

Owatonna City Council Minutes

The Owatonna City Council met in regular session on Tuesday, August 21, 2018 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 Dotson, Schultz, Burbank, Okerberg, Raney, Svenby and Voss; Community Development Director Klecker; Fire Chief Johnson; City Attorney Walbran; City Administrator Busse and Administrative Specialist Clawson. Mayor Kuntz was not in attendance.

Following the Pledge of Allegiance, Council Member Svenby made a motion to approve the agenda as presented, Council Member Burbank seconded the motion; all members voted aye for approval.

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

- Council Minutes: August 6, 2018 Council Meeting.
- Exempt Permit – Exchange Club of Owatonna – Raffle – November 15, 2018.
- Exempt Permit – Kid’s Korner Educare Center Inc. – Raffle – October 11, 2018.
- Temporary Liquor Permit – Americana Showcase at the Village of Yesteryear on September 15, 2018.
- Minutes – Park & Rec Board Meeting – August 13, 2018.
- Minutes – Human Rights Commission Meeting – July 10, 2018.
- Building & Inspection Report – July 2018.
- Weed-Inspection Report – August 17, 2018.
- Purchase 2018 Tandem Axle Truck.
- Change Order #1 – 2018 Street Maintenance Project – Pearson Brothers Inc.
- Change Order #1 – McKinley Street – James Brother’s Construction.

Council Member Okerberg made a motion to approve these Consent Agenda Items and Council Member Voss seconded the motion. All members voted aye for approval of these items.

Vice-President Raney recapped the expenses for the period. Bills presented for payment totaled \$704,860.58. Council Member Voss made a motion to approve these payments; Council Member Okerberg seconded the motion; all members voted aye for approval.

Community Development Director Klecker presented Resolution 67-18 to approve request for Conditional Use No. C-1406. Troy Johnson has applied for conditional use permit to locate a major automobile repair facility at 1221 S Oak Avenue. Plans include three service bays with installation of an additional overhead door in the west side of the building. The Planning Commission held a public hearing and recommend approval with the following conditions:

- 1) All signs shall have a sign permit prior to being erected.
- 2) The parking and access area shall be paved and have curbing installed on all areas located within 10’ of the property line as is required by code to be completed by August 1, 2020.
- 3) No other uses besides the auto repair and auto sales shall be located on the property unless the conditional use permit is revised.

Council Member Voss questioned why the classification is of a major automobile repair facility. Klecker advised the level of service sets the level classification. They plan to offer auto repair not just service offering service such as oil changes. Council Member Raney made a motion to approve Resolution 67-18, Council Member Dotson seconded the motion; all members voted aye in approval.

City Administrator Busse presented Resolution 71-18 to accept the Petition for Local Improvement from property owners for Timber Ridge Lane NE from White Oak Lane NE to White Oak Lane. The petition requests repairs by asphalt pavement, concrete curb & gutter and concrete driveway approaches. Approval of this resolution orders engineering staff to prepare a feasibility report for repair consideration.

Council Member Dotson made a motion to approve Resolution 71-18, Council Member Svenby seconded the motion; all members voted aye for approval.

Community Development Director Klecker presented Resolution 72-18 to approve designation of a handicap parking stall and an additional parking stall on the south side of the street in the 100 block of East Vine Street. The redevelopment project at 111 East Vine will create additional on-street parking, one stall and possibly two will be created with the closing of the western access to this property. Staff feels a handicap accessible stall would be appropriate on east side of the alley and the developer is willing to construct the required ADA ramp access to the street as a part of this project. The City will designate the handicap stall and install the sign and appropriate striping. The Downtown Parking Committee recommends approval of a handicap-parking stall and recommends any additional stalls be designated as two-hour parking similar to surrounding stalls. Council Member Burbank made a motion to approve Resolution 72-18 as recommended by the Downtown Parking Committee. Council Member Okerberg seconded the motion, all members voted aye in approval.

Community Development Director Klecker presented Resolution 73-18 to designate a 30-minute Parking Stall at 130 E Vine Street. Property owner, Bob Seykora requested two 30-minute parking stall on behalf of his tenants in front of the building. Staff and the Downtown Parking Committee recommends one 30-minute stall on this side of the street. Council Member Raney made a motion to approve Resolution 73-18, Council Member Dotson seconded the motion; all members voted aye in approval.

City Administrator presented request from Julie Eddington, Attorney at Kennedy & Graven Chartered for approval of Resolution 74-18 calling for a public hearing on granting host approval for facilities to be financed with the proceeds of revenue obligations to be issued by the Capital Trust Agency. American Eagle Delaware Holding Company LLC is proposing financing Senior Living Facilities, which includes the senior living community known as Brookdale Owatonna, located at 364 Cedardale Drive SE in Owatonna. Prior to the issuance of the bonds, a public hearing must be held for comments. Approval of this resolution sets a public hearing on Tuesday, September 18, 2018 at 7:00 p.m. to consider the proposed issuance of these bonds. Council Member Svenby made a motion to approve Resolution 74-18, Council Member Voss seconded the motion; all members voted aye in approval.

