

Owatonna City Council Minutes – Draft Copy

The Owatonna City Council met in regular session on Tuesday, March 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, Okerberg, Voss, Raney, and Schultz; Mayor Kuntz; City Attorney Walbran; City Engineer Skov; Community Development Manager Kruschke, Police Sgt Sorenson; IT System Administrator Sticken; City Administrator Busse and Administrative Specialist Clawson. Council Member Svenby and Park and Rec Director Tuma were attending via Microsoft TEAMS.

Following the Pledge of Allegiance, President Schultz read a statement advising of the option to participate virtually during this meeting and of COVID-19 compliance requirements; Council Member Svenby is participating remotely so all votes will be done by a roll call. This meeting was accessible by TEAMS at 507-242-3225 with Conference ID 420 614 410#. There has been one item added to the Agenda, Item 3.4.2 Receive Quotes and Award Contract for Ferric Offloading at the Wastewater Treatment Facility. Council Member Voss made a motion to approve the Agenda with this item added, Council Member Okerberg seconded the motion; with a roll call vote all members voted aye for approval.

Scott Kozelka, Steele County Free Fair Manager confirmed plans for the 2021 Fair are underway. They hope COVID-19 concerns will be less and most people receive vaccinations prior to the August fair date. There will be a lot of new events offered this year and The sprinkler system will be installed in the new barn in May and Phase 1 of the Underground Project is almost complete, lights are up at the Fair Office, the ticket booth, Four Seasons, and the Beer Garden. County Administrator Scott Goldberg is completing application for a state grant for additional project funds. Council Member Raney asked what Phase 2 of the Underground Project would include and when this would be completed, Kozelka explained additional plans have not been set as dependent on funding and want to make best use of resources. Last year, vandalism occurred to a new building on the fairgrounds, they are considering security updates and ask anyone that sees something happening to report it.

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 – March 2, 2021.

Minutes – Planning Commission – February 9, 2021.

Annual Tree Trimmer Permits: .

Dave’s Tree Care, 1350 Cherry St, Owatonna MN

Boyum Tree Service LLC, 603 SE 74th Ave SE, Owatonna

Carr’s Tree Service Inc, PO Box 250, Ottertail MN

Strobel Tree Service, 45004 139th Lane Kilkenny MN

Johnson Construction & Tree Service, 29763 900th Ave, Austin MN

Event Permit – Civil Air Patrol Awards Ceremony – March 30, 2021.

Event Permit – Good Friday Service – Trinity Lutheran Church – April 2, 2021.

Exempt Permit – Ducks Unlimited Steele County – Raffle - September 23, 2021.

Contract – Tennis Pro – Matt Hokanson.

Institution Community Work Crew Program – State of Minnesota for specific non-public facing projects:

1) Clearing of the Kaplan’s Woods Trail Bypass

2) Brush clearing at the Mosher Railroad ditch by Morehouse Park

Farmland Leases: Crop Years 2021 and 2022:

Renter	Years	\$307.00/Acre	Annual Payment
David Janke	2021-2022	13A x \$307.00	\$ 3,991.00
		(EDA) 16.5A x	\$ 5,065.50
		\$307.00	\$19,034.00
		(EDA)62A x	\$13,815.00
		\$307.00 (EDA)	
		45A x \$307.00	
		Total	\$41,905.50
Renter	Years	\$215.00/Acre	Annual Payment
Bob Cole	2021	50A x \$215.00	\$10,750.00
		15A x \$215.00	\$ 3,225.00
		20A x \$215.00	\$ 4,300.00
Dan Morgan	2021	23A x \$215.00	\$ 4,945.00
Paul Maas	2021	16A x \$190.00	\$ 3,040.00
Duane Schroeder	2021	20.5A x \$215.00	\$ 4,407.50
Bob Swedberg	2021	89A x \$215.00	\$19,135.00
Andy Michaletz	2021	8A x \$215.00	\$ 1,720.00
		Total	\$51,522.50

Renew Static Display Loan Agreement – National Museum of the United States Air Force.
 Utility Disconnection Agreement – ISD #761 – This will delay disconnection of water and sewer services from the main to allow construction of the new high school building.
 Amendment 1 to the existing Joint Powers Agreement for Human Trafficking Investigators Task Force with the State of Minnesota. This provides a three pronged approach to combat human trafficking and sexual exploitation of children by prevention, education, and enforcement.

Council Member Voss made a motion to approve these Consent Agenda items; Council Member Okerberg seconded the motion; with a roll call vote, all members voted aye for approval.

Council Member Raney recapped expenses for the period. Bills presented for payment totaled \$412,285.52 Council Member Burbank made a motion for approval, Council Member Dotson seconded the motion; with a roll call vote, all members voted aye to approve these payments.

Public Works Director Skov requested approval of Proposed Ordinance 21-2 to amend Chapter 35, Appendix A: Fee Schedule © Sewer Rates, Charges and Fees. This is the second reading of these proposed rate changes, the first reading was approved during the March 2, 2021 Council Meeting and there have been no changes since. The ordinance will change the process of calculating rate amounts effective June 1, 2021. Residential customers will incur an estimated increase of 2.5%. Council Member Raney made a motion to approve Proposed Ordinance 21-2, Council Member Burbank seconded the motion; With a roll call vote, voting aye were Council Members Voss, Okerberg, Dotson, Burbank, Raney, Svenby and Schultz. This will be known as Ordinance 1614.

