

Owatonna City Council Minutes

The Owatonna City Council met in regular session on Tuesday, April 20, 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, Svenby and Schultz; Mayor Kuntz; City Attorney Walbran; City Engineer Skov; Community Development Director Klecker; Sr Accountant Loken; Park & Rec Director Tuma; Sergeant DeVinny; IT System Administrator O'Connor; City Administrator Busse and Administrative Specialist Clawson. .

Following the Pledge of Allegiance, President Schultz advised the order of items on the agenda has been changed: Item 1.4, Dr Bunkers will be moved before Item 1.2, the Public Hearing for the Streetscape Project Assessments and Item 3.4, Council Chamber Project Proposal has been removed for further review. Council Member Raney made a motion to approve the agenda with these changes, Council Member Svenby seconded the motion, all members voted aye in approval.

Dr. Brian Bunkers, CEO at the Owatonna Mayo Clinic gave a brief update on current COVID-19 conditions. Minnesota's case numbers have improved over the last several months but still needing to get better: about 2,000 new cases every day, the positivity test rate is 7.4% which should ideally be less than 5%; approximately 10 deaths per day, and the infectious rate is approximately 10%. Similar rate in Steele County, we have seen approximately 3,600 positive cases and population is around 36,000; Steele County has incurred only 14 deaths, or 0.3%; we can be thankful our long term care facilities took early precautions; Rice County has had more than 100 deaths. Death rates are currently decreasing because patients are younger. We average 2-3 inpatients/day at the Owatonna Hospital. Hopefully, vaccinations will be administered ahead of the next surge, Minnesota currently has 52% eligible persons vaccinated, you must be 16 or older to be eligible. There has been some concern on the Johnson & Johnson vaccine with instance of blood clotting after effect but the chance of getting this side effect is less than the chance of getting COVID so encouraging everyone to get their vaccination. Years ago, 90% of Americans received a vaccination for small pox and 85% were vaccinated for polio, we hope to see similar numbers for the COVID vaccination. Encourage everyone to wear a mask, avoid indoor gatherings and get a vaccination, getting vaccinated is not about helping you but your family, friends, and community.

Mayor Kuntz thanked Dr. Bunkers for his update and then presented him a plaque of Outstanding Community Service for the betterment of the City of Owatonna. Dr. Bunkers confirmed he will be stepping down as the clinic's CEO and will be taking on a new leadership role.

Council President explained the process of the Public Hearing for the N Cedar Avenue Streetscape Project. He assured everyone wishing to speak; would be given opportunity to do so; but noticed the capacity of people in Chambers is reaching the current amount allowed under the Governor's Orders; persons present for later agenda items were asked to go the Arts Center where they could watch the meeting via video projection. Persons wanting to speak during the public hearing were asked to sign in and would be called on in the order of signing in. Council Member Schultz recused himself as he has personal interest in property in the project area, so Vice President Raney took over the meeting.

Kyle Skov, Public Works Director/City Engineer explained a Master Plan for the downtown area was created several years ago. During November 2020, the plan was made public, and several

public engagements have been held for this \$4.5 million project, a full reconstruction of three blocks of North Cedar Avenue. Improvements will be made for sanitary sewer, storm sewer, street and sidewalk improvements which will be ADA compliant, landscaping and lights. Improvements are planned for the alleys on the west side of Cedar Avenue in the 200 and 300 block, the alley in the 100 block was included in the 2018 Downtown Parking Lot and Alley Project. Preliminary Assessments were prepared using \$52/front footage for street and sidewalk improvements, project costs will be more but City Policy limits assessments to half of the assessable project costs up to \$52/front foot. A water line for fire service will be installed to buildings if no record of a previous line is found, property owners will also be assessed for installation of their water line. Project Assessable Costs are estimated at \$638,000; however, with the City's \$52/foot assessment cap, the amount of Preliminary Assessments for this project is \$252,895.

At 7:22 p.m., Vice President Raney opened the public hearing for comments.

Mark Maisio, 445 Dart Avenue, owner of Elwood Star Cleaners at 107 N Cedar Avenue said he has concerns about the proposed plan changing diagonal parking on the east side of the 100 block to parallel parking which will reduce the number of parking spots available. His customers want to get in and out quickly, the average time in the store is 10 minutes and he doubts customers will want to walk far with their dry cleaning. He is not opposed to the project but does not believe parallel parking will not be a good fit for his business and hopes diagonal parking spaces will be available in the 100 block of N Cedar.

