

Owatonna City Council Minutes

The Owatonna City Council met in regular session on Tuesday, February 16, 2021 at 7:00 p.m. in Council Chambers at City Hall. Council President Schultz called the meeting to order and welcomed everyone in attendance. Present were: Council Members Dotson, Burbank, Svenby, Voss, Raney, and Schultz; Mayor Kuntz; City Attorney Walbran; City Engineer Skov; Community Development Director Klecker, Parks & Rec, Building and Grounds Director Tuma; Police Officer DuChene; IT System Administrator Sticken; City Administrator Busse and Administrative Specialist Clawson. Council Member Okerberg was unable to attend.

Following the Pledge of Allegiance, President Schultz read a statement advising of options for virtual participation during this meeting and COVID-19 compliance requirements. The meeting was accessible by TEAMS at 507-242-3225 with Conference ID 226 997 318#. Council President Schultz advised Item 3.2, First Reading of Proposed Ordinance 21-1 to amend Code Section 72.02, Winter Parking has been removed from the agenda. Council Member Dotson made a motion to approve the Agenda with this item removed, Council Member Svenby seconded the motion and all members present voted aye in approval.

Council President Schultz reviewed the process of holding a public hearing during a Council Meeting. Community Development Director Klecker advised the hearing planned during this meeting is to receive comments on the proposed modification to Tax Increment Finance (TIF) District 10-1 and use of TIF funds for a 43-unit market rate apartment building in the 100 block of East Pearl street. The property is currently in a redevelopment TIF district for a previous apartment project; however, the property was sold and current owner, Uptown Development, LLC is proposing a new project. The TIF Plan calls for \$1,839,273 in TIF funds to assist with eligible TIF project expenditures, there are substantial soils corrections needed. The City will be reimbursed \$609,500 from the TIF for costs incurred to purchase the property and demolish the homes on this project site. Increment has already been generated from this TIF District so there is only 23 years left on the district. The City upfronted costs for this project so an interfund loan resolution must be adopted to be reimbursed through increment from the TIF. At 7:08 p.m., a public hearing opened for comments. With no comments heard, at 7:09 p.m., Council Member Raney made a motion to close the public hearing, Council Member Burbank seconded the motion, all members present voted aye in approval.

Community Development Director Klecker recommended adoption of Resolution 22-21 approving modification to Development District No. 10 and Tax Increment District 10-1 and the use of tax increment financing for this project. Council Member Raney made a motion to approve Resolution 22-21, Council Member Voss seconded the motion, all members present voted aye in approval.

Community Development Director Klecker requested approval of the interfund loan resolution, Resolution 23-21 to authorize the advance of up to \$609,500 to TIF District No. 10-1. Council Member Burbank made a motion to approve Resolution 23-21, Council Member Voss seconded the motion, all members present voted aye in approval.

Mayor Kuntz advised he would make comments later in the meeting.

Council President Schultz explained council members review the Consent Agenda items prior to the meeting for approval in one motion. Current Consent Agenda items include:

Minutes - Council Meeting – February 2, 2021.

Minutes – HRA Meeting January 25, 2021.

January Construction Report.

Exempt Permit – Bingo at SCFF – St Joseph Church – August 20-22, 2021.

Exempt Permit – Bingo at SCFF – Sacred Heart Church – August 17-19, 2021.

Concession Agreement – Owatonna Soccer Association - 2021.

Concession Agreement – Huskies Bullpen Club – 2021.

Agreement – Soft Drink Services – Pepsi-Cola of Rochester – 2021-2023.

Agreement – Photography Contract – Oldenburg Photography – 2021-2023.

Liability Coverage – Waiver – South Central Drug Investigative Unit.

Contract – Geotechnical Field Exploration – American Engineering Testing, Inc.

Council Member Raney questioned the Concession Agreements; Jenna Tuma, Park & Rec Director confirmed these organizations are required to follow COVID-19 restrictions as they are licensed food consignee licensed with the MN Dept of Health and are required to follow the state’s regulations.

