



CITY COUNCIL MINUTES

BUCKHAM WEST
19 DIVISION STREET W.

TUESDAY, MAY 14, 2024

6:00 PM

Call to Order/Roll Call/Pledge of Allegiance

The meeting of the City Council was called to order by Mayor Kevin Voracek at 6:00 pm. Councilors in attendance included Sara Caron, Adama Doumbouya, Royal Ross, Peter van Sluis, Tom Spooner and Chuck Thiele. Also in attendance was City Administrator Jessica Kinser, City Clerk Heather Slechta, Police Chief John Sherwin, City Engineer Mark DuChene, Community and Economic Development Director David Wanberg, Fire Chief Dustin Dienst, Human Resources Director Kevin Bushard, Parks and Recreation Director Paul Peanasky, Communications Manager Brad Phenow, Planning Coordinator Peter Waldock and City Attorney Scott Riggs.

Approve Agenda

Motion by Ross, seconded by Caron to approve the agenda as presented and carried unanimously.

Presentations/Introductions

Firefighter Jon Vargo was sworn in by City Administrator Jessica Kinser.

Approve minutes of the April 23, 2024 City Council Meeting

Motion by Doumbouya, seconded by Ross to approve the April 23rd, 2024 City Council Meeting.

Requests to be Heard – None

Consent Agenda

- A. List of Claims for Release
- B. Approve Quote for Service Truck Box
- C. Approve LG220 Application for Exempt Permit for Catholic United Financial 13SS Lawrence/Anne
- D. Approve Quote for Storm Sewer Structure Rehabilitation
- E. Approve Professional Engineering Services Agreement for Capital Improvements at Water Reclamation Facility
- F. Resolution 2024-089 Approve Heritage Celebration Events, Parking Restrictions and Street Closures
- G. Resolution 2024-090 Approve Street Closure for Elks Club Family Fun Day

- H. Resolution 2024-092 Approve Cooperative Construction Agreement No. 1055383 with Minnesota Department of Transportation
- I. Resolution 2024-093 Approve TWIN OAKS SUBDIVISION Development Agreement
- J. Resolution 2024-095 Approve a Unified Development Plan for Business Signs in Met Con Business Park Fourth Addition
- K. Resolution 2024-096 Approve 2024-2025 Garbage and Refuse Hauler Licenses
- L. Approve Petition and Waiver Agreement for 1675 Lyndale Avenue North
- M. Approve Emergency Shelter Agreement between the School District and Mobile Home Parks
- N. Approve CIP Purchase - Indoor Pool Blanket
- O. Resolution 2024-098 Approve Hiring Heavy Equipment Operator
- P. Resolution 2024-099 Approve Hiring Senior Accountant
- Q. Approve Software and Services Agreement with Polco for Community and Employee Survey
- R. Resolution 2024-100 Accept Donation from Crane Creek Asphalt to the Fire Department
- S. Resolution 2024-101 Approve LG214 Premises Permit Application for Faribault Wrestling

Motion by van Sluis, seconded by Thiele to approve Consent Agenda Items A-S and carried unanimously.

Public Hearings

Ordinance 2023-20 An Interim Ordinance Authorizing a Study and Imposing a Moratorium on the Operation of Cannabis Businesses Within the City of Faribault- Extension (First Reading)

City Clerk Heather Slechta explained that at the April 30, 2024, Annual Council Retreat, the Council discussed Cannabis Licensing in the City, as well as extending the current interim moratorium. As of May 1, 2024, the Office of Cannabis Management (OMC) has indicated that it will publish draft rules and regulations after June 1, 2024, and OMC has not indicated when a model ordinance will be available to assist in the local decision-making on regulating Cannabis businesses. Slechta worked with the City Attorney's office to update Ordinance 2023-20 extending the interim ordinance until August 1, 2024.

Motion by Spooner, seconded by Ross to open the public hearing and carried unanimously.

There were no comments from the public.

Motion by Thiele, seconded by van Sluis to close the public hearing and carried unanimously.

Motion by Spooner, seconded by Ross to approve Ordinance 2023-20 An Interim Ordinance Authorizing a Study and Imposing a Moratorium on the Operation of Cannabis Businesses Within the City of Faribault- Extension (First Reading)

Roll Call Vote:

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

Nay:

Motion carried 7:0

Resolution 2024-086 Adopting a Modification to the Development Program for Development District No. 1; Establishing Tax Increment Financing District No. 19: Twin Oaks Housing Subdivision Herein and Adopting a Tax Increment Financing Plan Therefor; and Authorizing Interfund Loan

Community and Economic Development Director David Wanberg stated that on March 27, 2024, Rice County Housing and Redevelopment Authority (RCHRA) submitted an application to create a housing tax increment financing (TIF) district associated with Twin Oaks Subdivision. Earlier this year, the City Council approved the final plat of Twin Oaks Subdivision. RCHRA intends to start construction on the subdivision as soon as possible after the City Council conducts a public hearing and acts to modify the development program for Development District No. 1, establish Tax Increment Financing District No. 19: Twin Oaks Housing, adopt a tax increment financing plan, and authorize an interfund loan. RCHRA must also enter into a development agreement with the City and record the final plat before it can begin construction.