Al Martin, property owner of 214 & 216 N Cedar Avenue thanked Council and staff for the work put into this project. Questioning why property owners are being assessed for alley improvements or requests these assessments be reduced as the alleys are becoming public walkways.

Mark Wilson, business owner at 211 N Cedar commented this project has been pending for several years and appreciates that it is now moving forward, and all improvements will be done at the same time.

Brad Meier, CEO/President Owatonna Chamber of Commerce and Tourism commented big community projects are challenging. The City hopes to make the downtown district vibrant; this has been a longtime vision and many businesses have made financial investments. The Chamber supports this project as it will affect the ability of businesses to attract talent and offer growth opportunities; last year, new businesses brought 500 jobs to the City. The Chamber promotes this project; we realize the loss of parking spaces is a concern; but, we want an overall pedestrian friendly downtown for people to walk around.

Bonnie Cole, property owner of 208 N Cedar Avenue, commented she understands business owner's concerns that fewer parking spaces are in the proposed plan and suggested parking spaces on N Cedar Avenue be converted to 30-minute parking. Parking is available behind the buildings and signage should be placed so everyone is aware of parking options if parking on the street becomes short term parking.

Mac Hamilton, Project Developer commented the pending Streetscape Project was instrumental in their decision to construct a hotel in the downtown area. He agrees the proposed parallel parking

will reduce the number of parking spaces on N Cedar Avenue, but 8-10 feet for pedestrian walking surface will be added and people will find space to move about. He also favors change to short term parking on N Cedar as this would allow hotel guests an opportunity to register and then move to long term parking. We hope to bring a larger number of younger people to the downtown area, our project includes redevelopment of the former Jerry's restaurant and Mark's bagel shop; Owatonna is a very progressive community. .

Matt Gillard, property owner of 118 N Cedar Avenue, thanked Council for giving the community an opportunity to thrive. He stated he has sufficient parking for his customers and understands the parking concerns of other business owners and their need for short term parking.

Ruth Williams, property owner of 310 N Cedar Avenue said her property includes half of the alley property and was surprised what the Preliminary Assessment is on the alleyway. She has concerns about the alley being made into a public walkway and asked if the alleys on the east side of Cedar will also be converted to walkways. Employees currently park in the alley so they are not taking parking spaces on the street; but will not be able to after this improvement. She asked who will maintain the walkway; when shoveling snow, will it be removed or just pushed to the side of our building causing problems with our tuckpointing or will it puddle on the sidewalks and cause problems when it freezes?

Al Martin asked who he should contact about putting lights on his building.

City Engineer Skov responded he would be talking with Al and other property owners as plans develop. The City plans to maintain the sidewalks and the newly created bump outs; snow will be removed by using snowblowers. Plans have not been made for the alleys on the east side of Cedar Avenue in the 100 and 300 blocks and the alley in the 200 block will be closed. Currently undecided if the two alleys on the east side will allow parking or if they will also be walkway only. Currently working with the property owners for accessibility options, if approved, we will bring the project plans and specifications to Council for approval. Construction would be done in phases with one block at a time, so it is not all dug up at the same time.

Council Member Dotson asked if the bump out ratio has been adjusted to allow longer vehicle access. Skov responded a single axle vehicle can enter the street, will not be able to swing around but most deliveries occur on the backside of the buildings so will be OK.

Mac Hamilton commented his development plans will coordinate well with the City's streetscape project. Ground breaking for the new hotel will be on June 3rd and construction should be complete within a year.

Council Member Burbank commented he hopes plans can be modified to keep the diagonal parking for the dry cleaners and jewelry store in the 100 block of N Cedar.

Council Member Voss commented this is a major utility project. The sewer line being replaced was laid in the 1890's which is a big part of this project. He thanked everyone who has gotten involved in the project and all the business showing support by making investments in the community.

Council Member Dotson thanked everyone for their comments. Said Council is sympathetic with your concerns and project plans have been modified to reduce the number of parking spaces lost. He commented he also favors changing to short term parking spaces on N Cedar Avenue.