Council Member Svenby made a motion to approve these Consent Agenda items; Council Member Dotson seconded the motion; all members present voted aye in approval.

Council Member Raney recapped expenses for the period. Bills presented for payment totaled \$331,423.30. Council Member Dotson made a motion for approval, Council Member Voss seconded the motion; all members present voted aye to approve these payments.

Public Works Director Skov requested approval of Resolution 24-21 authorizing removal of the traffic signal at the intersection of Lincoln Avenue and Main Street. The Cooperative Signal Evaluation Project conducted by Steele County and the City of Owatonna identified this and four other traffic signals currently operating below the 60% threshold requirement for a traffic signal. This traffic signal is currently not working; on December 24, 2020, a City plow truck damaged one of the signal poles at the north east corner of the intersection. The Repair Estimate is just short of \$10,000 and both Steele County and the City of Owatonna are recommending the signal be removed instead of repaired. Council Member Burbank asked if there will be a light on the intersection; Skov responded there are currently overhead lights on the intersection and staff is working with OPU to have this as a lit 4-way stop with overhead lights. Council Member Voss asked if there would be red flashing lights as faster traffic comes in on Bixby Road. Skov commented traffic speed will be monitored and they are planning a minor modification to make it easier for buses to turn. Staff hasn’t received any calls from the public with concern about the current 4-way stop sign. Council Members Raney and Schultz said they have each received calls with residents commenting they prefer the 4-way stop as opposed to the traffic light. Council Member Raney made a motion to approve Resolution 24-21, Council Member Svenby seconded the motion; all members present voted aye for approval.

Community Development Director Klecker advised Independent School District #761 (ISD #761) has requested City approval of several items to proceed with the construction plans of the new high school building. Resolution 25-21 authorizes “No Parking along 18th Street SE from Hayes Avenue SE to Bixby Road. SRF performed a traffic study in conjunction with the environmental review required for this project. The study provided two options for this stretch of 18th Street SE:

- 1) No parking along both sides of the street and restripe a center turn lane.
- 2) Keep parking on the street and add width to the roadway to accommodate turn lanes.

Staff included this request in the Public Hearing Notice sent neighboring property owners for the hearing held by the Planning Commission regarding use of this property and we have not received any response. Staff recommends this “No Parking” restriction not start until the restriping is completed which may not happen until just prior to the new school opening. The Public Works Department would install signs towards the completion of the construction of the striping and roadway improvements. If this request is denied, the applicant would be required to physically widen the roadway four feet to accommodate required turn lanes. Council Member Raney made a motion to approve Resolution 25-21, Council Member Svenby seconded the motion. Council Member Voss asked why this action was needed now if it would not become effective for several years; he has received calls from church members hoping to continue parking on the street during their Sunday morning services. Klecker explained if the City elects to widen the street the project plans will need to include this design. The school district will be working with their neighbors to formalize parking options; tonight we are formalizing the City’s decision to not widen the street. With no additional comments, all members present voted aye to approve Resolution 25-21.

Community Development Director Klecker presented Resolution 26-21 for approval of the Preliminary Plat of the Owatonna Public Schools Addition. ISD #761 held a neighborhood meeting on January 27th and the Planning Commission also held a public hearing on this preliminary plat. During these meetings, there were several questions concerning construction of a roundabout on the corner of 18th Street and CSAH 48 (Bixby Road); if crosswalks are included in the plans and how the property will be drained. The developer is working to grade the property so there are no minor wetland areas and four basin areas will be added to drain stormwater on the property. During the Planning Commission Meeting, staff explained plans for the intersection have not formalized, the City is planning for a trail on the north side of 18th Street SE with a crosswalk at the corner of Hayes Avenue SE and the City will consider pedestrian and bicycle access when plans develop for the intersection. With no objection to the proposed plat, the Planning Commission recommends approval with the following conditions:

1. The Final Plat shall be approved within one year of the date of this report.
2. The Title Opinion shall be approved by the City Attorney prior to recording of the final plat.
3. The Final Plat approval is subject to no issues being identified by Steele County or MnDOT in their review of the plat.
4. The applicant shall willingly participate in any future right of way plat that may be needed in conjunction with the roundabout construction.
5. The applicant shall enter into a development agreement prior to recording of the Final Plat.
6. A Utility Disconnection Agreement shall be approved and recorded regarding the existing services located on 18th Street SE.

