



CITY COUNCIL MINUTES

COUNCIL CHAMBERS	WEDNESDAY, AUGUST 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 p.m. Councilors in attendance included Sara Caron, Royal Ross, Tom Spooner and Chuck Thiele. Councilors Adama Doumbouya and Peter van Sluis were absent. Also in attendance were City Administrator Jessica Kinser, City Clerk Heather Slechta, Community and Economic Development Director David Wanberg, Parks and Recreation Director Paul Peanasky, Human Resources Director Kevin Bushard, City Engineer Mark DuChene, City Planner Harry Davis, and Fire Chief Dustin Dienst.

Approve Agenda

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

Presentations/Introductions

Ruth's House of Hope Proclamation

Mayor Voracek presented Sue Stout with the Ruth's House of Hope Proclamation. Ruth's House will be celebrating their 20th Anniversary on August 23, 2024 at Apple Creek Orchard, there will be hayrides, games, food trucks and live music.

Approve minutes of the July 23, 2024 City Council Meeting, the July 23, 2024 Special City Council Meeting - Closed Session, the July 30, 2024 Special City Council Meeting and the July 30, 2024 Special City Council Meeting - Closed Session

Motion by Thiele, seconded by Ross to approve minutes of the July 23, 2024 City Council Meeting, the July 23, 2024 Special City Council Meeting - Closed Session, the July 30, 2024 Special City Council Meeting and the July 30, 2024 Special City Council Meeting - Closed Session and carried unanimously.

Requests to be Heard – None

Consent Agenda

- A. List of Claims for Release
- B. Approve application and Permit for a 1 Day to 4 Day Temporary On-Sale Liquor License for Divine Mercy Catholic Church and School

- C. Approve LG240B Application to Conduct Excluded Bingo
- D. Resolution 2024-149 Accept Donation to the Parks and Recreation Department
- E. Resolution 2024-159 Approve Hiring Library Receptionist
- F. Accept Professional Services Agreement for Viaduct Park Bid Package 1 Construction Administration Services
- G. Accept Professional Services Agreement for Viaduct Park Bid Package 2 Construction Administration Services
- H. Resolution 2024-162 Approve Municipal State Aid Street State Aid Funds Advancement
- I. Approve Petition and Waiver for Water Service Repair at 1014 1st ST NW
- J. Accept Quote for Well Repairs
- K. Approve LG220 Application for Exempt Permit
- L. Approve Applications and Permits for 1 Day to 4 Day Temporary On-Sale Liquor Licenses for Various Events for the Chamber of Commerce
- M. List of Positions Authorized to Issue Administrative Citations
- N. Resolution 2024-166 Approve Federal Aviation Administration Third Party Camera Image Hosting Agreement
- O. Approve New Golf Cart Permit

Motion by Ross, seconded by Caron to approve Consent Agenda items A-O and carried unanimously.

Public Hearings

Overview of DEED Applications and a Preliminary Development Agreement related to the Potential Relocation of KGP Telecommunications, LLC to Downtown Faribault

Community and Economic Development David Wanberg explained to the Council that Dale and Kathleen Putrah founded KGPCo in 1973. A locally based company with a global reach, KGPCo provides the world's leading communication and technology companies with a single source for network design, architecture, production, sourcing, installation, and support. KGPCo's success has resulted in it needing to find a new location for its global headquarters which is currently at 3305 Highway 60 West. While KGPCo can move its headquarters to elsewhere in Minnesota or other states, its roots are in Faribault, and it would like to remain and grow here.

Over the past year, KGPCo representatives, City Staff, Faribault Real Estate, LLC (FRE), and others have worked closely to keep and grow KGPCo in Faribault. KGPCo is working with FRE to relocate KGPCo's headquarters to the downtown area – potentially, the site at 511 and 513 Central Avenue. FRE would own and renovate the site, and KGPCo would lease the site from FRE. Having a headquarters in the downtown area would help strengthen the downtown and is consistent with the community's vision. However, such an investment involves financial costs beyond what KGPCo and/or FRE feel they can handle without financial assistance from others.

