

Owatonna City Council Minutes – Draft Copy

The Owatonna City Council met in regular session on Tuesday, August 20, 2019 at 7:00 p.m. in Council Chambers. Council President Schultz called the meeting to order and welcomed everyone in attendance. Attending were Council Members Svenby, Voss, Okerberg, Dotson, Burbank, Raney and Schultz. Mayor Kuntz was absent. Also attending were City Attorney Walbran; City Administrator Busse; Finance Director Moen; Community Development Director/Interim Parks and Recreation Director Klecker; Public Works Director and City Engineer Skov; and Administrative Technician Abrahams. Council Member Schultz welcomed Jessica Abrahams filling in for Jeanette Clawson. Following the Pledge of Allegiance, Council Member Svenby made a motion to approve the agenda as presented, Council Member Okerberg seconded the motion. All members voted aye in approval.

Filling in for Mayor Kuntz, City Administrator Busse advised a Letter of Resignation from Fred Ventura, Human Rights Commission Vice-Chair has been received. Council Member Raney made a motion acknowledging this resignation and thanked Fred for his many years of service, Council Member Dotson seconded the motion. All members voted aye in approval. Presented by City Administrator Busse, Mayor Kuntz recommended filling the remaining term of this appointment with Suzie Effertz. Council Member Okerberg made a motion to approve this appointment, Council Member Burbank seconded the motion. All members voted aye in approval.

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

- Minutes – City Council Meeting – August 7, 2019.
- Minutes – Human Rights Commission Meeting – July 9, 2019.
- Event Permit – Friends of the Poor Walk/Run – September 28, 2019.
- Event Permit – St. Mary’s School Marathon – October 4, 2019.
- Temporary Liquor Permit – Juan Villarreal Jr. Memorial – October 12, 2019.
- Temporary Liquor Permit – Eagles Parking Lot Dance – September 21, 2019.
- Department Report – Nuisance Report.
- Change Order #1 – 2019 CIPPS Project.
- Renew Annual Lease in Merrill Hall – Wee Pals.
- Tennis Pro Contract – Colan Surratt.

Council Member Voss made a motion to approve these Consent Agenda items, Council Member Dotson seconded the motion. All members voted aye in approval.

Vice President Raney recapped expenses for the period; bills presented for payment totaled \$463,264.14. Council Member Dotson made a motion to approve payment of these bills, Council Member Svenby seconded the motion. All members voted aye in approval.

Community Development Director/Interim Parks and Recreation Director Klecker presented Resolution 60-19 authorizing a permanent easement with Owatonna School District #761 for use of Sid Kinyon Courts. The Sid Kinyon Tennis Courts have been dilapidated and unusable for

several years. The Parks and Recreation Department received an Outdoor Recreation Grant to repurpose the courts and that project has been completed. One requirement of the grant is that the land must be used for outdoor recreation in perpetuity. The property is owned by the school district and they have signed the easement. The City of Owatonna already maintains the area outlined in the easement. Council Member Okerberg made a motion to approve Resolution 60-19, Council Member Voss seconded the motion. All members voted aye in approval.

Finance Director Moen presented Resolution 61-19 to award the sale of general obligation bonds, series 2019A. The Council had previously authorized the City to go out for proposal for issuing bonds to fund current street projects. Doug Green with Baker Tilly reviewed the results of the sale. Bids were taken this morning at 10:00 a.m. The sale entered the market at a low point, was successful and received four bids. The winning bid went to Robert W. Baird & Co. A required credit rating was completed two weeks ago, the City's credit rating was confirmed very high and showed impressive financial conditions. Baker Tilly is impressed with City's economic activity and interested with what's going on in the City. Green stated it may be time to bring them in for a tour of the City. Council Member Dotson made a motion to approve Resolution 61-19, Council Member Raney seconded the motion. All members voted aye in approval.

Community Development Director/Interim Parks and Recreation Director Klecker presented Resolution 62-19 to approve Conditional Use No. C-1420, a request by Daikin Applied America's Inc. to construct a 150,000 square foot warehouse structure on the subject property. Code permits an accessory structure to 50% of the size of the primary structure and requires any larger to obtain a conditional use permit. The building will be constructed to the east of the primary building. They will be moving their warehouse to the new structure, opening up floor space for production. A public meeting was held with the Planning Commission; the Planning Commission recommended approval with the five conditions listed in the agreement. Council Member Burbank made a motion to approve Resolution 62-19, Council Member Okerberg seconded the motion. All members voted aye in approval.