Twin Oaks Subdivision is directly north of the new Rice County Law Enforcement Center, near the intersection of 30th Street NW and State Highway 3. Once constructed, the subdivision will provide 22 single-family residential lots for owner-occupied households earning less than 115 percent of the area median income. RCHRA received a grant to develop six five-bedroom homes in the subdivision by early 2025. Faribault has a strong need for owner-occupied houses with four or more bedrooms. Twin Oaks Subdivision will help meet this community need, but the proposed development cannot occur “but for” tax increment financing.

Ehlers, the City’s finance advisor, conducted a financial analysis of the project and determined that the proposed TIF District No. 19 will generate roughly \$2,721,576 in increment over its 26-year life. The District will terminate after 2051 or when the TIF Plan is satisfied. As proposed, pay-as-you-go notes and interfund loans will finance the project. Consequently, the City is not obligated to incur debt.

Eligible TIF-related expenses include land acquisition, site improvements, affordable housing, utilities, administrative costs, and other qualifying improvements. The proposed project will have minimal impact on police and fire services, utilities, and the City’s ability to issue future debt.

Motion by Spooner, seconded by van Sluis to open the public hearing and carried unanimously.

There were no comments from the public.

Motion by Ross, seconded by Thiele to close the public hearing and carried unanimously.

Councilor Ross asked about the interfund load, Wanberg stated that the money is used in other ways and that it is done this way with every TIF.

Motion by Ross, seconded by Doumbouya to approve Resolution 2024-086 Adopting a Modification to the Development Program for Development District No. 1; Establishing Tax Increment Financing District No. 19: Twin Oaks Housing Subdivision Herein and Adopting a Tax Increment Financing Plan Therefor; and Authorizing Interfund Loan and carried unanimously.

Items for Discussion

Resolution 2024-088 Approve a Conditional Use Permit for Development in the Shoreland Management Overlay District at 3040 Hwy 60 W

Blake Matejcek, of BEM Holdings LLC, owner of the Matejcek Implement site, requested a CUP amendment for an approximately 5,000-square-foot building addition on the southeast side of the current Matejcek Implement building located at 3040 Highway 60 W. The property is zoned C-2, Highway Commercial, and within the Shoreland Management Overlay District. Resolution 2008-112 adopted June 10, 2008, approved a previous building expansion at the site.

Matejcek indicated the business has been at this location since the 1970s, with previous building expansions in the 1980s, 1990s, and 2008. Over this time, the owner acquired more property to accommodate equipment storage and display. Some equipment is stored on an adjoining parcel under separate ownership. The Development Review Committee (DRC) noted zoning issues related to using multiple parcels for one business operation. To address the zoning issues, the DRC recommended additional planning and zoning applications in its proposed conditions of approval. The key conditions are as follows:

1. Remove an existing driveway that encroaches onto the interstate highway right-of-way or provide documentation that MnDOT has authorized the driveway encroachment.
2. Restore and maintain the required 25-foot wide shoreline buffer along the lake as measured from the ordinary high water level as determined by the DNR (978.8' above sea level).
3. Combine the owner's three parcels through a platting process or other City-approved process, or rezone the parcels to include a planned unit development overlay district.
4. Remove unused sign structures or obtain a variance to allow the re-use of the existing sign structures and the installation of new signs.
5. Remove an existing entrance gate that encroaches onto the 30th Avenue NW right-of-way or obtain an encroachment agreement with the City to allow the gate to remain as-is.
6. Remove equipment stored from the adjacent parcel west of the owner's dealership property unless a zoning text amendment application is submitted by the applicant

and approved by the City or work the owner of the adjacent parcel to receive the appropriate City approvals for the outdoor storage. Potential City approvals may include but not be limited to a zoning text amendment (which may include a conditional use permit) or rezoning to a planned unit development overlay (which may include all parcels used by the dealership).

The Planning Commission reviewed this application on April 15, 2024, and unanimously approved the findings for the approval of the conditional use permit application. The Planning Commission recommended that the City Council approve the application. After approval by the Planning Commission, the City Staff revised the approval conditions in the draft resolution to address the timeline for the completion of the conditions and allow alternative solutions to address the zoning issues at the site.

