

## Owatonna City Council Minutes – Draft Copy

The Owatonna City Council met in regular session on Tuesday, July 21, 2020 at 7:00 p.m. in Council Chambers at the City Administration Building. The meeting was also virtually accessible by calling 507-242-3225, Conference ID 548 374 260#. Present were Council Members Schultz, Raney, Voss, Dotson, Svenby and Okerberg; Mayor Kuntz; Community Development Director/Interim Parks and Recreation Director Klecker; City Attorney Walbran; City Administrator Busse; IT System Administrator Sticken and Administrative Specialist Clawson. Council Member Burbank was attending virtually.

Following the Pledge of Allegiance, Council President Schultz welcomed everyone to the meeting. Council Member Svenby made a motion to approve the agenda as presented; Council Member Okerberg seconded the motion; with a roll call vote, all members voted aye for approval. Council President Schultz read the Virtual Meeting Notice including information for TEAMS access and virtual participation options.

Mayor Kuntz explained there is currently an opening on the Housing and Redevelopment Authority (HRA), term of Dennis Werner expired April 31, 2020 and City Code limits HRA Membership to three terms. Mayor Kuntz thanked Mr. Werner for 15 years of service and then recommended John Hole be appointed to the HRA. Council Member Raney made a motion to appoint John Hole to the HRA, Council Member Dotson seconded the motion; with a roll call vote, all members voted aye in approval. This appointment is effective immediately and expires April 31, 2025.

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

- Council Minutes: July 7, 2020 Council Meeting.
- Event Permit – Sidewalk Sales – Downtown Merchants – July 23-25, 2020.
- Exempt Permit – Raffle – American Cancer Society – November 12, 2020.
- Temporary Liquor Permit – KC Hall at SCCF Beer Garden – August 20-23, 2020.
- Minutes – Human Rights Commission Meeting – June 9, 2020.
- Minutes – Airport Commission Meeting – June 11, 2020.
- Minutes – Park & Rec Board Meeting – July 13, 2020.
- Building & Inspection Report – June 2020.
- Weed-Nuisance Inspection Report – July 16, 2020.
- Replace Boilers at Fire Hall – McCarthy Plumbing and Heating.
- Resolution 96-20: Purchases at Fame Awards.

Council Member Okerberg made a motion to approve these Consent Agenda Items and Council Member Svenby seconded the motion. Council Member Voss recused himself due to Conflict of Interest; Resolution 96-20 involves his business, Fame Awards. With no additional comments a roll call vote was taken, all members voting voted aye for approval.

Vice President Raney recapped expenses for the period. Bills presented for payment totaled \$1,569,870.35. Council Member Dotson made a motion to approve payment of these bills, Council Member Voss seconded the motion, with a roll call vote, all members voted aye for approval.

Community Development Director presented the first reading of Proposed Ordinance 20-7, for request from Sam and Melissa Davidson to change the zoning of their property at 405 Oak Avenue South. The property is currently zoned B-2, Community Business District; Application No. Z-343 requests this be changed to R-6, High Density Residential District. They purchased this property with plans to return this property to a duplex and wish to make this a legal use with minor

adjustments; previously this was a nonconforming use within a B-2, Community Business District. The Planning Commission held a public hearing on their request and recommend approval. Council Member Raney made a motion to approve the first reading of Proposed Ordinance 20-7, Council Member Dotson seconded the motion. With a roll call vote, voting aye were members: Raney, Svenby, Voss, Okerberg, Dotson, Burbank, and Schultz, with no nay votes, the motion was approved. The second reading of this proposed ordinance will be heard during the next Council Meeting on August 4, 2020.

Community Development Director Klecker explained Council approval of resolutions to approve a conditional use and variance requested by LWO Properties, LLC for property at 407 Cherry Street. These are needed to accommodate the City's request for only one driveway on Cherry Street for the Eastgate Apartment Project. Adjusting plans to one access point caused a shift in the location of the building which will expose more of the building. The lower level will not meet the definition of a basement and will be considered a story; the proposed building becomes a 4-story structure with front and side yard setbacks increased by 5'. Conditional Use No. C-1436 will allow for a four-story apartment building to be constructed. The Planning Commission held a public hearing and recommend approval with these conditions:

- 1) Prior to issuance of the building permit, the City and Owatonna Public Utilities shall approve all grading, drainage, and utility plans.
- 2) The Conditional Use Permit is contingent on the variance requests being approved.

Council Member Dotson made a motion to approve Resolution 97-20 approving C-1436, Council Member Raney seconded the motion. Council Member Svenby asked if the drawings would be updated to show only one driveway; Community Development Director Klecker responded drawings would be changed with approval of Variance #1437. With a roll call vote, all members voted aye to approve Resolution 97-20.

