

Owatonna City Council Minutes – Draft Copy

The Owatonna City Council met in regular session on Tuesday, May 19, 2020 at 7:00 p.m. This was a virtual meeting compliant with Governor Walz’s Stay-at-Home Order for the COVID-19 Pandemic. The meeting was accessible by calling 507-242-3225, Conference ID 297 056 074#. Council President Schultz conducted the meeting from Council Chambers with Council Members Raney, Voss and Okerberg; City Attorney Walbran, City Administrator Busse and IT System Administrator Sticken present. Attending virtually were Council Members Dotson, Svenby, and Burbank; Mayor Kuntz; Community Development Director/Interim Parks and Recreation Director Klecker; Public Works Director Skov; Fire Chief Johnson and Administrative Specialist Clawson.

Following the Pledge of Allegiance, Council President Schultz welcomed everyone to the meeting. Council Member Dotson made a motion to approve the agenda; Council Member Svenby seconded the motion. With a roll call vote, all members voted aye for approval.

Council President Schultz read the Meeting Determination Statement and reviewed the virtual meeting process requirement for all votes taken via a roll call vote.

Community Development Director Klecker advised the public hearing planned will consider establishment of Development District No. 14 and Tax Increment Financing District No. 14-1. LWO Partnership #116 plans to redevelop the property located at 409 Cherry Street to a 36-unit apartment project. This will be the sixth apartment project this developer has built in Owatonna. This will be a Work Force Project which the City has obtained tax credits to reduce the rent amount on these apartments which will offer amenities similar to Market Rate apartments. The City purchased the property and will request reimbursement with use of tax increment financing.

At 7:08 p.m., Council President Schultz opened the public hearing for comments. With no comments heard, at 7:10 p.m. Council Member Raney made a motion to close the public hearing, Council Member Voss seconded the motion and with a roll call vote, all members voted aye in approval.

Council Member Okerberg made a motion to approve Resolution 68-20 approving the establishment of Development District No. 14 as detailed in the Development District No. 14 Plan. Council Member Dotson seconded the motion; with a roll call vote, all members voted aye in approval.

Council Member Burbank made a motion to approve Resolution 69-20 approving Tax Increment Financing District No. 14-1 and the use of Tax Increments to finance, in whole or in part, capital and administrative cost for the Eastgate Project. Council Member Dotson seconded the motion, with a roll call vote, all members voted aye for approval.

Council Member Raney made a motion to approve Resolution 70-20 approving the terms of interfund loans to not exceed \$482,489 in connection with Tax Increment Financing District No. 14-1. Council Member Svenby seconded the motion, with a roll call vote, all members voted aye for approval.

Scott Kozelka, Manager of the Steele County Free Fair spoke on plans for the 2020 Steele County Free Fair. They are trying to stay positive and hope the 2020 fair will happen, Opening Day is

planned to be 90 days from today; however, COVID-19 restrictions and safety concerns may change their plans. They have held many calls with state and local officials and vendors continue to call asking if they can attend. If there is no fair, they might organize some other events at the fairgrounds for our food vendors. The County Board will hold a special meeting tomorrow night, if we are unable to hold the 2020 Fair, there will be some tough financial times for the Ag Society. We are monitoring the State Fair Board and other county fair committees throughout the state. Our plan is to have a definite decision by July 15th but hope we will know sooner.

Mayor Kuntz presented recommendation to appoint Jay Johnson to the Owatonna Public Utilities (OPU) Commission. Council Member Burbank made a motion to approve this new member recommendation; Council Member Voss seconded the motion. With a roll call vote, all members voted aye for approval.

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: Council Meeting – May 5, 2020.

Event Permit – Mineral Springs Brewery Sprawl – will hold when they are able to be open and allow larger group. Current Governor’s Order allows a maximum of only 50 people in outdoor seating areas.

Event Permit – 2020 Farmer’s Market – Saturdays June through October – OCC & Owatonna Business Partnership (OBP).