Matejcek provided a letter to the Council prior to the start of the meeting. Councilor Ross supported leaving it in three parcels, he asked how expensive a PUD is rather than combining the lot; he also was asked if there was a permit pulled for the cement pad on the property. Wanberg stated that a PUD is less expensive than platting and that the was not typically a permit for review on this. Ross also asked how the Planning Commission voted, City Planning Coordinator Peter Waldock stated that hey supported lot combinations. Councilor Caron asked of there is a fine for putting the cement pad where they did, Wanberg stated that the DNR was notified, however, the City does not have a fine. Ross, asked if this would be the time to have the cement pad removed, Spooner stated that they could apply for a variance for the cement pad. Mayor Voracek was in favor of them removing the cement pad, and leaving as separate parcels.

The consensus of the Council was to move forward with a PUD.

Motion by Thiele, seconded by van Sluis to approve Resolution 2024-088 Approve a Conditional Use Permit for Development in the Shoreland Management Overlay District at 3040 Hwy 60 W and carried unanimously.

Resolution 2024-097 Approve New On-Sale Intoxicating Sunday Liquor License for J-Mo's Bowl LLC

City Clerk Heather Slechta explained that, applied for an On-Sale Intoxicating Liquor License and Sunday Liquor License. The J-Mo's Bowl LLC will be operating at 1802 4th St NW and will abide by State statutes and City ordinances regarding all requirements and the hours of sale of alcoholic beverages. The Police Department is in the process of completing a background check and a review of the Certificate of Liability Insurance by the City Attorney is also in process. If approved, the license will be in effect from May 15, 2024-December 31, 2024.

Motion by Ross, seconded by Caron to approve Resolution 2024-097 Approve New On-Sale Intoxicating Sunday Liquor License for J-Mo's Bowl LLC and carried unanimously.

Ordinance 2024-9 Approve a Zoning Text Amendment to Permit and Regulate EVSE and Charging Spaces on Private and Public Properties (Second Reading) and Ordinance

2024-9 Summary Publication

Community and Economic Development Director David Wanberg stated that on April 23, 2024, the City Council conducted the first reading of Ordinance 2024-9 to permit and regulate charging equipment for electric vehicles on private and public properties. The proposed ordinance did not change and is ready for a second reading.

Motion by Thiele, seconded by van Sluis to approve Ordinance 2024-9 Approve a Zoning Text Amendment to Permit and Regulate EVSE and Charging Spaces on Private and Public Properties (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 van Sluis to approve Ordinance 2024-9 Summary Publication and carried unanimously.

Bids

Resolution 2024-091 Accept Bids for Airtech 2 Street, Utility and Stormwater Improvements - Contract 2022-07

City Engineer Mark DuChene informed the Council that on Wednesday, May 8, 2024, bids were received for the 2Airtech 2 Street, Utility and Stormwater Improvements project - Contract 2022-07, including removals, watermain extension, sanitary sewer extension, lot services, storm sewer construction, grading, aggregate base, bituminous paving, turf restoration, regional stormwater basin construction and related improvements.

The streets proposed to be included in this project Airtech Court (Airtech Drive to Steele Waseca Substation)

The bids were tabulated as follows:

ICON, LLC, Dodge Center, MN	\$ 809,816.00
Heselton Construction, Faribault, MN	\$ 844,750.00
BCM Construction, Inc., Faribault, MN	\$ 884,153.00
A-1 Excavating, Inc., Bloomer, WI	\$ 975,955.00
Schumacher Excavating, Inc., Zumbrota, MN	\$ 976,931.50
Ryan Contracting Company, Elko-New Market, MN	\$1,075,293.50
Wencl Construction, Inc., Owatonna, MN	\$1,189,449.00

Based on the low bidder's prices, the estimated funding for the project will be follows including contingencies and engineering fees:

Special Assessments	\$ 794,200.00
Storm Water Utility Fund (603)	\$ 243,700.00

DuChene recommended to award to the low bidder, ICON, LLC. Construction on the project is scheduled to begin in June and be substantially completed by the end of

September, 2024.

Motion by Thiele, seconded by Ross to approve Resolution 2024-091 Accept Bids for Airtech 2 Street, Utility and Stormwater Improvements - Contract 2022-07 and carried unanimously.

Boards and Commissions Reports, Announcements and Project Updates

City Engineer Mark DuChene stated that 2nd Avenue was opened at 11:00 a.m. yesterday. City Administrator Jessica Kinser stated that summer hours will be starting on June 3rd. The Council Bus Tour will be on June 4th, please send any tour ideas to Administrator Kinser. Councilor Spooner stated that he was at an event at the State Academy this past weekend, it is a neat group of people and it is pretty impressive what they do up there, they are currently fundraising to build a greenhouse. Mayor Voracek stated that he would be out next week, and that visitors from Würzburg would be coming to Faribault in September.

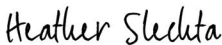
Adjournment

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

The meeting was adjourned at 6:56 pm.

Respectfully Submitted,

DocuSigned by:



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Heather Slechta
City Clerk