Community Development Director Klecker requested approval of Conditional Use C-1407 to allow for a Brewery and Taproom to be constructed at 111 N Walnut Avenue. This request was received from Darren Stadheim, Stadheim Properties of Owatonna, LLC on behalf of Mineral Springs Brewery, LLC. The Planning Commission held a public hearing and received concerns about location of trash in the area. Klecker explained by statute, a brewery cannot serve food but can food can be delivered. Bill Cronin, President of Mineral Springs Brewery introduced himself to Council saying he and four others: Tom Pelton, Mark Knutson, Rod Baker and Mark Sebring are pursuing establishment of a brewery in Owatonna. In January, they joined forces with brewers Jon Hilstad and Matt Kottke, already known as "Mineral Springs Brewery" to become an official entity in March. They plan to make this into a brick-and-mortar brewery versus a garage brewery. Their overall vision includes 50-70 person seating, packaged snacks, on-site marketing for food trucks as well as encouragement of delivered food from local businesses, a range of eight beers on tap and patio seating. They hope to open the taproom within the next six months and have acquired the property to the north of the building to resolve the question raised at the Planning Commission Meeting of where trash will be located. The Planning Commission is

recommending approval of this conditional use request with the following conditions:

- 1) All signs shall have sign permit prior to being erected.
- 2) The administrative lot split shall be recorded prior to the patio being constructed on the north side of the building.
- 3) All outdoor events shall be granted a special use permit by the City Council.
- 4) If the trash enclosure is located in the right of way, the applicant shall have a franchise agreement approved by the City Council.

Council Member Dotson made a motion to approve Conditional Use No. C-1407, Council Member Raney seconded the motion, all members voted aye in approval. Council Member Raney congratulated the group for bringing this new business venture to the City and wished them luck on this project.

Fire Chief Johnson presented request to renew the contract with the Owatonna Rural Fire Association. The current contract expires December 31, 2018. The proposed agreement was reviewed during the study session prior to this meeting. The City of Owatonna and the Owatonna Rural Fire Association have had an agreement in place for the City to provide fire and rescue service for over 20 years to the townships within the Owatonna Rural Fire Association. In exchange for this service, the association makes payment to the City, annual payment amounts will be adjusted the prior year's change in the National Consumer Price Index. This is a five-year agreement through December 31, 2023. Council Member Dotson made a motion to renew this agreement, Council Member Burbank seconded the motion; all members voted aye in approval.

Community Development Director Klecker requested authorization to purchase the property at 147 West Pearl Street and enter into an agreement with the owner of the Family Video property to market the property for development. The property at the corner of North Oak Avenue and West Pearl Street is a paved lot owned by the owner of the Family Video property, the property is 55 feet wide and 132 feet deep and not large enough to develop on its own. The property owner wants to develop the corner to better utilize the corner property and to control what goes in next to the Family Video property as well and to protect the visibility of the Family Video Store. Acquiring the property to the east would create a large enough parcel to develop the corner to meet their objectives but is not feasible based on the costs of purchasing and demolishing the building to the east. The property to the east is a 4-plex on a lot that is 77 feet wide and 132 feet deep. The property owner of the 4-plex purchased the property with the intent of redeveloping it. A deal could not be worked out between the two property owners; staff recommends the following proposal for redevelopment effort on this corner: The City purchases the 4-plex and demolishes the building and enters into an agreement with the owner of the Family Video property for the City to sell the vacant lot for market value of \$60,000. The owner of the Family Video property will begin marketing efforts to develop the property upon signing of the agreement. Once securing a development, the vacant lot will be purchased. Staff has negotiated a purchase price of \$170,000 for the 4-plex. This project qualifies for a redevelopment tax increment-financing district. The City can recoup the costs for the purchase as well as the demolition costs, which we estimate at \$30,000, through tax increment financing. This proposal to purchase the property was presented and approved by the EDA at their July 18th meeting. Staff recommends purchasing the property at 147 West Pearl Street for \$170,000 and enter into an agreement with the owner of the Family Video property to begin marketing efforts for a redevelopment project as approved by the EDA. Council Member Okerberg made a motion to approve this purchase, Council Member Burbank seconded the motion; all members voted aye in approval. Council Member Raney made a motion to approve the Option Agreement for redevelopment of this

property with Keith Hoogland Ltd, Partnership, the owner of Family Video. Council Member Voss seconded this motion, all members voted aye in approval.

City Administrator Busse presented request from Michael Jensen, Board President of the Little Theatre of Owatonna to change the name of the West Hills Auditorium to the Sharon Stark Auditorium at West Hills. Mr. Jensen requested this in recognition of Sharon's years of service to the City of Owatonna including the Owatonna Public Library, Owatonna Arts Center and especially as the only founding member of Little Theatre of Owatonna (LTO) to be active 52 years. They plan to place a name in raised letters over the door into the auditorium and will display a bronze plaque with Sharon's photo just outside the LTO box office. The West Hills Commission is recommending approval of this request. Council Member Raney made a motion to approve renaming the auditorium, Council Member Burbank seconded the motion; all members voted aye in approval.