Vice President Raney read a letter from Tom Brick, owner of Owatonna Shoe at 121 N Cedar Avenue. He believes his grandfather, John Brick, who owned Brick Furniture in the 200 block of N Cedar and his father, Jim Brick, former owner of Owatonna Shoe would be very pleased to see what is planned in the downtown area. He considers the assessment an investment in the future and glad to see Fire Service Lines installed to all buildings.

Vice President Raney commented Council Members have received numerous comments from constituents about this project and many do not consider parking a major issue, when they park at the big box stores they are 45-50 feet away from their entrances. Each day, an average of 15,000 people work in Owatonna so there is a lot of potential to draw a lot of people into the downtown area and also liking the suggestion of short-term parking along N Cedar Avenue. Downtown revitalization has been a long term goal of Council and he is really excited for this project.

Council Member Dotson asked if the assessments on the alleys could be reduced if these property owners are being asked to make concessions. Public Works Director Skov advised there will be another public hearing for comments when the project is complete. Reduction of Preliminary Assessments would be a Council decision after that hearing, assessments can be less for the property owners, but not more than the preliminary amounts. Council Member Okerberg commented the Chamber had established an account for alley lighting and asked if these funds could be used towards this project. Brad Meir, President/CEO of the Chamber commented these funds were redirected and included with grants issued to downtown business owners for COVID concerns.

Vice President Raney asked how many years the assessments would be paid. City Administrator Busse explained the terms of the assessment, length and interest rate will be approved by Council resolution after the public hearing held when the project is complete.

With no additional comments, Council Member Okerberg made a motion to approve Resolution 49-21 receiving the report and ordering Improvement No. 21008, the 2021 North Cedar Avenue Streetscape Project, improvements on Cedar Avenue from Broadway Street to Rose Street. The estimated total cost of the improvement is \$4,549,538 with \$242,895.36 as Preliminary Assessments charged to the property owners. Council Member Dotson seconded the motion; all members voting, voted aye in approval.

Council President Schultz returned to his seat and explained members review Consent Agenda items prior to the meeting for approval in one motion. Current Consent Agenda items include:

Minutes - Council Meeting – April 6, 2021

Minutes – West Hills Commission Meeting – April 6, 2021.

Minutes – Park Board Meeting – April 12, 2021.

Minutes – Airport Commission Meeting – April 8, 2021.

Building & Inspection Report – March 2021.

2021 Tree Trimmer Permits: Owatonna Groundmasters & Dynasty Lawn Service LLC.

2021 Retail Fireworks Permits: Hy-Vee.

2021 Retail Fireworks Permit – Walmart.
2021 Retail Fireworks Permit – Cash Wise.
2021 Retail Fireworks Permit – Lowe’s.
Ice Cream Vendor Permit – Kona Ice Southern Lakes.
Temporary Liquor Permit – Two Rivers Habitat for Humanity – September 11, 2021.
Temporary Liquor Permit – SCFF – August 15-22, 2021.
Brochure Agreement – Liturgical Publications (LPi).
Renew GIS Software Agreements – Environmental Systems Research Institute, Inc & OPU.

Council Member Okerberg made a motion to approve these Consent Agenda items; Council Member Svenby seconded the motion; all members voted aye for approval.

Council Member Raney recapped expenses for the period. Bills presented for payment totaled \$249,681.21 Council Member Voss advised he would recuse himself from voting because of personal interest with one disbursement. Council Member Svenby made a motion to approve these disbursements, Council Member Dotson seconded the motion; all members voting voted aye in approval.

City Attorney Walbran presented the second/final of Proposed Ordinance 21-3, a request to adopt S-5, Supplement to the 2015 City Ordinance Code. Council approved the first reading during the April 4, 2021 Meeting and there have been no changes since. This is the fifth supplement, current through Ordinance 1612 which was approved on December 15, 2020. Council Member Raney made a motion to approve Proposed Ordinance 21-3, Council Member Okerberg seconded the motion. With a roll call vote, voting aye were members Okerberg, Dotson, Burbank Raney, Svenby, Voss and Schultz. This ordinance will be known as Ordinance 1615 and effective upon publication.

