

**WORTHINGTON CITY COUNCIL  
SPECIAL MEETING, JANUARY 22, 2020**

The meeting was called to order at 3:30 p.m. in City Hall Council Chambers by Mayor Mike Kuhle with the following Council Members present: Alan Oberloh, Chad Cummings, Amy Ernst, Mike Harmon; Larry Janssen.

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

Others present: Justine Wettschreck, Radio Works, Ryan McGaughey, The Globe

**CITY OF WORTHINGTON ECONOMIC DEVELOPMENT AUTHORITY**

Jason Brisson, Assistant City Administrator/Economic Development Director, explained the City of Worthington Economic Development Authority (EDA) was established by Resolution 1938 of the City Council in August 1986. Pursuant to the Resolution, the City's EDA was established with all the powers in Minnesota Statutes 458C without limitation, the members of the City Council serve as the Commissioners, and the terms of the Commissioners coincide with the terms of the office of the City Council members.

Mr. Brisson said pursuant to the Minnesota State Statute, the Authority was required to elect a president, vice president, treasurer, secretary, and assistant treasurer. Officers were appointed at the EDA's first meeting in August 1986. All Statutes contained within 458C have since been repealed and Minnesota State Statutes governing local economic development authorities are now located in Chapter 469. Chapter 469 states that the authority shall elect the president, treasurer, and secretary annually. City staff was unable to locate any bylaws adopted for the City's EDA.

Mr. Brisson said the City and Worthington Public Utilities recently invested \$3 million dollars into a development project intended to create new residential lots. The intention is to sell these new lots to builders to recover the development costs and generate new residential development within the City. The City also has a revolving loan fund with approximately \$838,400 in unrestricted cash, \$338,552 in restricted cash, and an additional \$137,781 in receivables as of December 31, 2019. The City also recently reduced its funding to the Worthington Regional Economic Development Corporation and restructured its Community/Economic Development Department to enable the City to become more actively engaged in economic development. Lastly, the City's most recent economic development strategic plan was adopted in 2011. Many of the objectives identified in this plan have since been completed, explored and found to be untenable, or have fallen out of favor as a priority.

He explained many priorities and new challenges for the City have also since emerged. Due to some of the requirements imposed on municipal corporations by the State and Federal layers of government, existing City policies, and the increasing specialization of economic development, staff finds that the City's EDA would be better suited for selling the new residential lots, administering

the City's Revolving Loan Fund, and working with City staff on City economic development efforts. The State of Minnesota governs the makeup of EDAs. Any EDA must have three, five, or seven members. A three member EDA must have at least one City Council member; five and seven-member EDAs must have at least two. Any EDA member must reside or own a business within the City of Worthington. The officer requirements above also apply. It is suggested that By-Laws and a strategic plan should be established and regular meetings be held.

He said the City Council may transfer all authority contained within State law to the EDA, no authority, or only specific types of authority. The exception to this transfer authority is tax increment financing (TIF). An EDA must receive approval from the City Council prior to adoption of a TIF plan.

Discussion was held by Council on the added value in having additional members if a representative from the Utilities was added to make seven members. Concerns were also raised that caution needs to be used because the EDA holds rights and abilities that affect the budgets that City Council approves.

Mr. Brisson stated that transferring some of the City-owned property to the EDA would enable the property to be sold to buyers in a more expedient manner. There would also be increased flexibility to participate in more projects by transferring the City's RLF to the EDA.

Council agreed that a legal opinion be sought before a decision is made on how to proceed with the EDA and the RLF.

### **WORTHINGTON REDISCOVERED PROGRAM**

Jason Brisson, Assistant City Administrator/Economic Development Director, explained staff would like the City Council to consider the Worthington Rediscovered program. The Worthington Rediscovered program was established by the City Council in 2006 to "strengthen established residential areas through the removal of substandard housing units and reinvestment of redevelopment projects." The program functioned by removing substandard housing units that were scheduled for redevelopment of new housing units or removing blighted buildings to improve the property values of nearby properties. He said Council initially committed \$125,000 per year for four years (2006-2009) to the program and 15 projects that were funded by the Worthington Rediscovered program from 2006-2013. The Committee has not met since its last funded project in 2013. The current fund balance of this program is \$116,906. These funds have been carried over in the City's budget for the past 7 years without any use.

Mr. Brisson said staff plans to request the City's EDA to consider undertaking a strategic planning effort to determine the City's direction on economic development and would like the City Council to consider transferring these funds from the Worthington Rediscovered program to the Economic

Development Authority fund 231 to provide some initial level of funding for any projects that may be identified during its strategic planning session.

Mr. Brisson said that his suggestion is to identify programs that can be useful to the City that these funds could be used for.

Council suggested to have a work session specifically to address the EDA.

### **OUTDOOR SERVICES AREA**

Jason Brisson, Assistant City Administrator/Economic Development Director, explained staff has received a request from a local downtown business regarding operating an outdoor seating area where alcohol is served in a public right of way. Currently this arrangement is not permitted by the Worthington City Code. City Engineering staff will have to work with Community Development staff on a policy regarding private use of the right of way. A policy on licensing alcohol service in the public right of way will also have to be addressed.

Mr. Brisson said Community Development staff is looking for direction from Council on the planning and land use components of this request. He explained there are two ways to move forward with a request of this kind. A general set of rules and guidelines be set in place for everyone and staff would enforce those guidelines or a Conditional Use Permit that would have to be applied for and have Council would approve every site plan.

Council agreed that one set of enforceable rules should be established that staff would be permitted to use that would also allow for discretion to be used.

Mr. Brisson stated that staff will bring a proposal to the Planning Commission.

### **PRIVATE DOCKS ON PUBLIC LAND**

Todd Wietzema, Public Works Director, stated that city staff has been contacted by Lake Shore Marina, LLC about putting a dock system adjacent to their property at 515 South Shore Drive. The dock system would consist of slips that would be rented out to private individuals who want to keep their boats on Lake Okabena.

Dave Janssen, Lake Shore Marina, LLC stated they feel there is a need for this within the community. He explained there will be a gate with steps to get to the dock as a ramp will not work due to the elevation. They will start with renting 8 slips and go from there.

Mr. Wietzema stated that he has talked to the state hydrologist and this would be permitted in the proposed location.

Council Member Cummings stated that he had been contacted by someone that has an interest in the same thing but they would need to use City property. Council agreed the interested party could also come forward with a proposal.

Council Member Oberloh stated that he had also been contacted by some individuals about how this would affect the proposed marina that the City is looking to do with the half cent sales tax funds. Steve Robinson, City Administrator, stated that the proposed City owned marina would be unique because it will have a restaurant that you would be able to tie up your boat and get a burger.

Council supported the idea and gave direction to staff to come up with a reasonable figure to charge the Lake Shore Marina, LLC and bring back to Council for approval.

### **ADJOURNMENT**

The motion was made by Council Member Ernst, seconded by Council Member Janssen and unanimously carried to adjourn the meeting at 4:43 p.m.

Mindy L. Eggers MCMC  
City Clerk