Event Permit – 2020 Summer Concerts – Thursday Nights July & August – OCC & OBP.

Event Permit - 2020 Night Markets – First Thursdays of July & August, July 2 and Aug 6. Main Street & Owatonna Chamber of Commerce (OCC).

Renew Annual Tree Trimmer’s Permit – Carr’s Tree Service, Inc.

Renew Annual Ice Cream Vendor Permit – Sunny’s Ice Cream.

Exempt Permit – NWTF Steele Spurs Chapter – June 27, 2020.

Minutes – Human Rights Commission Meeting – March 10, 2020.

April Building & Inspection Department Reports.

Council Member Svenby 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.

Vice President Raney recapped expenses for the period. Bills presented for payment totaled \$282,125.70. Council Member Voss made a motion to approve payment of these bills, Council Member Dotson seconded the motion; with a roll call vote, all members voted aye for approval.

Community Development Director Klecker presented the first reading of Proposed Ordinance 20-6, a request from the City of Owatonna and LWO Partnierhp#16 to change the zoning at 409 Cherry Street from R-1, Single Family Residential to B-2, Community Commercial. The application was received to be consistent with the adjacent zoning for all of the Eastgate Development site to be one zoning district. Council Member Dotson made a motion to approve the first reading of Proposed Ordinance 20-6, Council Member Burbank seconded the motion. With a roll call vote, Council Members voting aye were Dotson, Burbank, Raney, Svenby, Voss, Okerberg and Schultz; with no nay votes the motion was approved. The second reading of this proposed ordinance will be held during the June 2, 2020 Council Meeting

Community Development Director Klecker requested approval of Resolution 71-20 to approve the Preliminary Plat of Regan Addition. The City of Owatonna and LWO Partnership #116 request approval for this one-lot commercial plat to allow construction of a 36-unit apartment building. Stormwater for the site is proposed to be handled in an underground system located under the east driveway. All stormwater will run to this underground system and then outlet to the stormwater system in Cherry Street. Plans are being developed to minimize access points to the property and the underground parking area; the incline on the property has created some problems which could require variances for height and/or setbacks. These changes could also alter the building materials required and make the project not feasible. Construction plans will be resolved prior to request for approval of the Final Plat. The Planning Commission held a public hearing with comments concerning traffic at the intersection. The Planning Commission is recommending approval with these conditions:

- 1) The Final Plat shall be approved within one year of the date of approval of the Preliminary Plat.
- 2) The Title Opinion shall be approved by the city Attorney prior to recording of the Final Plat.
- 3) The Applicant shall provide the utility easements as shown on the proposed Final Plat drawing.
- 4) Any unused sewer and water services shall be disconnected at their respective mains in conjunction with the demolition of the structures.

Council Member Voss thanked Community Development Director Klecker for his persistence in assisting and pursuing development projects within the community. Council President Schultz said he received one comment with concerns about the potential increase in traffic at this location. Council Member Raney commented a traffic study be completed on Cherry Street and Mineral Springs Road when this project is completed. Council Member Raney made a motion approving Resolution 71-20 approving the Preliminary Plat as recommended by the Planning Commission. Council Member Voss seconded the motion, with a roll call vote, all members voted aye in approval.

Fire Chief Johnson requested Council accept a grant from the Owatonna Foundation of \$12,500 for purchase of racks used to store the firefighter's turnout gear. The new racks will replace storage racks which have been used during the last 20 years. Council Member Svenby made a motion to accept this grant from the Owatonna Foundation, Council Member Dotson seconded the motion; with a roll call vote, all members voted aye for approval.