Park Director Tuma presented the first reading of Proposed Ordinance 21-4, an amendment to City Code Title IX:General Regulations, Chapter 91, Section 91.41 Lake Kohlmier Swimming Restrictions. An increased number of individuals are using the fishing pier on the north side of Lake Kohlmier as a diving platform and swimming in an undesignated swim area, creating a safety concerns brought on by diving into undetermined water depths and swimming / diving among fishing activities. The amended statement in the Code will be, "No person shall jump, dive, or enter Lake Kohlmier to swim from any dock or other structure in or abutting Lake Kohlmier, except from authorized structures at the designated swimming area at the municipal beach during times designated by the City Parks and Recreation Department." The Park Board approved this proposed amendment during their April 12, 2021. Council Member Voss made amotion to approve the first reading of Proposed Ordinance 21-4, Council Member Svenby seconded the motion; with a roll call vote, voting aye were members Okerberg, Dotson, Burbank Raney, Svenby, Voss and Schultz. Council will consider the second/final reading at the May 4th Council Meeting.

Community Development Director Klecker presented the first reading of Proposed 21-5 to vacate public alleys on the east side of the 200 block of N Cedar Avenue. Owatonna Hospitality 1, LLC and Dale and Delores Bishman are requesting to vacate a portion of three public alleys to allow for construction of a hotel. The existing alley will enter/exit to the south through a newly dedicated easement behind the existing buildings. The applicant has been working with the City and Owatonna Public Utilities to relocate all the utilities needed for this project and there are no major

issues known. The Planning Commission held a public hearing on this request during their meeting on April 12, 2021 and recommend Council approval. Council Member Dotson made a motion to approve the first reading of Proposed Ordinance 21-5, Council Member Raney seconded the motion; With a roll call vote, voting aye were members Okerberg, Dotson, Burbank Raney, Svenby, Voss and Schultz. Council will consider the second/final reading of this ordinance during their May 20th Council Meeting.

City Administrator Busse presented Resolution 50-21 approving the applications received from Owatonna Youth Hockey to Conduct Off-Site Gambling (pull-tabs and bingo) during the Rustic Mama's Market events this summer. Owatonna Youth Hockey does hold a current Lawful Gambling Permit to operate within the City of Owatonna. They have obtained Vendor Agreements to participate in these events planned for June 26th-27th and on July 31st-Aug 1st at Ye Ole Beer Garden/Fair Square on the Steele County Fairgrounds. Council Member Svenby made a motion to approve Resolution 50-21, Council Member Burbank seconded the motion, all members voted aye for approval.

Public Works Director Skov requested approval of Resolution 51-21 for the 2021 Partridge Avenue Pond Project Bid Acceptance and Contract Awarding. Bids were received on April 14, 2021 from seven (7) companies. James Bros. Construction of Elysian, MN was the lowest responsible bidder with bid of \$95,371.75. This bid is considerably lower than the Engineer's Estimate for this project at \$234,175.00, James Bros. Construction was contacted to verify project requirements and they confirmed their bid. Council Member Raney made a motion to approve Resolution 51-21, accepting the bids and awarding this project contract to James Bros. Construction. Council member Voss seconded the motion, all members voted aye in approval.

Senior Accountant Loken requested approval of Resolution 52-21 authorizing transfer of funds and commitment of fund balance for future capital needs. During the City's annual Strategic Planning Session, questions were raised about a funding source for the City's 2021 Streetscape Project and future Council Chamber Renovation Project; Street Reconstruction Bonds can only be used for actual street reconstruction and not for extras (landscaping, lights, benches, etc.) included in the Streetscape Project. The entire management team and their staff worked together in 2020 to manage costs and staff shortages which resulted in a surplus of approximately \$1.5 million. This resolution transfers \$700k to the 2021 Capital Projects Fund to lessen the impact on the City's Debt Service Levy for the streetscape project and \$300,000 to the Capital Project Fund 405 for Council Chamber renovation. Council Member Dotson made a motion to approve Resolution 52-21, Council Member Burbank seconded the motion, all members voted aye in approval.

Community Development Director Klecker presented Resolution 53-21, authorizing acceptance of the Federal Aviation Administration (FAA) Airport Coronavirus Response Grant Program (ACRGP) of \$13,000. The ACRGP Grant is provided in accordance with the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSA). The purpose of the grant is to prevent, prepare for, and respond to coronavirus. The grant will reimburse 100% eligible expenses related to the airport's operational and maintenance expenses. Council member Okerberg made a motion to approve Resolution 53-21, Council Member Voss seconded the motions, all members voted aye in approval.