Wanberg stated that City Staff identified Minnesota Department of Employment and Economic Development (DEED) as a possible resource to offset some relocation/development costs. Based on anticipated capital expenditures of \$4.8 to \$5.0

million, the retention of 78 jobs, and the creation of eight new full-time jobs with an average wage of \$27.50 per hour, DEED indicated it would consider financial assistance in the form of a \$100,000 forgivable Minnesota Investment Fund (MIF) loan. DEED would also consider \$153,000 in assistance from the Job Creation Fund (JCF).

If DEED provides the requested funding, KGPCo would be responsible for administering the JCF forgivable loan. However, the City of Faribault would serve as a pass-through for the MIF forgivable loan and, as such, would have administrative responsibilities. Consequently, DEED requires the City to conduct a public hearing for the MIF application and provide resolutions supporting the MIF and JCF applications. The MIF and JCF applications are the first of several financial assistance requests to retain and grow KGPCo in Faribault.

The potential relocation of KGPCo to the downtown area provides meaningful opportunities for KGPCo and the community. To aid in the relocation effort, it is in the best interest of KGPCo, FRE, and the City to enter into a Preliminary Development Agreement that outlines each entity's anticipated tasks and responsibilities related to the proposed development. The City Attorney prepared the attached Preliminary Development Agreement for City Council consideration.

Wanberg requested that the City Council take separate action on each of the following resolutions:

1. Resolution 2024-167 Support a Minnesota Investment Fund Application in Connection with KGP Telecommunications, LLC;
2. Resolution 2024-168 Support a Job Creation Fund Application in Connection with KGP Telecommunications, LLC; and
3. Resolution 2024-169 Authorize Execution of a Preliminary Development Agreement between the City of Faribault, KGP Telecommunications, LLC, and Faribault Real Estate, LLC

Councilor Caron stated that she thought that the cornerstone of downtown was going to be retail, she also had concerns about the Council not having enough information on what a business subsidy was. She asked if there was a housing element with this project, Wanberg stated that there are no plans put together for housing. Caron stated that she would not be voting in favor for this project. She thanked the Putrah family for their business. Wanberg explained that Staff have been working to get any major business downtown. Councilor Ross stated that this will make an awesome anchor business downtown and could drive more retail businesses. They are not asking for city money at this time.

Motion by Spooner, seconded by Thiele to open the public hearing and carried unanimously. The public hearing was opened at 6:24 p.m.

Matt Drevelow, Counsel for KGP Telecommunications, LLC explained to the Council the desire of KGP to stay in Faribault and the need for additional financing to make that happen.

Motion by Ross, seconded by Spooner to close the public hearing and carried unanimously. The public hearing closed at 6:29 p.m.

It was mentioned that KGP would be leasing the downtown space, Caron stated that leasing is not investing in the City.

Motion by Ross, seconded by Spooner to approve Resolution 2024-167 Support a Minnesota Investment Fund Application in Connection with KGP Telecommunications, LLC and carried 4:1 with Caron voting Nay.

Motion by Spooner, seconded by Thiele to approve Resolution 2024-168 Support a Job Creation Fund Application in Connection with KGP Telecommunications, LLC and carried 4:1 with Caron voting Nay.

Motion by Thiele, seconded by Ross to approve Resolution 2024-169 Authorize Execution of a Preliminary Development Agreement between the City of Faribault, KGP Telecommunications, LLC, and Faribault Real Estate LLC and carried 4:1 with Caron voting Nay.

Ordinance 2023-20 Authorizing a Study and Imposing a Moratorium on the Establishment and Operation of Cannabis Businesses within the City of Faribault

City Clerk Heather Slechta explained that at the July 30, 2024, Special City Council Work Session, the City Council along with Staff and the City Attorney discussed the proposed Ordinance regulating cannabis businesses within the City of Faribault. Through that discussion, it was the consensus of the Council to extend the moratorium within the City until January 1, 2024, to allow for more guidance from the Office of Cannabis Management and to further define zoning and regulations. Extending the moratorium requires a public hearing prior to approval.

Motion by Spooner, seconded by Ross to open the public hearing and carried unanimously. The public hearing was opened at 6:34 p.m.

There were no comments received during the public hearing or prior to the meeting.

