



CITY COUNCIL MINUTES

COUNCIL CHAMBERS

TUESDAY, MARCH 28, 2023

6:00 PM

Call to Order/Roll Call/Pledge of Allegiance

The regular meeting of the City Council was called to order by Mayor Kevin Voracek at 6:00 pm. Councilors Sara Caron, Adama Doumbouya, Royal Ross, Peter van Sluis, Tom Spooner, and Chuck Thiele were in attendance. Also in attendance were City Administrator Tim Murray, City Clerk Heather Slechta, Parks and Recreation Director Paul Peanasky, City Engineer Mark DuChene, Human Resources Director Kevin Bushard, Community & Economic Development Director David Wanberg, Police Chief John Sherwin and City Attorney Scott Riggs.

Presentations/Introductions – None

Approve minutes of March 14, 2023 City Council Meeting

Motion by Ross, seconded by van Sluis to approve the March 14, 2023 City Council Meeting Minutes and carried unanimously.

Consent Agenda

- A. List of Claims for Release
- B. Approve LG240B Application to Conduct Excluded Bingo
- C. Resolution 2023-059 Establish the City of Faribault Authorized Community Festivals within the City and Provide for the Terms and Conditions for Alcohol Service and Consumption at Community Festivals
- D. Approve Quote for Modernization of the Elevator at the Police Station and Budget Revision
- E. Approve Use of North Alexander Park by Rice County Historical Society
- F. Resolution 2023-060 Receive/File Feasibility Report and Establish Public Hearing for 2023 MSA Street Overlay Improvements - Contract 2023-03
- G. Resolution 2023-061 Approve Limited Use Permit #6613-0043 with the Minnesota Department of Transportation for Lyndale Avenue Trail
- H. Resolution 2023-062 Approve Limited Use Permit #6607-0029 with the Minnesota Department of Transportation for Teepee Tonka Trail
- I. Resolution 2023-063 Approve Use of Teepee Tonka Park for Blue Collar BBQ Festival
- J. Resolution 2023-064 Approve Street Closures for Downtown Car Cruise Nights
- K. Approve Minnesota Teamsters Public and Law Enforcement Employees' Union Local 320 Memorandum of Understanding
- L. Renew Golf Cart/Recreational Vehicle Permit for 2023-2026
- M. Approve Application and Permit for a 1 Day to 4 Day Temporary On-Sale Liquor License and Indemnification Agreement for Faribault Community Festivals
- N. Resolution 2023-066 Declare Various City-Owned Parcels as Surplus Property
- O. Approve Letter Agreement with HGA for New Community Center Conceptual Design Services and Authorize Creation of a Task Force
- P. Approve Individual Project Order No. 2A with Kimley-Horn for Downtown (North Viaduct Area) Park Final Design Services
- Q. Resolution 2023-067 Approve Hiring Receptionist

Mayor Voracek recused himself from item 4I. Resolution 2023-063 Approve Use of Teepee Tonka Park for Blue Collar BBQ Festival.

Motion by Spooner, seconded by Ross to approve consent agenda items 4A-4Q and carried unanimously.

Requests to be Heard

Brian Freed (2409 Johnny Ridge Road) and Kim Midland (2416 Johnny Ridge Road) addressed the Council in regards to the dust on the nearby gravel road (17th Street NW). They asked that the City do something to control the dust as they are unable to enjoy the outdoors or have the windows in their homes open during nice weather. They suggested that they City pave the road, use some type of dust control, shut down the road, or slow down the traffic. City Engineer Mark DuChene will look at options to control the dust in this area.

Public Hearings

Ordinance 2023-6 Annex Certain Lands from Wells Township and Zone Such Lands in the I-2, Heavy Industrial District (Second Reading) and Approve Summary Publication of Ordinance 2023-6

Community and Economic Development Director David Wanberg stated that Ordinance 2023-6 relates to Phil and Kathy LaRoche's petition to annex their roughly 87.60-acre parcel at 15339 Acorn Trail and zone the property to I-2, Heavy Industrial. The LaRoche's intend to sell their property for future industrial development, but there are no specific development plans for the property.

The City Council approved the first reading of Ordinance 2023-6 on March 14, 2023. The Council must now hold a public hearing to solicit public input on the proposed annexation and zoning. Since the first reading of the ordinance, the City has received no public comments or made substantive changes to the ordinance.

Motion by Spooner, seconded by van Sluis to open the public hearing and carried unanimously. The public hearing was opened at 6:08 pm.

Kathy Kreft (14921 Acorn Trail) expressed her concerns about an increase in traffic should this property be developed, as there are already traffic issues. Ms. Kreft also asked if their property would be required to connect to city utilities, Mayor Voracek stated that they would not.

Motion by Ross, seconded by Caron to close the public hearing and carried unanimously. The public hearing was closed at 6:11 pm.