Public Works Director Skov requested approval of Resolution 31-21, authorizing bids for the Partridge Avenue Pond Project, a planned construction stormwater pond on the west wide of Partridge Avenue. The proposed bid date will be April 14, 2021 with Council to review bids for approval on April 20, 2021. The project is being completed in conjunction with the improvements

completed privately by residents of Carriage Homes. Council Member Dotson made a motion to approve Resolution 31-21, Council Member Voss seconded the motion; with a roll call vote, all members voted aye in approval.

Public Works Director Skov presented Resolution 38-21 to receive the bids and award the contract for the 2021 Street Maintenance Project. This is the annual Crack Seal /Seal Coating. Bids were received from four companies with Pearson Bros, Inc. of Hanover, MN as the lowest responsible bidder, they were awarded the bid last year. The low bid was \$159,514.40, Council Member Raney asked if additional areas could be added as a higher amount was included in the current budget. Public Works Director Skov explained additional work orders could be authorized as the project proceeds. Council Member Raney made a motion to approve Resolution 38-21, Council Member Dotson seconded the motion. Council Member Okerberg asked the current boil spots in the 700 block and 1200 block of Lincoln be inspected and repaired. With no additional comments, a roll call vote was taken with all members voting aye for approval.

Park and Rec Director Tuma requested approval of Resolution 39-21, authorizing application for a Minnesota DNR Local Trail Connections Grant and ensure maintenance of the trail if grant received. Council approved a similar grant application last year, but the grant was not awarded, and they encouraged reapplication. This would be for a 2022 construction of the trail connecting Kaplan's Woods Parkway to the 18th Street Trail, an identified gap in the trail system. This .16 mile of paved trail would cross the railroad tracks with proper signage included and then traverse through the edge of Kaplan's Woods and connect with the 18th Street Trail. This new segment of trail will be called Kaplan's Crossing. The grant calls for 25% matching funds; the match can consist of contracted services. The total project cost is \$132,867, the City's matching funds would be \$33,217. If awarded the City is required to maintain Kaplan's Crossing for no less than 20 years. Council Member Dotson made a motion to approve Resolution 39-21, Council Member Burbank seconded the motion, with a roll call vote, all members voted aye for approval.

Community Development Manager Kruschke presented Resolution 40-21 to authorize signing of the Development Agreement with Owatonna Pearl, LLC for construction of a 43-unit market rate apartment building on the 100 block of East Pearl Street. Council previously approved use of Tax Increment Financing (TIF) to assist with associated construction costs. The TIF Plan calls for \$1,839,273 in TIF dollars to assist with eligible TIF project expenditures. There are substantial soils corrections needed to the project site. The Development Agreement states the City will be reimbursed \$609,500 from the TIF Funds for costs incurred to purchase the property and demolish the homes on site. Increment has already been generated from this TIF District and therefore there is only about 23 years left on the district. Budget Impact: There are consulting costs for writing the TIF Plan and Development Agreement which will be paid for by the EDA. All costs incurred by the EDA would be reimbursed through Tax Increment Financing over the life of the TIF District. Council Member Okerberg made a motion to approve Resolution 40-21, Council Member Raney seconded the motion, with a roll call vote, all members voted aye in approval.

Community Development Manager Kruschke requested approval or Resolution 41-21 to authorize signing of the Development Agreement with Owatonna Hospitality 1, LLC. Council has approved use of Tax Increment Financing (TIF) to assist with the costs associated with the construction of a

106-unit hotel and the redevelopment of the east of the 200 block of North Cedar Avenue. The project includes the renovation of the buildings south of the alley that contain Old Town Bagels and the former Jerry's building. The Flooring Frenzy building and the former Bishman Insurance building would be demolished as well as the triplex on Pearl Street. A new restaurant will be added to the renovated space and a new 106 room hotel will be constructed. The TIF Plan calls for \$7,225,088 in TIF dollars to assist with eligible TIF expenditures on the project. The Development Agreement states the City will be reimbursed \$500,000 from the TIF for payment for the purchase of the old theater lot and the public parking lot on Pearl Street and well as for streetscape improvements. This would be a redevelopment TIF district so it can go for up to 25 years. There are consulting costs for writing the TIF Plan and Development Agreement which will be paid for by the EDA. All costs incurred by the EDA would be reimbursed through Tax Increment Financing over the life of the TIF District. Council Member Dotson made a motion to approve Resolution 41-21, Council Member Burbank seconded the motion, with a roll call vote, all members voted aye in approval. Council Member Okerberg asked when this project would begin, Kruschke replied construction should begin around June 1st.