Fire Chief Johnson requested authorization to purchase a 2021 Pierce PUC Truck from MacQueen Emergency. This purchase agreement is under the Houston Galveston Area Council (HGAC), a nationwide government procurement service group, which the fire department joined when purchasing our previous pumper. This truck would replace a 1989 Pierce engine that currently functions as a pumper in our fleet. Our Vehicle Replacement Plan recommends pumpers be replaced every 25 years; this vehicle is 31 years old. For the City to maintain our Insurance Service Organization (ISO) rating of 4, the fire department is required to meet or exceed our current pumping capacity; the current vehicle carries 500 gallons of water and the new truck has a pumping capacity of 1250 gallons per minute. The new vehicle will also be able to carry rescue and extrication equipment. The truck will look similar to the rescue pumper

purchased in 2014 to create a standardized fleet with the same capabilities and compartment layout. This purchase is outlined in the 2020-2024 Capital Improvement Plan with a current budget set at \$750,000 for new truck purchase and plans to sell the 1989 Pierce engine on MN Bid. The new vehicle proposal includes:

2021 Impel PUC Pumper	\$787,298*
Performance Bond	2,090
HGAC Fee	2,000
HGAC Discount	(7,219)
Chassis Prepayment Discount	(10,615)
Demo Discount – MacQueen will use for 1 month	(4,725)
100% Prepayment Interest Discount	<u>(20,177)</u>
Unit Total with discounts applied	\$748,652

**Pricing based on the current HGAC FS12-19 contract pricing.*

Council Member Okerberg made a motion to approve authorization to purchase a 2021 Pierce PUC Truck from MacQueen Emergency; Council Member Voss seconded the motion. With a roll call vote, all members voted aye in approval.

During Staff Comments, Community Development Director Klecker said construction projects have been able to continue during the COVID-19 restrictions. The chiropractic office on 18th Street is at Final Inspection; Daiken is able to store items in their new facility; South Pointe Apartments is at finishing stages and looking for full occupancy to open June 2nd; James Brothers Construction has received a Certificate of Occupancy; Costco is working on footings and utilities; Rise Modular has completed renovations to their building and steel siding is going on their new storage building. Godfathers is in the finishing stages of their renovation; Foremost Brewing Cooperative has completed demolition and the water main has been brought into the building; and Minimizer has resumed site work. Fire Chief Johnson, thanked Ryan Seykora for writing the Owatonna Foundation Grant Application for the PPE Storage Rack funding; Charlie Seykora, Chairman of the New Truck Committee doing research of vehicle spec sheets and to Council for providing funds allowing the Fire Department to do their jobs. The Weed Inspector is out and responding to complaints; this year our process includes an e-mail response via e-mail regarding the completed inspection. The current number of confirmed COVID-19 cases in Steele County is 111; there has been community spread so cases have increased 7-10 cases each day during the last several days. Encourage everyone to follow the Governor's current safe order to stay at home and we have been preparing information to provide to businesses as they prepare their reopen process. Encouraging everyone to wear cloth face masks and practice social distancing. Personal Protective Equipment including masks and sanitizers have been distributed to all City Departments. Protective barriers will be placed for additional safety prior to offices opening to the public. The Minnesota Department of Health updates COVID-19 statistics on their website each morning at 11:30 a.m.. Viracon reported 80 positives cases were confirmed today; however, many of these individuals live outside of Steele County and will be included in the count for the county of their residence.

There were no comments heard during Public Comments.

During Council Comments, Council Member Raney gave thanks to Brad Meier, President and CEO of the Owatonna Chamber of Commerce for working with local bars and restaurants as they are preparing plans to reopen their businesses and then encouraged City Administration and staff to continue participating to help small local businesses reopen. Mayor Kuntz said he has noticed the City's trails have been busy and encouraged everyone to be courteous of others and be safe so nobody is hurt. Council President Schultz thanked IT System Administrator Jason Sticken for assisting during this meeting.

At 7:52 p.m., Council Member Raney made a motion to adjourn the meeting, Council Member Voss seconded the motion, with a roll call vote, all members voted aye in approval.

Dated: May 22, 2020

Respectfully Submitted,

Jeanette Clawson, Administrative Specialist