Motion by Ross, seconded by Spooner to approve Ordinance 2023-6 Annex Certain Lands from Wells Township and Zone Such Lands in the I-2, Heavy Industrial District (Second Reading)

Roll Call Vote:

Aye: Councilor Caron, Doumbouya, Ross, van Sluis, Spooner, Thiele and Mayor Voracek

Nay:

Motion carried 7:0

Motion by van Sluis, seconded by Thiele to Approve Summary Publication of Ordinance 2023-6 and carried unanimously.

City Council Support of Financial Incentive Applications to the Minnesota Department of Employment and Economic Development related to a Proposed Development by F2F, Inc.; Resolution 2023-047 Support of a Job Creation Fund Application in connection with F2F, Inc. and Resolution 2023-046 Support of a Minnesota Investment Fund Application in Connection with F2F, Inc.

Community and Economic Development Director David Wanberg explained that the City of Faribault has the opportunity to work with a unique mushroom growing company, F2F, Inc. and have them locate their business in Faribault. Through conversations that have been ongoing since the fall of 2021, a site has been identified that will accommodate the facility, which will be the largest mushroom growing facility of its kind in the Midwest, however, there is a financial gap that needs to be met to bring this project to fruition.

The State Department of Employment and Economic Development (DEED) identified incentive programs that would help bridge the financial gap for F2F, Inc., and staff are recommending that Council support the application submission for the Minnesota Investment Fund (MIF) and Job Creation Fund (JCF).

To accommodate F2F, Inc. locating their business in Faribault, the State has put together a package

that requires F2F, Inc. to invest significant funds for equipment purchases for this unique growing method. The total project would include the following:

- 60,000 SF leased space in an existing building which is a favorable reuse of the old Faribault Foods location
- Capital improvements to the existing facility to accommodate the new mushroom growing equipment
- Capital equipment investment to set up and expand operations (approximate investment of \$1.1m over 3 years)
- Total estimated project cost: \$8,000,000
- Creation of 98 full-time jobs – with an average wage of \$24.78 plus benefits

Wanberg explained that this project is significant for Faribault because not only does the project result in the investment in a facility expansion that is currently an underutilized building, and the creation of quality jobs, but the project would bring the largest specialty mushroom farm in the Midwest to Faribault. F2F, Inc.'s Faribault location allows for a reduced footprint in distribution of their product, keeps money spent on mushrooms in the local market, and as Faribault looks to improve their energy efficiencies, F2F, Inc. will produce a potential energy source in the form of a spent substrate from the mushroom growing.

If the project were to move forward, construction and equipment purchases would start as soon as the State approves the application with a goal of being operational in 2023.

Staff reached out to the Department of Employment and Economic Development (DEED) to develop a financial assistance/incentive package to help offset the costs associated with F2F, Inc. In working through the project details – including investment and job creation – the following proposed overall economic development incentive package is recommended to encourage the investment and support the accelerated growth and expansion of this unique business in Faribault versus the investment occurring elsewhere:

State of Minnesota - Department of Employment and Economic Development (DEED):

- Job Creation Fund - \$175,000 (requires resolution of support from the City Council)
- Minnesota Investment Fund (forgivable loan) - \$300,000 (requires an application from the City)
- Job Skills Partnership funding to support training efforts - up to \$400,000 (F2F will prepare and submit an application to the State)
- Job Training Incentive Program for training assistance - up to \$200,000 (F2F will prepare and submit an application to the State)
- Total Incentive Package Proposal: \$1,075,000 Value

The total financial request/proposals, if awarded, will help bridge the overall financial gap that will allow F2F, Inc. to locate in Faribault.

Motion by Ross, seconded by Doumbouya to open the public hearing and carried unanimously. The public hearing opened at 6:22 pm.

There were no comments or questions from the public.

Motion by Caron, seconded by Doumbouya to close the public hearing and carried unanimously. The public hearing closed at 6:22 pm.

Councilor Caron asked if the project will move forward if the State does not approve funding, Wanberg stated that F2F, Inc. has been working with the State throughout this process, so he did not feel that the funding would not be approved. Councilor Spooner asked if this was state funding, not City funds, Wanberg stated this is state funding and the City is just supporting the applications.

Dana Anderson, F2F, Inc. addressed the Council and explained that F2F, Inc. is a mushroom growing business, a short video was shown about the process and the company.

Councilor van Sluis asked if this is their only location, Mr. Anderson stated that they have a research and development location in Minneapolis.

Motion by Spooner, seconded by van Sluis to approve Resolution 2023-047 Support of a Job Creation Fund Application in connection with F2F, Inc. and carried unanimously.

Motion by van Sluis to approve Resolution 2023-046 Support of a Minnesota Investment Fund Application in Connection with F2F, Inc. and carried unanimously.