Community Development Manager Kruschke presented Resolution 42-21 for approval of the Development Agreement with the Independent School District #761 for the Owatonna Public School Addition. No costs are directly incurred with approval of the Development Agreement but there will be cost associated with the Cooperative Construction Agreement for the round-a-bout on 18th Street. City Administrator Busse commented Attachment A to Resolution 42-21 shows the school's current property on Rose Street which will be deeded to the City. Council Member Okerberg made a motion to approve Resolution 42-21, Council Member Voss seconded the motion; with a roll call vote, all members voted aye in approval.

Community Development Manager Kruschke requested approval of Resolution 43-21, approving the Final Plat of the Owatonna Public School Addition. The Planning Commission is recommending approval with these conditions:

- 1) The final plat shall be recorded within 60 days of the approval.
- 2) The title opinion shall be approved by the City Attorney prior to recording of the final plat.
- 3) The applicant shall willingly participate in any future right of way plat that may be needed in conjunction with the roundabout construction.
- 4) The applicant shall enter into a development agreement prior to recording of the final plat.
- 5) A utility disconnection agreement shall be approved and recorded.

Council Member Dotson made a motion to approve Resolution 42-31 as recommended by the Planning Commission; Council Member Raney seconded the motion; with a roll call vote, all members voted aye in approval.

Community Development Manager Kruschke requested approval of Resolution 44-21 to approve Condition Use #1445 submitted by JJD Companies. The request is to allow crushing and stockpiling of material on their property at 3675 Park Drive NW. The Planning Commission held a hearing on this request and do recommend approval with these conditions:

- 1) All signs shall have a sign permit.
- 2) A 50' front setback shall be met by all equipment and stockpiles.
- 3) All storm water plans shall be approved by City Engineer prior to issuance of a grading permit.

Council Member Dotson asked if the applicant is aware of the conditions; Kruschke responded they have been working with our Public Works Department and aware of and accept these conditions. Council Member Dotson made a motion to approve Resolution 44-21, Council Member Burbank seconded the motion; with a roll call vote, all members voted aye in approval.

Community Development Manager Kruschke requested approval of Resolution 45-21 for approval of Variance-1443 and Conditional Use 1444 received from Dave Seykora and C4Cabinets. These are to allow a restricted manufacturing business in the B-2 Zoning District of 25,000 square feet where only 15,000 square feet is permitted for the subject property. The Planning Commission held a public hearing on this with no objections heard and are recommending approval with the following conditions:

- 1) The property shall be replatted and the plat being recorded prior to December 31, 201.
- 2) The restricted manufacturing use shall be limited to the cabinet shop. Any further use of this property shall meet the zoning ordinance or amend this Conditional Use Permit.

Council Member Raney made a motion to approve Resolution 45-21, Council member Voss seconded the motion; with a roll call vote, all members voted aye in approval. Council Member Burbank commented it is good to see this local expansion and use of existing properties.

Park Director Tuma requested council accept the bids and award the contract for the Fire Hall Tower Rehabilitation and Front Lintel Repair. In 2017 the City had an assessment of the exterior of the Fire Hall. Per that assessment it was recommended to stabilize the east and west tower and to stop water filtration into the building and to repair the failing front lintels. We received four bids for this project:

Stillwater Masonry Restoration	\$179,051
Schwickert's Tecta America	\$196,001
Brennan Construction	\$265,000
Building Restoration Corp.	\$441,403

Stillwater Masonry Restoration will be a new contractor for the City, but staff completed an interview with them and contacted references and feel they will do quality work. Council Member Voss made a motion to accept these bids and award the contract to Stillwater Masonry Restoration, Council Member Burbank seconded the motion; with a roll call vote, all members voted aye in approval.

During Staff Comments, Public Works Director Skov commented the snow received Monday was wet and heavy. Staff worked for 12 hours and left at 7:00 p.m. last night and went back out at 1:00 this morning so most streets are cleared. Park Director Tuma commented there is currently caution tape at the Skate Park because of vandalism over the weekend and will be taped off for a few days until staff has a chance to repair. Staff met with architects this week to review plans to remodel Council Chambers and appreciate comments received during the Study Session in March to set focus and develop the next steps of this project. Currently two openings with Building and Grounds and working to backfill these positions. Was hoping the golf course could open before the

end of the month but will need to see what the weather is going to do. Community Development Manager Kruschke commented the roof project at 117 W Bridge Street is nearing completion and staff is almost done with the work needed for the high school and streetscape projects. He congratulated Mayor Kuntz, City Council Members and City Administrator Busse for the City of Owatonna tied as the #55 Micropolitan Community in the United States during 2020 by Site Selection Magazine.

There were no comments during Public Comment.

During Council Comments, Council Member Voss encouraged everyone to get out and support local restaurants and businesses. Council Member Raney thanked Ron Segner for 36 years of employment with the City, Ron will be retiring next week from his position as an Engineer Assistant in Public Works. Mayor Kuntz commented there has been a lot of excitement in the downtown area with the hotel, apartment complex and streetscape projects. City Administrator Busse commented first round interviews for Fire Chief will be held next week. At 7:51 p.m., Council Member Raney made a motion to adjourn the meeting, Council Member Svenby seconded the motion, all members voted aye in approval.

Dated: March 31, 2021

Respectfully Submitted,

Jeanette Clawson, Administrative Specialist