Community Development Director Klecker presented Resolution 91-20 to approve V-1437, LWO Properties LLC request to allow a 12' rear setback where a 20' rear setback is required and to allow a driveway slope of 7% where a maximum 5% slope is permitted for a parking lot or driveway. Adjusting the plans moved the building to the southwest closer to the south property line along the railroad tracks. The southwest corner of the building is the portion of the building needing this setback variance and the slope of the driveway to the underground parking is a bit steeper than originally planned. The Planning Commission recommends approval of this variance request. Council Member Dotson made a motion to approve Resolution 91-20, Council Member Voss seconded the motion; with a roll call vote, all members voted aye in approval.

Community Development Director Klecker presented Resolution 92-20 to approve the request received from Steele County to split the lot of their property located at 620 Florence Avenue NW. The proposed split allows the parcel to be split and constructed upon. The Planning Commission held a public hearing on this request and recommend approval. Council Member Burbank made a motion to approve Resolution 92-20, Council Member Okerberg seconded the motion; with a roll call vote, all members voted aye in approval.

Community Development Director Klecker presented Resolution 93-20 to approve the request received from Northland Farm Systems for V-1435. This variance would allow for a freestanding sign that is 233 square feet in size where only a 100 square foot freestanding sign is permitted in the B-2, Community Commercial District to increase their sign visibility on Highway 14. The

City's Business Overlay Ordinance is applicable to business along I-35 but not other streets. The speed limit on Highway 14 is 65 miles per hour and smaller signs are hard to read. The property does front three rights-of-way so they could place three 100 square foot signs but wish to have just one larger sign. The Planning Commission held a public hearing on their request and recommend approval with the following conditions:

- 1) A Building Permit shall be approved prior to construction of the sign.
- 2) The applicant will verify the property line during the footing inspection by exposing all property pins showing the entire property line.
- 3) All portion of the freestanding sign will meet the 15' setback from the property line and be at least 400' from a residential property.
- 4) The digital sign shall only advertise products sold on the property or through the dealership. No off-site advertising shall be permitted.

Council Member Dotson made a motion to approve Resolution 93-20, Council Member Svenby seconded the motion. With a roll call vote, all members voted aye in approval.

Community Development Director Klecker presented Resolution 94-20 approving request for Conditional Use No. C-1434 received from Coborn's, Inc. This is a request to construct a gas station and canopy on land zoned B-2, Community Business District and currently occupied by Cash Wise grocery store. The applicant is proposing to install four fuel pump islands with a canopy in front of the grocery store in the northwest corner of their parking lot. This will remove approximately 20 parking stalls, but they will still have 42 stalls over the requirement and have space to add an additional 20 parking stalls if needed. The proposed fuel island will be open 24/7 with pay-at-the-pump option. The Planning Commission held a public hearing on this request and recommend approval with one condition: The applicant shall replat the property prior to a Certificate of Occupancy being issued on the gas canopy and allowing usage of this facility. The property is currently multiple parcels and they prefer this be one parcel. Council Member Raney made a motion to approve Resolution 94-20, Council Member Dotson seconded the motion; with a roll call vote, all members voted aye in approval.

Community Development Director Klecker presented Resolution 95-20 to approve the Final Plat of County Creek No. 8. Malcolm Hall, Hall Construction In. is requesting approval of this nine-lot residential plat of properties located at 1600-2000 Evergreen Place NE. The applicant wants to add two houses on the east end into the association with the existing patio homes that were platted with Country Creek No. 7. The rear yard and the 30' front yard will be created into separate lots to be maintained by the new association. The Planning Commission is recommending approval of this Final Plat with these conditions:

- 1) The Final Plat shall be recorded within 60 days of the approval of this request.
- 2) The Title Opinion shall be approved by the City Attorney prior to recording of the Final Plat.
- 3) The applicant shall amend the declaration and covenants for the lots to adjust for the new legal descriptions and design of the patio homes.

Council Member Voss made a motion to approve Resolution 95-20, Council Member Svenby seconded the motion; with a roll call vote, all members voted aye in approval.

