

Owatonna City Council Minutes - Draft Copy

The Owatonna City Council met in regular session on Monday, August 14, 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 Svenby, Voss, Schultz, Dotson, Burbank, Raney and Okerberg; Mayor Kuntz; Community Development Director Klecker; City Attorney Walbran; City Administrator Busse and Administrative Specialist Clawson. It was noted Council Member Raney is participating via Skype; he is in a public location at the Allina Hospital in Owatonna.

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

Community Development Director Klecker Tax advised tax increment financing is being proposed for Cemstone to construct a new facility in the industrial park. The City purchased property along 32nd Avenue NW in the industrial park to swap the property for Cemstone's current site. Cemstone would construct a new facility on the new site within the next five years. The City would redevelop their current site once Cemstone vacates this site. A development agreement and lease agreement with Cemstone will be brought before Council for approval before the land swap happens. Ed Tschida, Consultant with Advance Resources for Development, Inc. explained this proposed tax increment financing is unique as it includes a property swap. Cemstone has advised they will make some immediate updates and will continue improvements over the five-year period. Tax Increment Financing does give incentive as it pays for additional site improvements. He explained the lease agreement and swap agreement are currently being prepared for council approval prior to Cemstone's use of the new site. Tonight's public hearing is to consider the modification of the development district and approval of the tax increment financing for this project; the maximum overall increment financing will be approximately \$40,000/year, up to a \$365,000 maximum benefit amount.

At 7:07 p.m., a public hearing opened for comments regarding modification of Development District 3, establishment of Tax Increment Financing 3-11 and approving use of this increment financing for this Cemstone Project. With no comments heard, at 7:08 p.m., Council Member Burbank made a motion to close the public hearing, Council Member Svenby seconded the motion; all members voted aye in approval.

Community Development Director Klecker introduced Resolution 70-17 approving modification Development District 3, establishment of Tax Increment Financing 3-11 and to approve use of this increment financing for Cemstone. Council Member Okerberg made a motion to approve Resolution 70 -17, Council Member Voss seconded the motion; all members voted aye in 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 31, 2017.

- Event Permit – Airport Fly-In Breakfast – August 27, 2017.

- Event Permit – Federated Walk/Run – September 9, 2017.

- Event Permit – Owatonna Shoe – Mobile Sales – August 24, 2017.

- Minutes – Human Rights Commission Meetings July 11 and July 24, 2017.

- Monthly Report – July 2017 – Building & Inspections.

- Weed/Nuisance Complaint Log – Fire Department – July 28, 2017.

- Lease Renewals – Merrill Hall: Wee Pals, Owatonna Today Show and South Central Human Relations Center

- Renew School Inspection Contract with State Fire Marshal's Office.

Renew Fire Inspection Contract with Owatonna Public Schools.
Renew Hotel Inspection Contract with State Fire Marshal's Office.
Turn Out Gear Purchase – Fire Department.

Council Member Dotson made a motion to approve the Consent Agenda Items, Council Member Svenby seconded the motion; all members voted aye in approval.

Council President Schultz recapped the expenses for the period. Bills presented for payment totaled \$3,225,148.07. Council Member Voss made a motion to approve payment of these bills; Council Member Burbank seconded the motion. All members presented voted aye for approval.

City Administrator Busse requested proposed Ordinance 15-17 regarding amendment to the City's Code of Ordinances regarding Sidewalk Usage be tabled to allow staff to finalize the permit process included in the ordinance. Council Member Dotson made a motion to table this item, Council Member Voss seconded the motion; all members voted aye in approval.

Community Development Director Klecker presented the first reading of Proposed Ordinance 16-17 to vacate a portion of the East Frontage Road and 12th Avenue NW right-of-way adjacent to SEMCO addition. SEMCO Properties, LLC is requesting vacation of this ROW in order to clean up and straighten out the parcels on this plat. Council approved the preliminary plat of SEMCO Addition during the June 18, 2017 Meeting. The Planning Commission held a public hearing on August 8, 2017 regarding this request to vacate this ROW and recommend Council approval. Council Member Svenby made a motion to approve the first reading of Proposed Ordinance 16-17; Council Member Okerberg seconded the motion. With a roll call vote, voting aye were Council Members: Voss, Okerberg, Dotson, Burbank, Raney, Svenby, & Schultz; voting nay were none; the motion carried. The second reading of this proposed ordinance will be heard during the next council meeting.

City Attorney Walbran presented the first reading of Proposed Ordinance 17-17 to amend Section 32.020 of the City's Code of Ordinances: Creation; Purpose; Membership of the Human Rights Commission. The Human Rights commission requested clarification regarding definition of their members. The proposed ordinance provide language consistent with the Minnesota Human Rights Act in regards to protected classes. Council Member Okerberg made a motion to approve the first reading of Proposed Ordinance 17-17; Council Member Burbank seconded the motion. With a roll call vote, voting aye were Council Members: Voss, Okerberg, Dotson, Burbank, Raney, Svenby, & Schultz; voting nay were none; the motion carried. The second reading of this proposed ordinance will be heard during the September 5, 2017 Council Meeting.

Community Development Director Klecker presented Resolution 71-17 setting a date for a public hearing regarding the redevelopment of property along 100 block of East Pearl Street for a 33-unit market rate apartment building with underground parking. A public hearing will be held September 19, 2017 to consider establishment of Development District No. 10 and Tax Increment Financing District No. 10-1, adoption of the development district plan and tax increment-financing plan for this project. The proposed use of tax increment financing is to reimburse the City for acquisition and demolition costs incurred for this project. Council Member Dotson made a motion to approve Resolution 71-17, Council Member Voss seconded the motion; all members voted aye in approval.

City Attorney Walbran presented Resolution 72-17 authorizing order to correct a hazardous condition at 147 West Main Street. A heavy rainstorm occurred July 17, 2016 causing major damage to a garage

at this location including a collapsed roof and south wall. The City Fire Chief and City Building Official have determined the garage needs to be demolished or repaired pursuant to Minnesota State Fire Code Section 110.4, which states: Abatement. The owner, operator or occupant of a building or premises deemed unsafe by the Fire Code Official shall abate or cause to be abated or corrected such unsafe conditions by either repair, rehabilitation, demolition or other approved corrective action. City Attorney Walbran will proceed with enforcement of this order. All enforcement costs incurred by the City will be assessed against the property. Council Member Burbank made a motion to approve Resolution 72-17, Council Member Okerberg seconded the motion; all members voted aye in approval.

There were no comments heard during Public Comment.

During Council Comments, Council Member Voss thanked everyone who participated in the National Night Out on Tuesday, August 1st; he rode with Officer Johnson and attended three neighborhood parties. Council Member Okerberg commented he attended the IA/MN Pirate Fest at Morehouse Park this weekend, which seemed a well-organized family orientated event, which was well attended and then encouraged everyone to attend the Steele County Free Fair (SCFF) this week. Council Member Dotson said he rode with Officer Duchene to attend several neighborhood parties during National Night Out and also hopes everyone will have chance to enjoy the SCFF. Council Member Raney thanked medical staff, City Administrator Busse and IT Systems Administrator Tim O'Connor for their assistance to allow him to participate in this meeting via Skype. Council Member Svenby encouraged everyone to attend the SCFF this week. City Administrator Busse asked Council Members, Mayor Kuntz and Department Directors to check their calendars and save the dates of February 27 and 28, 2018 for the 2018 Strategic Planning Session. Council Member Schultz also commented he hoped everyone gets an opportunity to get out and enjoy the county fair.

At 7:21 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 16, 2017

Respectfully submitted,
Jeanette Clawson, Administrative Specialist