Mr. Brisson said pursuant to the contract, the State will award the City the \$450,000 in MIF funds, who will loan the funds to Swift Pork Company as a forgivable loan based on job creation. The new \$30 million, 175,000-200,000 square foot freezer facility expected to create approximately 70 new full-time positions ranging from \$17.05 to \$21.30 per hour, plus benefits.

A motion was made by Council Member Janssen, seconded by Council Member Kolpin and unanimously carried to approve the corporate guaranty, loan agreement, promissory note, and security agreement.

APPROVED CONTRACT FOR SERVICES (BOLTON & MENK, INC)

Mr. Brisson said three stormwater infrastructure options at the City's current commercial/industrial development site, an approximately 83-acre parcel located north of Highway 59, south of 27th Street were discussed at the May 10, 2021 Council meeting. The Council's preference was to modify the

outlet of the existing regional pond to accommodate future development without requiring individual ponds on each site. The proposal from Bolton & Menk, Inc. for these services is shown below:

1. Reviewing and updating existing stormwater modeling for the regional ponds
 - a. Reviewing the models created for the 2013 project and updating them with current rainfall data and required treatment parameters
2. Final Design
 - a. Utilizing the updated modeling, revised pond outlet structures will be designed and detailed
3. A final memorandum outlining findings and recommendations along with necessary construction plans and specifications to solicit competitive bids or quotes for the recommended work

The cost associated with these services is structured as an hourly not-to-exceed amount of \$5,500.00 and the project schedule includes a September 1, 2021 completion date. Council is requested to consider approval of the proposed contract for services shown in Exhibit 3A and authorizing the Mayor and Clerk to execute the agreement.

COUNCIL COMMITTEE REPORTS

Mayor Kuhle - No report.

Council Member Janssen - The Public Arts Commission is holding an art dedication in honor of artist Mary Thompson.

Council Member Ernst - Attended Mike Harmon's Memorial Service, it was very well done.

Council Member Kielblock - Attended the Planning Commission meeting, there will be a fundamental session offered. Attended the Oxford Street Project meeting at the Memorial Auditorium for business/property owners.

Council Member Kolpin - Attended the CAL meeting, they are interviewing for the new Director position.

Council Member Cummings - He attended a graduation in Cuero, TX for a friend's daughter and brings back greetings from Cuero. Wanted to congratulate the Regatta Board on a very well done event.

CITY ADMINISTRATOR REPORT

Mr. Robson said they are in negotiations with a new CAL Director. The City is now registered with the MN Office of Budget for the Recovery Act Funds, the City will be receiving just under 1.5 million dollars.

Worthington City Council
Regular Meeting, June 14, 2021
Page 13

ADJOURNMENT

The motion was made by Council Member Janssen, seconded by Council Member Cummings and unanimously carried to adjourn the meeting at 8:03 p.m.

Mindy L. Eggers, MCMC
City Clerk