Items for Discussion

Ordinance 2023-7 Rezone PID # 18.31.2.51.088 to C-2, Highway Commercial District at 128 8th Avenue NW (First Reading)

Community and Economic Development Director David Wanberg explained that the property at 128 8th Avenue NW consists of two parcels. The east parcel is zoned C-2, Highway Commercial, and supports an existing building with a daycare and a proposed charter school. The west parcel is a remnant parcel that is zoned I-2, Heavy Industrial, and includes an existing play area and parking. In consultation with City Staff, T Nelson Properties, LLC, requested that the west parcel be rezoned to C-2, Highway Commercial. T Nelson Properties, LLC will be requesting an administrative lot combination to combine the parcels.

The Planning Commission held a public hearing on March 20, 2023, to consider the Property Owner's request. No one from the public spoke regarding the rezoning request, and the Planning Commission recommended approval of the request.

Motion by Ross, seconded by van Sluis to approve Ordinance 2023-7 Rezone PID # 18.31.2.51.088 to C-2, Highway Commercial District at 128 8th Avenue NW (First Reading)

Roll Call Vote:

Aye: Councilor Caron, Doumbouya, Ross, van Sluis, Spooner, Thiele and Mayor Voracek

Nay:

Motion carried 7:0

Resolution 2023-065 Approve a Conditional Use Permit for an Outdoor Reception Patio in the Alley to the Rear of 306-310 Central Avenue

Community and Economic Development Director David Wanberg explained that Ryan Ernster owner of 3 Ten Event Center, requested a Conditional Use Permit (CUP) for an outdoor reception patio at the alley entrance to their venue. The proposed enclosure will serve 306, 308, and 310 Central Avenue buildings. Since this will be located in the public alley behind the building, Mr. Ernster must enter into a limited use agreement with the City for authorization to use public right-of-way for this purpose.

The Planning Commission held a public hearing on March 20, 2023, to consider the request. Owners of a nearby building spoke in regard to this application. They had some questions about the application, which were answered by the applicant. They indicated that they had no issues with the rooftop patio at the venue, and they did not object to this request. The Planning Commission approved the findings in the resolution and recommended that the City Council approve the application.

Motion by van Sluis, seconded by Ross to approve Resolution 2023-065 Approve a Conditional Use Permit for an Outdoor Reception Patio in the Alley to the Rear of 306-310 Central Avenue and carried unanimously.

Ordinance 2023-4 Amend Ordinance 2005-16 Regarding THE VILLAGE Planned Unit Development (Second Reading) and Approve Summary Publication of Ordinance 2023-4

Community and Economic Development Director David Wanberg explained that on March 14, 2023, the City Council approved the first reading of Ordinance 2023-4, which amends Ordinance 2005-16 regarding THE VILLAGE Planned Unit Development. Since the first reading of the ordinance, the City received no public comments or made substantive changes to the ordinance.

Motion by Doumbouya, seconded by van Sluis to approve Ordinance 2023-4 Amend Ordinance 2005-16 Regarding THE VILLAGE Planned Unit Development (Second Reading)

Roll Call Vote:

Aye: Councilor Caron, Doumbouya, Ross, van Sluis, Spooner, Thiele and Mayor Voracek

Nay:

Motion carried 7:0

Motion by Ross, seconded by Thiele to Approve Summary Publication of Ordinance 2023-4 and carried unanimously.

Ordinance 2023-5 Rezone Certain Properties to P/I, Public Institutional District (Second Reading) and Approve Summary Publication of Ordinance 2023-5

Community and Economic Development Director David Wanberg informed the Council that on March 14, 2023, the City Council approved the first reading of Ordinance 2023-5, which rezones certain properties in Faribault to P/I, Public/Institutional. Since the first reading of the ordinance, the City has received no public comments or made substantive changes to the ordinance.

Motion by Thiele, seconded by Ross to approve Ordinance 2023-5 Rezone Certain Properties to P/I, Public Institutional District (Second Reading)

Roll Call Vote:

Aye: Councilor Caron, Doumbouya, Ross, van Sluis, Spooner, Thiele and Mayor Voracek

Nay:

Motion carried 7:0

Motion by van Sluis, seconded by Thiele to Approve Summary Publication of Ordinance 2023-5 and carried unanimously.

Bids - None

Boards and Commissions Reports, Announcements and Project Updates

The Monthly Financial Report was provided to the Council as part of the meeting materials prior to the meeting.

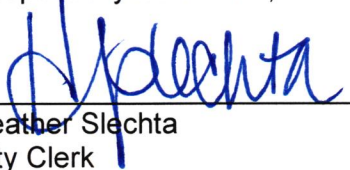
Councilor Ross requested that the Planning Commission votes be included in the information presented; Staff will include that information in their presentations going forward.

Adjournment

Motion by Ross, seconded by Doumbouya to adjourn the City Council meeting and carried unanimously.

The City Council meeting was adjourned at 6:38 pm.

Respectfully Submitted,

A handwritten signature in blue ink, appearing to read 'H. Slechta', is written over a horizontal line.

Heather Slechta
City Clerk