Community Development Director/Interim Parks and Recreation Director Klecker presented Resolution 63-19, finding of no significant environmental impacts with the Costco Depot project and determining that there is not a need for further environmental study and an Environmental Impact Statement (EIS). Costco Wholesale is proposing construction of a distribution center and warehouse of up to 600,000 square feet on 154.4 acres of agricultural land located at 3601 10th Street SW. The State of Minnesota's Environmental Quality Board requires projects that permanently convert over 80 acres of ag land to have an Environmental Assessment Worksheet (EAW) to be performed. Additionally, the State of Minnesota's Environmental Quality Board requires industrial projects over 450,000 square feet require an Environmental Assessment Worksheet (EAW) to be performed. Landform has prepared the EAW and we are now in the final process of completing this process. The City needs to either adopt a resolution and

findings of no significant impact, or require further environmental study through an Environmental Impact Statement (EIS). The required 30-day public comment period was held from July 15th through August 14th, 2019. During this period, the Planning Commission held a public hearing on July 23, 2019. The Planning Commission received one comment on the EAW at their hearing. Overall, minimal comments were received from the state agencies and adjacent property owners. Council Member Svenby made a motion to approve Resolution 63-19, Council Member Voss seconded the motion. All members voted aye in approval.

Public Works Director and City Engineer Skov presented Resolution 64-19, approving a cooperative agreement with Steele County for costs associated with the construction of the roundabout at 26th Street and North Cedar Avenue. A resolution was previously approved for the project; this resolution addresses the cost-share of the project. The project will be paid for by a combination of County funds and City State Aid funds. The estimated cost for the City is approximately 25 percent of the total cost. Council Member Okerberg made a motion to approve Resolution 64-19, Council Member Voss seconded the motion. All members voted aye in approval.

Public Works Director and City Engineer Skov presented Resolution 65-19, approving a joint project with Steele County for work on Oak Avenue from Holly Street to Rose Street and Rose Street from Oak Avenue to Willow Avenue. The work consists of minor concrete pavement repair, removal of signals and restriping of Oak Avenue from Holly Street to Rose Street. A resolution was previously approved for the project; this resolution addresses the cost-share of the project. The estimated total cost for the City is \$767,729.11. Costs will be paid from State Aid funds. The cost includes the removal cost of signals; Skov has recommended the Vine Street signal removal be delayed. Council Members Schultz and Raney agreed that it is wise to delay the removal of the signal. Council Member Voss asked if the cost includes next summer's work with the roundabouts that will be installed. Skov said that yes, the cost does include next summer's work with the roundabouts. Council Member Okerberg wondered if we are doing any streetscape on Rose and Cedar. Skov answered yes, that streetscape work will be included in the 2020 work. Council Member Dotson made a motion to approve Resolution 65-19, Council Member Svenby seconded the motion. All members voted aye in approval.

City Attorney Walbran requested to table the second reading of Proposed Ordinance 19-4 to amend Chapter 114, for at least two weeks. Suggestions have been made by the American Lung Association which need to be reconciled with the draft. Some of the language that needs to be ironed out deals with the administrative provisions for penalties and what is and what is not considered a violation. Council Member Raney motioned to table the second reading of the ordinance, Council Member Svenby seconded the motion. All members voted aye in approval.

Council Member Raney motioned to table the publication summary of Ordinance 1593, Council Member Svenby seconded the motion. All members voted aye in approval.

Council Member Raney motioned to table the first reading of proposed Ordinance 19-9 to repeal Chapter 114: Tobacco of the City's 2015 Code of Ordinances; Council Member Burbank seconded the motion. All members voted aye in approval.

City Administrator Busse requested approval of the second/final reading of proposed Ordinance 19-6 to amend Chapter 120 of the City's 2015 Code of Ordinance. Council approved the first reading on August 7, 2019 and there have been no changes since last reading. The proposed Ordinance increases Premise Permits for lawful gambling purposes from three to five per organization. Council Member Dotson made a motion to approve the final reading of this proposed ordinance, Council Member Voss seconded the motion. With a roll call vote, voting aye were Council Members Svenby, Voss, Okerberg, Dotson, Burbank, Raney and Schultz; voting nay were none, the motion was approved. This will be known as Ordinance 1594.

Community Development Director/Interim Parks and Recreation Director Klecker requested approval of the second/final reading of proposed Ordinance 19-7 to amend 157-028 (B), regarding Bulk Density for Apartments in the B-2 District. This proposed ordinance amendment changes the density requirements in the B-2 District and is recommended by the Planning Commission. Council Member Burbank made a motion to approve the final reading of this proposed ordinance amendment, Council Member Raney seconded the motion. With a roll call vote, voting aye were Council Members Svenby, Voss, Okerberg, Dotson, Burbank, Raney and Schultz; voting nay were none, the motion was approved. This will be known as Ordinance 1595.