Council Member Dotson made a motion to approve Resolution 26-21 approving this Preliminary Plat as recommended by the Planning Commission. Council Member Voss seconded the motion; all members present voted aye in approval.

Community Development Director Klecker presented Resolution 27-21 to approve Application No. V-1441. This is a request from ISD#761 for three variances in coordination with construction of the new high school:

- 1) A request to allow a freestanding sign that is 235 square feet and 12 feet tall where only 32 square feet and 8 feet in height are permitted within a residential zoning district.
- 2) A request to allow a total of 480 square feet of total wall signage where only 96 square feet of wall signage is permitted within a residential zoning district.
- 3) A request to allow an 8' tall cedar fence in the northeasterly area of the property where code only permits a 7' tall fence in a residential district.

Schools tend to have large sites and require more commercial signage to effectively sign the site. The building is located approximately 800 feet from 18th Street which requires larger letters. The message board is 6'6" tall and 16' wide, the board is 104 square feet and proposed with an ambient light sensor which will automatically adjust the light to its surrounding to prevent the sign from being too bright. The Planning Commission is recommending approval of these variances with the following conditions:

- 1) Any additional signs on the property will be required to be granted a sign variance.
- 2) The electronic message board sign shall contain a functional ambient light sensor.
- 3) The 8 foot tall fence shall be setback a minimum of 50 feet from the front property line.

Council Member Raney requested confirmation the new board would have the dimmer control; he has received several complaints about the brightness of the current sign at the high school. Community Development Klecker confirmed the City is requiring the new sign have the ambient light sensor, we have not received complaints on signs which have this feature. Also, this sign will be back from the curb line so should be "neighbor friendly". Robert Olson, Director of Facilities of the School District was present and commented the sensor will automatically dim the brightness and they can manually set timing and brightness levels. Council Member Dotson made a motion to approve Resolution 27-21, Council Member Burbank seconded the motion, all members present aye in approval.

Community Development Klecker requested approval of Resolution 28-21 for approval of Conditional Use Permit C-1442. This is a request from ISD #761 to allow for construction of a public educational institution, the new Owatonna High School at 1455 18th Street SE. The Planning Commission held a public hearing on this conditional use request and recommend approval with these conditions:

1. A No-Rise Certificate shall be obtained for the grading within the Zone A Flood Plain Area as FEMA and the DNR require.
2. If any structures are to be placed within the flood zone a detailed flood study will need to be completed determining the base flood elevations.
3. The CUP shall be contingent on approval of the final plat of Owatonna Public Schools Addition and the execution of the development agreement.
4. Any impacts to any wetlands on site shall meet all provisions of the Wetland Conservation Act.
5. No fencing shall be constructed over the drainageway.
6. Prior to construction commencing the applicant shall have final approval and issuance of the Grading Permit meeting all City of Owatonna and MPCA Stormwater Regulations.

Council Member Svenby asked if parking spots have been designated for electrical vehicles. Mr. Olson responded there will be eight parking spots set for electrical vehicles. Council Member Raney made a

motion to approve Resolution 28-21, Council Member Dotson seconded the motion; all members present voted aye in approval.

Public Works Director Skov requested Council approval of Resolution 29-21 to set the Terms and Conditions of the Local Road Improvement Program Grant (LRIP) for construction of Project No. 21010 Roundabout and Trail at 18th St SE and CSAH 48. This is a joint project between the City of Owatonna and Steele County for construction expected to take place in 2022. The City applied for a LRIP Grant and the Commissioner of Transportation has given notice that funding for this project is available. The amount of the grant has yet to be determined, but will not exceed either \$1,250,000 nor 80% of the project's final construction costs. This is the first LRIP Grant application submitted by the City, it is one of three divisions offered and the process is different than the normal application process. Council Member Svenby made a motion to approve Resolution 29-21, Council Member Burbank seconded the motion; all members present voted aye in approval.