Motion by Thiele, seconded by Caron to close the public hearing and carried unanimously. The public hearing was closed at 6:34 p.m.

Motion by Spooner, seconded by Ross to approve Ordinance 2023-20 Authorizing a Study and Imposing a Moratorium on the Establishment and Operation of Cannabis Businesses within the City of Faribault

Roll Call Vote:

Aye: Councilor Caron, Ross, Spooner, Thiele and Mayor Voracek

Nay:

Motion carried 5:0

Items for Discussion

Resolution 2024-161 Order Improvements, Approve Plans and Specifications and Establish Bid Date for Straight River Watermain Crossing - Contract 2023-09

City Engineer Mark DuChene that the 2023-2027 Capital Improvement Plan included the replacement of the 20" watermain across the UPRR and Straight River at 2nd Street NE. This watermain is a critical piece of infrastructure that transports the water from the City's Water Treatment Plant to the ground storage reservoirs on the east side of town. In 2020, there was a watermain break and repair between the UPRR tracks and the 2nd Street pedestrian bridge which elevated concerns about the location and design of this watermain. That, coupled with the proposed Downtown Area Park Improvements including a possible future multi-million-dollar skate loop over a portion of this watermain, it is prudent for the City to plan for the relocation of this watermain to not only reduce the risk of future issues with this watermain but also to protect the investment in the proposed park.

The Resolution 2024-161 approves the construction plans and specifications for the proposed Straight River Watermain Improvements - Contract 2023-09 project including removals, watermain replacement, storm sewer construction, grading, aggregate base, sidewalk construction, bituminous paving, turf restoration and related improvements.

The preliminary total estimated cost of the improvements, including 5% contingency and 20% engineering, is \$1,522,500. Funding for the project will come from the Water Utility Fund.

The resolution also establishes a bid date of September 4, 2024, for the project. DuChene stated that in order to solicit the most competitive bids and given the timeline for the construction of the Viaduct Park, a flexible start date for this project is being provided but any work started in 2024 must be complete prior to winter conditions and all work regardless of start date must be completed by June 30, 2025.

Motion by Ross, seconded by Caron to approve Resolution 2024-161 Order Improvements, Approve Plans and Specifications and Establish Bid Date for Straight River Watermain Crossing - Contract 2023-09 and carried unanimously.

Ordinance 2024-14 Amending Chapter 18 of the City of Faribault Code of Ordinances (Second Reading) and Ordinance 2024-14 Summary Publication

Parks and Recreation Director Paul Peanasky stated that the first reading of Ordinance 2024-14 was held on July 23, 2024. Since that time, no public comments or changes made to the ordinance.

Motion by Caron, seconded by Thiele to approve Ordinance 2024-14 Amending Chapter 18 of the City of Faribault Code of Ordinances (Second Reading)

Aye: Councilor Caron, Ross, Spooner, Thiele and Mayor Voracek

Nay:

Motion carried 5:0

Motion by Spooner, seconded by Ross to approve Ordinance 2024-14 Summary Publication and carried unanimously.

Ordinance 2024-15 Amending Chapter 26 of the City of Faribault Code of Ordinances (Second Reading) and Ordinance 2024-15 Summary Publication

Parks and Recreation Director Paul Peanasky stated that the first reading of Ordinance 2024-15 was held on July 23, 2024. Since that time, no public comments or changes made to the ordinance.

Motion by Ross, seconded by Thiele to approve Ordinance 2024-15 Amending Chapter 26 of the City of Faribault Code of Ordinances (Second Reading)

Roll Call Vote:

Aye: Councilor Caron, Ross, Spooner, Thiele, Mayor Voracek

Nay:

Motion carried 5:0

Motion by Spooner, seconded by Ross to approve Ordinance 2024-15 Summary Publication and carried unanimously.