Community Development Director/Interim Parks and Recreation Director Klecker requested approval of the first reading of proposed Ordinance 19-10 to amend Chapter 157, zoning to add accessory dwelling units. There has been discussion with the Planning Commission and City Council regarding amending zoning ordinance to allow accessory dwelling units. There have been three inquiries in the past month regarding construction these type of units. The proposed ordinance would require that the units have the same appearance as a single-family house. A Planning Commission discussion was held on June 11, 2019, City Council discussion on July 2, 2019 and a public meeting was held at Planning Commission. There are a number of conditions included in the ordinance, the ordinance defines accessory dwelling units, and lists provisions. Council Member Voss wondered what will happen when the owner isn't around. Klecker stated the accessory dwelling units must be registered in the City's rental registration program and follow up will be done to ensure it's not being altered or rented out to non-family members. Requests for these types of units are increasing. Council Member Dotson made a motion to approve the first reading of this proposed ordinance amendment and to set the date for the second reading for September 3, 2019, Council Member Burbank seconded the motion. With a roll call vote, voting aye were Council Members Svenby, Voss, Okerberg, Dotson, Burbank, Raney and Schultz; voting nay were none, the motion was approved.

Community Development Director/Interim Parks and Recreation Director Klecker requested approval of a utility easement for the utilities constructed to service the industrial land north of

Highway 14. Sewer and water services were constructed to service the industrial land along Highway 14 in 2012. The City of Owatonna owned all of the property at the time, so no easements were granted or needed for the construction at that time. Now that the City is considering selling this land, a utility easement is needed over the utilities. A 50' easement description has been drafted by Jones, Haugh, and Smith for this area. There is no cost for the City as we are essentially granting this to ourselves. There potentially could be a cost in the future if this is not obtained now. Council Member Svenby made a motion to approve the utility easement, Council Member Burbank seconded the motion. All members voted aye in approval.

Community Development Director/Interim Parks and Recreation Director Klecker requested approval of the purchase agreement with Minimizer Real Estate Holdings, LLC. Minimizer has submitted a purchase agreement on 13.02 acres in the Industrial Park. The parcel was purchased by the EDA in 2010 from South Main Properties. The City has been looking to sell the property since the utilities were installed in 2012. The sale price of the lot is the listing price, \$0.80 per square foot, minus wetlands. The buyer performed a wetland delineation on the property and finalized the location of the wetlands to the north east corner of the site as well as a large portion on the southern end. The final price is \$364,856.80 which will go to the EDA Land Account. The applicant is not requesting any State incentives on this project. Nor are they requesting TIF assistance on this project, only purchase of the property. The City Attorney has reviewed the proposed purchase agreement. Mr. Walbran has requested a few legal changes and those comments have been sent to the applicant's attorney. Based on City Attorney Walbran's recommendation, staff is requesting approval of this purchase agreement subject to the attorneys continuing to work through the finer points of the purchase agreement, mostly related to the closing and title process. The buyer would like to close on the property as soon as possible with the intent of starting construction this fall. Council Member Voss made a motion to approve the purchase agreement, Council Member Dotson seconded the motion. All members voted aye in approval.

During staff comments Public Works Director and City Engineer noted that there is a lot of road construction currently going on. Rose Street has turned into a one-way and drivers must use the detour. It'll be about 3-4 weeks before it's switched, and the other lane will be closed. Railroad work is being done on Bridge Street and 26th Street. A base course has been laid at the Tennis & Fitness Center parking lot and work has started on the LEC parking lot. Community Development Director/Interim Parks and Recreation Director Klecker stated big projects will begin this fall with Daiken, Minimizer and Costco. The River Springs Water Park is now closed and had one of the best years for revenues.

During public comment Jamie Vanoosbree with the Human Rights Commission read a memo which states the Human Rights Commission has partnered with We are Better Together. We are Better Together has planned a 3-part series in response to the incident at the Owatonna High School in February, 2019. The first We are Better Together event was held on June 12,

2019 and over 100 people attended. The next sessions are planned for September 10 and October 24 at the Owatonna Middle School from 6:00 to 8:00 p.m. The Human Rights Commission respectfully requests the Council's attendance. Rebecca Moore also personally invited the Council to the next We are Better Together event. Better Together is a grass roots organization that cares about the community. The organization wants to make Owatonna a better community for diversity and inclusion. Tracy Ackman-Shaw thanked the Council for their work on the T-21 ordinance. She stated there have recently been four children hospitalized for vaping. Having a strong T-21 policy is about not penalizing people, it should be about restriction.

During Council comments, Council Member Svenby congratulated Council Member Raney on winning the watermelon seed competition at the Steele County Free Fair. Council Member Voss thanked Public Works Director Skov for his efforts with all of the projects that are currently going on. Council Member Okerberg commented that there is a lot of road construction and to allow yourself extra time getting around town. Council Member Dotson also congratulated Council Member Raney on winning the watermelon seed competition. Council Member Raney congratulated the Steele County Free Fair Board on a successful fair this year. The fair brought in many people, there were few incidents and it's grown to a regional event, bringing in people from outside Steele County. Council Member Schultz commented on a nice interaction recently with police officers in downtown Owatonna and thanked the Police Department for their presence in the downtown area.

At 7:51 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: August 23, 2019

Respectfully Submitted,
Jessica Abrahams, Administrative Technician