Public Works Director Skov presented Resolution 30-21, authorizing a Cooperative Agreement between the City, Steele County and ISD #761 for construction of a roundabout on 18th Street SE at Bixby Road. The school district completed an Environmental Assessment Worksheet as part of the development process for the proposed high school along 18th Street SE. The traffic portion of the review determined that a roundabout is necessary at the intersection of 18th Street SE and CSAH 48 (Bixby Road). The school district has requested that the City and County participate in the project with costs to be split equally three ways. The project will be paid for by state aid construction funds and preliminary costs are \$2,100,000 or \$700,000 per entity. A Local Road Improvement Program grant application is being submitted for \$1,250,000 to reduce the cost of the project. If grant funds are received, the remaining balance will be split 3 ways. The goal is for the roundabout to be open before the school is open in the fall of 2023 but concerns with railroad issues near the intersection, staff recommends the preliminary design process be started as soon as possible. Council Member Svenby made a motion to approve Resolution 30-21, Council Member Dotson seconded the motion; all members present voted aye in approval.

Public Works Director Skov requested Resolution 31-21 be tabled to the next meeting; new information was received today and staff requests preparation/review time. This resolution will authorize advertisement of bids for the Partridge Avenue Pond Project. Council Member Dotson made a motion to table this item, Council Member Voss seconded the motion; all members present voted aye in approval.

Public Works Director Skov requested approval of Resolution 32-21 ordering a Feasibility Study for the 2021 North Cedar Avenue Streetscape Project. The 2021 North Cedar Avenue Streetscape Project consists of improvements focused on the three blocks between Central Park and Rose Street. The project includes increasing ADA accessibility and overall pedestrian safety, updates to the sanitary sewer and stormwater management, streetscaping and roadway reconstruction. Council Member Raney made a motion for approval, Council Member Dotson seconded the motion; all members present voted aye in approval.

Public Works Director Skov requested approval of Resolution 33-21 to accept the bids and award the contract for the 2021 Cured in Place Pipe System (CIPPS) Project. Approximately 11,420 feet

are planned for lining this year. Skov commented this was the first time we used an electronic bid process, and it went very well. Bids were received from eight companies; the lowest responsible bidder was Hydro-Klean, LLC of Des Moines Iowa with a bid of \$254,321.80. Council Member Raney questioned if this was the same company used during 2018 which worked late into the season, Skov confirmed it was the same company and explained they did complete the previous project within contract. The 2021 project completion date has been moved up to reduce potential construction delays. Council Member Raney made a motion for approval, Council Member Dotson seconded the motion; all members present voted aye in approval.

Public Works Director Skov requested approval of Resolution 34-21, authorizing a Cooperative Agreement with Steele County for a roundabout at the intersection of 26th Street NW (CSAH 34) and State Avenue. The intersection was evaluated as part of a corridor study completed in 2015 by Steele County and found to have a lower level of service in its current configuration. The City will be responsible for \$466,720, which is approximately 25% of the project costs. Originally, a temporary signal was installed, but further evaluation found that a roundabout will meet the desired level of service for the next 20 years. Council Member Raney asked if a cost comparison was prepared showing the costs to install and maintain traffic signals and the cost to install and maintain a roundabout at this intersection over the next 15-20 years. Council Member Burbank asked if complaints of traffic delays have been received and asked Officer Duchene if he has observed any traffic delays on 26th Street. Officer DuChene commented the roundabout at 26th and N Cedar keeps the east/west traffic moving at a good speed. Council Member Voss commented he has heard comments that many like the signal light at this intersection. Public Works Director Skov said he is concerned with the on-going maintenance requests for the existing temporary signal: the cabinet was hit; the overhead taken down by an oversize load; and on-going incurrence of wires and signal heads twisted by winds. Council Member Raney made a motion to table action until cost comparisons can be reviewed, Council Member Dotson seconded the motion; all members voted aye in approval.

