

**WORTHINGTON CITY COUNCIL
SPECIAL MEETING, SEPTEMBER 19, 2018**

The meeting was called to order at 7:00 a.m. in City Hall Council Chambers by Mayor Mike Kuhle with the following Council Members present: Larry Janssen, Alan Oberloh, Chad Cummings, Amy Ernst, Mike Harmon.

Staff present: Steve Robinson, City Administrator; Jason Brisson, Director of Community Development, Planning, Zoning and Building Services; Todd Wietzema, Public Works Director; Janice Oberloh, City Clerk.

Others present: Jerry Fiola; Jerry Perkins; Justine Wettschreck, KWOA; Karl Evers-Hillstrom, The Globe; Chris Kielblock (7:05 a.m.); Mike Woll (7:06 a.m.).

KWIK TRIP REQUEST FOR CONSENT OF DEED RESTRICTION APPROVED

Council considered a request for consent to deed restrictions by Yellow Company, LLC (Grantor) and Kwik Trip, Inc. (Grantee) regarding Lot 1, Block 1 Worthington Community Addition, Parcel No. 31-3786-620, and, Outlots A and C Worthington Community Addition, Parcel No's. 31-3786-624 and 31-3786-632.

The deed restriction for Lot 1, Block 1 (Chevy Dealership) stipulates that Grantor agrees to restrict the real estate from being used for dispensing of petroleum, ethanol, biofuels, compressed natural gas or other motor fuels or alternative transportation energy sources.

In the deed restriction for Outlots A and C, the Grantor agrees to restrict the real estate from being used for dispensing of petroleum, ethanol, biofuels, compressed natural gas or other motor fuels or alternative transportation energy sources and for the sales of tobacco products. In addition, the property would be restricted from the operation of a convenience store/fueling station, car wash or adult entertainment business.

Steve Robinson, City Administrator, said if the City agrees to the restrictions, and would at some point gets the property back, we would be bound by the restrictions. The restrictions do not restrict development on Outlot B, which is owned by Runnings, and do not go away if Kwik Trip were to close. Kwik Trip was asking for a 50-year life for the restrictions.

Following discussion, the motion was made by Council Member Oberloh, seconded by Council Member Cummings and unanimously carried to approve the deed restrictions and to authorize the Mayor and Clerk to sign them.

ARMORY RENOVATION PROPOSAL APPROVED WITH CONTINGENCY - NOBLES COUNTY HISTORY MUSEUM

Jerry Fiola, Nobles County Historical Society, was present at the meeting to present a proposal from a donor for renovating the Armory for use as the Nobles County Historical Museum. Bob and Pat

Ludlow have proposed to donate up to a \$1 million toward the renovation project, subject to the County and the City committing matching funds. Council Member Oberloh said he was at the meeting where Mr. Ludlow made his proposal, and noted the request included that the project would be done in 24 months. Mr. Fiola said he will be having a discussion with the Nobles County Board next Thursday at a work session. The County has expressed concerns that the Historical Society can sustain operations on their own, but the donation will remove the pressure of having to raise funds for renovation of the facility, and let them focus on raising funds for their day to day operations. As of yesterday, they hired the former Director of the Minnesota Historical Society as a consultant for the project.

Council Member Cummings asked if this request changes any of the focus on Pioneer Village and an earlier request for annual funding. Mr. Fiola responded no, but that the requested funding was to be for both Pioneer Village and the Historical Museum, and they will need to make the decision on how it is used. Mike Woll spoke, and stated that he equated this challenge request from the Ludlows to the YMCA challenge from the DeGroots.

The renovation proposal presented by Mr. Fiola was for \$1.6 million, which was lower than the original estimate, however, he said some of the numbers might be soft but they are in the process of vetting it.

Council Member Ernst asked if Mr. Ludlow was looking for a true match. Council Member Oberloh responded that Bob said he would match up to \$1 million, and that no basement renovation would be a part of this. Council Member Oberloh suggested that the City's contribution could come from the \$2 million set aside for the WELL project, which is still in the City's budget but will sunset at the end of this year. Mr. Fiola said the Historical Society has a whole business plan to present to the County.

Council Member Janssen asked who would own the building. Mr. Fiola said that is in negotiations now, but they were looking at some models. It was suggested that the Historical Society could take it over once the build out is complete, because the County could have access to grants during that period that the Society would not.

Mr. Fiola said that Bob Ludlow had also noted he would spend up to \$8,000 for chartering a bus to enable those interested in visiting other Historical Society museums, and added that they are planning the first trip for October 1st.

The motion was made by Council Member Oberloh, seconded by Council Member Cummings and unanimously carried to commit up to \$500,000 from the WELL funds for the Armory Renovation project, contingent on Nobles County committing the same amount of funding.

BEACH NOOK PROJECT DISCUSSION

Todd Wietzema, Public Works Director, was at the meeting to discuss the recently rejected bids for the Centennial Beach Nook project, which were considerably over the project estimate. In speaking with the Architect, it was his opinion that a lot of it was the timing - they would like to redesign and tweak the design, and then resubmit the project for bids out early next year and start the project in May. Mr. Wietzema said he told Mr. Brunton that he didn't believe that would be acceptable to the City as we needed a building there for the Beach Nook operators and the Park in general, and suggested that perhaps it could be a July 20th to August 1st start date and give them until the following Memorial Day to complete the project.

Mr. Brunton's opinion was that instead of the \$600 per square foot that the bids came in at, they should have been at \$300 to \$350 per square foot for the 1800 square foot building - he is working with some of the bidders on the numbers to see if they could identify some of the issues. The Architect would like to meet with the Community Improvement Committee again to identify any tweaks. Council Member Ernst said even at the \$350 rate we would still be over the original estimate. Steve Robinson, City Administrator, said that weather has also been a factor, and some of the added utility costs were from City directed improvements.

ADJOURNMENT

The motion was made by Council Member Ernst, seconded by Council Member Janssen and unanimously carried to adjourn the meeting at 7:48 a.m.

Janice Oberloh, MCMC
City Clerk