Community Development Director Klecker requested the Purchase Agreement with United Properties for land located at the end of Lemond Road be extended. In 2014, the City entered into a Letter of Intent with United properties and their Real Estate Team of Cushman & Wakefield/Northmarq to allow them exclusive right to market the property for a suitable industrial user. During August 2015, a Purchase Agreement was approved which has been extended several times and set to expire August 19, 2020. Both parties view this as a mutually beneficial relationship and both parties desire to extend for a one-year period. United Properties has participated in several marketing campaigns promoting properties in Owatonna. This property has been certified as Shovel Ready by the state which is desirable by many companies looking for a new location. Major bullet points of the Purchase Agreement are:

- 1) The sale is for 32.857 acres at a total price of \$1,004,680.50 per the Letter of Intent, the wetland areas and ROW areas have been subtracted to arrive at this amount.
- 2) The applicant will be responsible to extend Lemond Road to the City's western property line.
- 3) The Purchase Agreement Extension is for one year.

Council Member Okerberg made a motion to extend this Purchase Agreement with United Properties, Council member Raney seconded the motion. With a roll call vote, all members voted aye in approval.

Community Development Director Klecker presented a Development agreement and Purchase Agreement with LWO Limited Partnership 116 for the development of the Eastgate Apartments. The City has been working them for development of a 36-unit workforce housing project on Cherry Street, next to Domino's Pizza. Tax Credits have been awarded for this project as well as a DEED grant to assist with demolition and soils corrections for the project. The City has purchased the properties and the property has been replatted and rezoned. Tax Increment Financing has been approved for this project to reimburse the City for its contribution to the project. During this meeting, a Variance and Conditional Use were approved to limit the access to Cherry Street to one driveway. Demolition will be done under the City's ownership and then conveyed to the developer in August. Construction of the building will start immediately after conveyance. Project consulting fees will be paid for by the HRA to be reimbursed from the TIF proceeds. The City has contributed \$450,000 towards the project which will also be reimbursed by TIF proceeds. Larry Olson, Chief Manager of LWO Limited Partnership #116 was present to answer questions. Council Member Schultz thanked Mr. Olson for bringing this project to Owatonna. Mr. Olson commented Owatonna has been a great place to work, this is the fifth project his company has done within the City. Council Member Raney made a motion to approve this Development Agreement, Council Member Dotson seconded the motion; with a roll call vote, all members voted aye for approval.

Council Member Dotson made a motion to approve the Purchase Agreement for the Eastgate Apartments, Council Member Okerberg seconded the motion. With a roll call vote, all members voted aye for approval.

During Staff Comments City Administrator Busse gave a brief update status of current improvement projects. City workers are currently repairing potholes in various several areas and residents are asked to observe the "No Parking" signs that will be placed this Friday for the overlay project to begin next Monday, July 27<sup>th</sup>. Also, if a homeowner incurs a slow drain, we ask that they

call the City in addition to their private plumber; the City needs to check if the blockage is in the main line and if so, we will repair at no cost. Community Development/Interim Park Director Klecker explained Brooktree Golf Course is open but traffic hindered with the project on Cherry Street, he recommended using Mineral Springs Parkway to access the course until the street project is completed. River Springs Water Park is currently open and requires registration online for open swim time. There may be some additional programming offered but guard staff becomes limited in a few weeks so the last day for open swimming will be August 16<sup>th</sup>.

Brad Meir, President/CEO of the Owatonna Chamber of Commerce gave a brief update on Jumpstart Owatonna efforts to help small local businesses. This process began in mid-April and should be done later this week, it started with a \$10,000 contribution from the Owatonna Partnership Economic Development and 50 other businesses and 20 individuals have made additional contributions. Over the last six weeks they have offered support with grants, in-kind services, or a combination of these two items to 43 businesses for \$91,300 requested and distributed. He thanked members of their Core Committee: Tom Peterson at Climate by Design International, Paul Smith and Peng Olson at Federated Insurance, Seth Madole at Viracon, Tanya Henson at Hat Chic Clothing Company, Ginny Bergerson at Business Marketing, Roger Warehime at OPU and Matt Gilliard at ReMax Venture. Thanks also to the Review Committee Members: Kevin Raney, Dave Effertz, Kim Schaufenuel, Kelly Anderson, Lynn Limburg, Todd Trout and Seth Madole. Business can still obtain some sanitation supplies such as the sanitizer kits made by Shields of Steele which included some plexiglass shields or Sneeze Guards made by Gandy and Viracon. A list of available items will be updated on the Chamber's website. Annie Grundland, Reporter at Owatonna Peoples Press commented it was nice to be back in person at the Council Meeting

During Council Comments, Council Member Raney commented it was nice to see Annie back in Council Chambers. Council President Schultz thanked IT System Administrator Sticken for his assistance during tonight's meeting.

At 7:50 p.m., Council Member Raney made a motion to adjourn the meeting, Council Member Dotson seconded the motion, all members present voted aye in approval.

Dated: July 30, 2020

Respectfully Submitted,

Jeanette Clawson, Administrative Specialist