Community Development Director Klecker requested authorization to acquire property in the North Country Subdivision. United Prairie Bank acquired this property from the developer and currently owns the remaining vacant lots and outlots in the North Country subdivision north of East Rose Street and Turtle Creek Nursery. Currently, a buyer is interested in the vacant lots but the bank also wants to convey the outlots. The bank is proposing to donate to the City the two outlots on the east side of the subdivision for future street development and the outlot on the northeast corner which has a storm pond. The storm pond is in need of some maintenance so in exchange for these maintenance costs, estimated at \$5,000, the bank will discount the price of the vacant lot north of the City's current lot in this subdivision by more than 50% and sell this lot to the City for \$12,000. The Park Board approved recommendation to purchase this vacant lot for a future park during their board meeting on August 13, 2018. Council President Schultz commented he has received requests for a park space in this neighborhood and believes it is important to acquire the two outlots for future development. Council Member Okerberg made a motion to acquire these properties, Council Member Dotson seconded the motion; all members voted aye for approval.

Fire Chief reported last week, staff participated in a disaster drill at the Fire Station with Public Health, Hospital and the Clinic. With use of the National Institute Management System, the Emergency Operation Center was opened and we used the Emergency Operation Plan, which would affect everyone in the community; many interesting things developed. This week, we will be working with the MN Department of Health & Homeland Security Emergency Management to establish a baseline of radiation in the soil in Steele County. We are located within a 60-mile radius of the Prairie Island Nuclear Generating Plant located in Red Wing; an Emergency Operation Plan is required in the case of an accidental release. We recently applied for a grant from Energizer Battery; on November 4th, everyone should check batteries in their smoke and CO2 Detectors. This year, Fire Prevention Week will be the first week of October and the Fire Department's annual Chili Feed at the Fire Hall will be Sunday, October 7th. This year's Fire Prevention Campaign is "Look, Listen & Learn. We are also working with our HR Department and staff supervisors to identify hazards employees encounter and then identify safety equipment needed to protect our employees. Council Member Raney asked if there would be a controlled burn at the Leo Rudolph Nature Center this fall to burn down growth; Chief Johnson answered there currently isn't one planned for this fall.

Interim Park Director Klecker reported request for proposals have been sent to twelve consulting firms for the Master Park Plan, responses are due within the month. The aquatic center will be closing for the season soon; the last day open will be Sunday, August 26th. The new-leased golf cars will be delivered

next week so staff will begin pursuing sales of the old carts on MNBid.Org and at OTown Auctions.

City Administrator Busse gave a brief update on the Public Works projects:

- 1) Street & Utility Project – currently working on Mill Street between Cedar and Oak.
- 2) Hemlock Avenue – contractor aware project deadline approaching, should be complete prior to the start of school.
- 3) Park Drive – Phase I concrete is expected the week of August 27th.
- 4) 18th Street SW – work complete on the roadway and just a few items left to do on the trail.
- 5) Mosher Avenue Sewer – plan to start working on this week.
- 6) CSAH 45 – plan to start slab jacking or mud jacking will be this fall, this is Oak Street Hill.
- 7) Kohlmier Drive Project – planned to begin after Labor Day.
- 8) Downtown Alley Project – currently under construction.

During Public Comments, Roger Wacek, 646 East Vine Street advised the retaining wall at the First Baptist Church is in need of repair, during their church meeting earlier this month he suggested the wall be removed and options to reduce erosion used. Wacek suggested erosion could be handled by reducing mowing frequency, increasing the height of mowing, and reduce herbicide usage to allow broad leaf plant vegetation. Chamber President Brad Meier mentioned the Chamber, two Rotary Clubs and the Peoples Press will partner to host candidate forums during the Noon Rotary Meetings in October with City Council candidates during their meeting on Monday, October 22nd. Bosch Community Fund will sponsor “Made in Owatonna Days” during October, this is the fourth year for this program, which allows 150 kids to see what job opportunities are available within Steele County. Meier congratulated the Mineral Springs Brewery for beginning this business venture, thanked the City for recognizing the legacy of Sharon Stark and also congratulated Scott Kozelka and the SCFF staff for a great community event, the 2018 fair.

During Council Comments, Council Members Voss and Raney thanked the Police and Fire Departments for participation in the recent Night to Unite activities. Council Member Raney thanked staff for assistance at the fair, reminded everyone to watch out for children walking to school; and then congratulated Scott & Laurie Goodew, who became new grandparents this week! City Administrator Busse explained applications are now being taken for the 2018 Deer Hunt at the Park & Rec Office or on the City’s website and the airport will host a movie on Saturday, August 25th and the French Toast Fly-Inn Drive-In Breakfast on Sunday, August 26th.

At 7:57 p.m., Council Member Raney made a motion to adjourn, Council Member Dotson seconded the motion and the meeting adjourned.

Dated: August 29, 2018

Respectfully submitted,
Jeanette Clawson, Administrative Specialist