Community Development Director Klecker requested approval of Resolution 54-21, approving the Preliminary Plat of Pearl Courtyard. Owatonna Hospitality I, LLC requests this 2.62 acres located in the 100 block of East Pearl Street and the 200 block of N Cedar Avenue be platted to five lots within the two block area. The street pattern will not change from what exists today, however the alleys will be vacated, and an easement created behind the buildings. A lot of utilities will be moved and consolidated which will be noted on the plat and discussed with the developer. The Planning Commission held a public hearing on April 12th with no comments heard and are recommending approval with these conditions:

- 1) The final plat shall be approved within one year of his approval.
- 2) The title opinion shall be approved by the City Attorney prior to recording of the final plat.
- 3) All utility services not being reused shall be disconnected at the mains or the Developer shall enter into a Utility Disconnection Agreement.
- 4) A 5' drainage and utility easement shall be provided along the north property line of Block 2.
- 5) This plat is contingent upon the vacation of the public alley ways.

Council Member Raney made a motion to approve Resolution 54-21 as recommended by the Planning Commission, Council Member Dotson seconded the motion, all members voted aye in approval.

Community Development Director Klecker presented Resolution 55-21, Application No. V-1446 received from Owatonna Pearl LLC for a rear setback variance at 130 Pearl Street E. They wish to use a 6' where a 12' setback from the north property line is required for a new structure. There was substantial soil correction needed at this site and the design plan was changed to reduce the amount of soil corrections required. Parking was moved to the east side of the apartment building and a portion of the building is now closer to the alley. They are trying to maximize the greenspace in front of the building, and this will allow the most cost effective plan. The Planning Commission held a public hearing on this application and recommend approval with two provisions:

- 1) There shall be no additional encroachments on the north side of the building.
- 2) All Building codes shall be met.

Council Member Voss made a motion to approve Resolution 55-21 as recommended by the Planning Commission, Council Member Burbank seconded the motion, all members voted aye in approval.

During Staff Comments, Community Development Director Klecker commented the Park Crew removed the metal siding on the former Bubba's Building; the building is brick and additional renovations will be discussed during the EDA Meeting on April 22nd (tomorrow). Building and Inspection staff has received many requests for small home improvement projects which require building permits and inspections for each project. The value of permits issued during 2021 is smaller than those issued during 2020 to date; however, the number of permits issued has increased 30% so staff have been very busy. Park Director Tuma said staff prepared several activities for Earth Day this Thursday. She did submit a grant application to Lowes and waiting to hear if awarded for improvements at Lake Kohlmier Beach. The inclusive playground project is underway at Manthey Park and Council and Mayor will be invited to attend the Grand Opening in June. Council Member Raney commented he has heard several good comments on the Adopt a Park Program, Tuma confirmed several parks have groups participating in this new program and a sign and plaque will be placed acknowledging these investments from others. Public Works Director Skov commented staff is preparing for construction to begin on the W Bridge Street and Truman Avenue Projects. Staff is also preparing for the Waste Water Treatment Plant Expansion Project; a

vendor must be preselected for the membrane bioreactor required in the MBR Technology used in the design plan. The Street Crew is working to hot mix potholes, the asphalt plants have not opened for the season, so trucks are currently going to St Paul for mix. Approximately 400 boulevard trees will be treated for Ash Borer, the City uses a 3-year rotation to treat the boulevard trees and private trees also benefit from these applications as the bugs move from tree to tree. Mayor Kuntz asked what number residents should call to report a pothole, Skov responded the main Public Works Number, 444-4430.

During Public Comments, Todd Ulrich, Treasurer Owatonna Fire Fighters Relief Association asked for follow-up to their request to amend their association By-Laws and increase firefighter's pension amount. Council President Schultz commented staff is working to resolve some unanswered questions; City Administrator Busse confirmed staff is preparing a resolution for Council consideration at a future study session.

During Council Comments, Council Member Burbank thanked Sergeant DeVinny for attending the meeting. Mayor Kuntz commented the groundbreaking ceremony for the new OHS building has been set for May 6th. City Administrator Busse commented Ed Hoffman has been selected to serve as the City's new Fire Chief and will begin within the next few weeks. Council President Schultz commented it has been good to see and hear from community members on the proposed Streetscape Plan, a good example of how a community can work together.

At 8:36 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: April 27, 2021

Respectfully Submitted,

Jeanette Clawson, Administrative Specialist