

Owatonna City Council Minutes - Draft Copy

The Owatonna City Council met in regular session on Monday, July 31, 2017 at 7:00 p.m. in the Council Chambers. Council President Schultz called the meeting to order and welcomed everyone in attendance. Attending were: Council Members Raney, Svenby, Voss, Schultz, Dotson and Okerberg; Community Development Director Klecker; Finance Director Moen; City Attorney Walbran; City Administrator Busse and Administrative Specialist Clawson. Council Member Burbank and Mayor Kuntz were not present.

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

City Administrator Busse presented Mayor Kuntz's recommendation to appoint Kate Harthan to the Economic Development Authority. This will fill the unexpired term of member Grant Schultz. Council Member Dotson made a motion to approve Ms. Harthan's appointment, Council Member Okerberg seconded the motion; all members present voted aye for approval.

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

- Minutes – City Council Meeting – July 18, 2017.

- Amend Event Permit – 2017 Steele County Free Fair - August 15-20, 2107.

- Amend Event Permit – IA/MN Pirate Fest – August 12-13, 2017.

- Monthly Activity Report & Dashboard – June 2017 – Fire Department.

- Weed/Nuisance Complaint Log – Fire Department – July 7, 2017.

- Refund On-Sale Liquor License – Campus Enterprises, Inc. dba Wings Tavern & Grille.

Council Member Voss requested the amendment to the IA/MN Pirate Fest be moved to Action Items to allow additional discussion, Council Member Svenby seconded the motion and all members present voted aye for approval. Council Member Svenby requested it be noted he is a member of the Steele County Fair Board and abstains from vote on amending the Event Permit for the SCFF. Council Member Raney made a motion to approve the Consent Agenda Items with the Event Permit for the IA/MN Pirate Fest removed, Council Member Dotson seconded the motion; all members present voted aye in approval.

Assistant Recreation Director Tim Truelson advised he has been the City's contact with the applicants of the IA/MN Pirate Fest Event Permit. Council approved an Event Permit on July 5, 2017 for this event planned for August 12 and 13, 2017 in Morehouse Park as a non-alcoholic event. This amended application is request to allow sales of alcohol during this two-day event. Truelson introduced Greg Schmidt, one of the event organizers who advised they have contacted Torey's Restaurant to cater the event; Torey's holds a caterer's license with alcohol authorization from the state Alcohol Gambling Enforcement Division. The applicant will provide insurance as required by City Attorney Walbran prior to the event. Council Member Raney made a motion to approve the amended Event Permit; Council member Dotson seconded the motion; all members present voted aye for approval.

Council Vice President Raney recapped the expenses for the period. Bills presented for payment totaled \$557,745.34. Council Member Dotson made a motion to approve payment of these bills; Council Member Voss seconded the motion. All members presented voted aye for approval.

City Administrator Busse requested the proposed Sculpture Garden with the Owatonna Arts Center be tabled to a future meeting. Council Member Svenby made a motion to table this item, Council Member

Okerberg seconded the motion; all members present voted aye in approval.

Finance Director Moen presented Resolution 68-17 to award the Sale of General Obligation Bonds, Series 2017A. Moen introduced Doug Green, Client Representative, Springsted Incorporated who reported on the proposal received for issuance of the bonds to finance the 2017 Street and Utility Improvements; 2017 Curb & Gutter project; and fuel tank replacement project at the city shop. Information detailing the six bid proposals received was distributed for review. Council President Schultz thanked Mr. Green for the information. Council Member Dotson made a motion to approve Resolution 68-17 awarding the \$ 2,015,000.00 sale of General Obligation Bonds to Stifel, Nicolaus & Co., Inc. of Birmingham Alabama, Council Member Voss seconded the motion; all members present voted aye in approval.

Mark Fritsch, General Manager, Owatonna Public Utilities presented Resolution 69-17 to designate the City's Industrial Development Area. In November 2006, the City adopted the Owatonna Development Plan for use in long-term planning and accommodation of the City's anticipated development and growth opportunities. Many parcels have been developed during the last 10 years and the resolution includes a map detailing current parcels eligible for economic vitality efforts, including municipal utility services. Council Member Okerberg made a motion to approve Resolution 69-17, Council Member Svenby seconded the motion; all members present voted aye for approval.

Community Development Director Klecker requested authorization to purchase property at 134 and 140 East Pearl Street. Downtown redevelopment is one of Council's priorities in the strategic plan; the Economic Development Authority (EDA) has been pursuing opportunities to redevelopment properties and/or areas of the downtown. These parcels are adjacent to three properties on East Pearl Street previously purchased by the City for potential redevelopment. The City has received a Letter of Intent from Nicolai Development to construct an apartment building on these five lots provided the City is able to acquire these two parcels. The developer would purchase the five lots for \$150,000 and construct a 33-unit market rate apartment building. The apartment building would contain 18 two-bedroom units and 15 one-bedroom units with balconies and underground parking. The City would utilize tax increment financing to be reimbursed the difference between the costs the City has into the properties and what the properties would be sold for. The City has Purchase Agreements for the properties at 134 and 140 East Pearl Street contingent on City Council approval; 134 East Pearl Street is a single-family house was built in 1919 and 140 East Pearl Street is a duplex and was built in 1914. The purchase price for each of the properties would be \$130,000 and \$115,000, respectively. The City would be responsible for removing the structures although the removal of the structures may occur at the time of construction by the developer to speed up the timeline. The developer would like to begin construction this fall. The property valuations were received from a real estate agent as current market rate; Council Member Dotson recommended full appraisals be acquired during future property acquisitions. Klecker introduced Steve Nicolai, owner of Nicolai Development who provided a brief history on his company. Council Member Dotson made a motion to approve purchase of 134 & 140 E Pearl Street, Council Member Raney seconded the motion; all members present voted aye in approval.

There were no comments heard during Public Comment.

During Council Comments, Council Member Voss said it was nice to see so many people during Crazy Days as he and Mayor Kuntz were busy at and in the dunk tank. Council Member Okerberg also commented on the good attendance during Crazy Days, the Farmer's Market and Art on the Hills. Council Members Dotson and Svenby thanked the Owatonna Business Partnership and Owatonna

Chamber of Commerce for their participation in Crazy Days; noting several new things were offered this year and they have already begin to plan for next year's event. City Administrator Busse congratulated Andrew Fischer who was named as the 2017 Class C Operator of the Year by the Minnesota Wastewater Operators Association and advised River Springs Water Park will be open until Sunday, August 27th, this is a week more than originally planned. Council Member Schultz reminded everyone the next meeting has been changed to Monday, August 14th.

At 7:39 p.m., Council Member Raney made a motion to adjourn the meeting. Council Member Dotson seconded the motion, all members voted aye and the meeting adjourned.

Dated: August 7, 2017

Respectfully submitted,
Jeanette Clawson, Administrative Specialist