During Staff Comments, Public Works Director Skov advised there is a lot going on as staff is preparing plans for the Downtown Streetscape Project. Next week, we will receive bids for the Truman Avenue Project and on March 10th is the bid opening for the Bridge Street Project. Engineering staff is also working on plans for the new high school project and the proposed expansion of the Wastewater Treatment Plant. Staff is also updating our sign inventory and tree removal when we can; it is hard on equipment to do these tasks when it is so cold so have been doing these as we can. Within the next month, we should receive a draft copy of the Transportation Plan from the consultant, they have been preparing this during the last 11 months. This plan should include recommendation on the east side beltline and also answer some questions about the proposed roundabout near the new school. We continue to work with Steele County on the Grove/Rose Roundabout, there have been many accidents at this site, so we changed the signage, posted flags, and put a barrel in the middle (that lasted only one day) but many are just disobeying the traffic rules and driving too fast or driving right through middle of the roundabout. Council Member Burbank asked Officer DuChene about this and he commented the intersection has been properly marked and it appears there are many instances of inattentive driving. Community Development Director Klecker commented 2020 was a big construction year which set the bar high. \$5 million in Construction Permits were issued during January so 2021 is off to a

great start. Plans received for four new single-family homes and three apartment projects are under construction: the Pointe on Florence is fully enclosed and beginning the painting stage, Mound Owatonna, LLC apartments on Mound Street is currently framing in the second floor and Cherry Street Apartments is finishing work on the first floor; they had an issue with the concrete but that has been resolved and anticipating this project will take off within the next few weeks. Some other commercial projects in process include: Minimizer, Bosch, Seykora Asphalt, and 202 W Bridge Street where they have set the steel elevator structure and now adding drywall. We received plans for the apartment building approved last year off Lemond Road and we should see construction beginning soon at this site. Park and Rec Director Tuma said she is excited to begin working in the City of Owatonna. She has 24 years of experience in Park & Rec and enjoys this fun career. the last four years she has worked with the City of Minneapolis as the Asset Manager of the South Side Service Area; 20 years prior she worked in the Three Rivers Park District's Visitor Component with experience in golf courses, campgrounds, beaches, and a lot of land development. We expanded services to seven cities which required lots of collaboration to build these parks and trails.

There were no comments heard during Public Comment,

During Council Comments, Council Member Voss complimented Public Works Director Skov for doing a great job and keeping it projects on track. Council Member Burbank cautioned everyone to stay warm during the current Artic cold front and heard there may be a heat wave coming this weekend. Council Member Raney commented Mayor Kuntz challenged Council to consider a new process for appointing residents to serve on the City's various boards and commissions and we worked with our Human Resource Director Lynn Gorski to create an application which is now available on the City's website. He encouraged residents to consider applying as this is a good way to become involved with the community. Council Member Raney then thanked the Police Department for having an officer present during Council Meetings saying they are here to protect us and our audience members. Mayor Kuntz commented it takes 88 volunteers to fill all the positions on our City Boards and Commission. Most terms expire in April so we currently looking for new members on four boards: Airport Board, Parks & Rec Board; Planning Commission, and West Hills Commission. We hope to get 5-10 applications for each opening so we can pick the best candidate fit for each position. City Administrator Busse thanked the Fire Department for their hard work and dedication during a house fire this last week which was challenging in the extreme cold conditions. Council President Schultz welcomed Parks & Rec Director Tuma and then commented the council consists of seven elected officials which rely on input from the volunteer boards and commissions during our decision process and also encouraged residents to apply to serve and become involved.

At 7:56 p.m., Council Member Raney made a motion to adjourn the meeting, Council Member Dotson seconded the motion, all members voted aye in approval.

Dated: February 22, 2021

Respectfully Submitted,

Jeanette Clawson, Administrative Specialist