Sun Companies Properties Management/RSA Properties LLC Subdivision No 2 - Comprehensive Plan Amendment; Zoning Map Amendment; Easement Vacation; Preliminary Plat; Final Plat

City Planner Harry Davis explained that Sun Companies Properties Management LLC requested a comprehensive plan amendment at 1919 2nd St NW, northeast of the intersection between 4th St NW and 20th Ave NW. The comprehensive plan amendment proposed shifting the land use map designation for the property from commercial/residential mixed use to commercial/industrial mixed use for part of the future development area. Sun Companies Properties Management LLC also requested a zoning map amendment that would rezone areas from R-4, High Density Residential to I-1, Light Industrial use to facilitate future development.

Davis further explained that Sun Companies Properties Management LLC also requested vacating part of a drainage and utility easement at 1919 2nd St NW, northeast of the intersection between 4th St NW and 20th Ave NW to facilitate future development. The proposed easement vacation would not infringe or deter use or enjoyment on other properties and is needed to facilitate future expansion of C & S Vending. The final request made by Sun Companies Properties Management LLC was for the approval of the preliminary and final plat at 1919 2nd St NW, northeast of the intersection between 4th St NW and 20th Ave NW. The preliminary and final plat for RSA Properties LLC Subdivision No 2 combines seven (7) lots and one outlot into two buildable lots; one lot with frontage on 4th St NW, 20th Ave NW, and 2nd St NW and another at the corner of 4th St NW and 20th Ave NW. The proposed preliminary/final plats are consistent with the planning and zoning aspects of the City's Unified Development Ordinance.

The DRC, City Planner, and Planning Commission supported approval of the requests made by Sun Companies Properties Management LLC.

Councilor Ross asked about the section in the findings that discussed removal of future buildings, he had not seen that in the past, Davis stated that it is a clarification, the preliminary and the final plats are meant to focused more on the property lines and on the land itself rather than any future expansions and buildings other than what is currently existing. It will hopefully prevent any future confusion on if a building actually got built the way it was on the final plat. This will also protect the City and the developer in the future.

Motion by Spooner, seconded by Thiele to approve Resolution 2024-163 Approve a Comprehensive Plan Amendment for a Change of Land Use Map Designation at 1919 2nd Street NW and carried unanimously.

Motion by Spooner, seconded by Thiele to approve Ordinance 2024-5 Approve Rezoning Properties in 1900 Block of 4th Street NW to I-1 (First Reading)

Roll Call Vote:

Aye: Councilor Caron, Ross, Spooner, Thiele and Mayor Voracek

Nay:

Motion carried 5:0

Motion by Thiele, seconded by Caron to approve Ordinance 2024-6 Vacate a Portion of Drainage and Utility Easement at 1919 2nd St NW (First Reading)

Roll Call Vote:

Aye: Councilor Caron, Ross, Spooner, Thiele and Mayor Voracek

Nay:

Motion carried 5:0

Motion by Spooner, seconded by Ross to approve Resolution 2024-164 Approve the Preliminary and Final Plats for RSA Properties LLC Subdivision No 2 and carried unanimously.

Resolution 2024-165 Approve 2024 Primary Election Results and Abstract

City Clerk Heather Slechta informed the Council that on August 13, 2024, a Primary Election was held for the office of Mayor. Slechta explained that the top two candidates will be placed on the ballot for the November 5, 2024 General Election. The official Election Abstract was completed by Rice County Property Tax and Elections. Rice County Property Tax and Elections was able to complete the City of Faribault Election Abstract earlier than expected. Since the Council acted on this tonight, the Special Meeting that is scheduled for 8:00 am on Friday is able to be canceled.

The results were as follows:

Tom Spooner	707
Jonathan Wood	393
Adama Youhn Doumbouya	132
Brian C. Peterson	202

Tom Spooner and Jonathan Wood will be placed on the General Election ballot.

Motion by Ross, seconded by Caron to approve Resolution 2024-165 Approve 2024 Primary Election Results and Abstract and carried 4:0 with Spooner abstaining.

Bids

Resolution 2024-160 Accept Bids for 2024 Cannon River View Trail - Contract 2024-05

City Engineer Mark DuChene explained that on Wednesday, July 17, 2024, bids were received for the proposed 2024 Cannon River View Trail - Contract 2024-05 project including removals, grading, aggregate base, bituminous trail and related construction.

This trail segment will connect Two Rivers Park to the north industrial park area via existing and proposed trail segments as well as connect directly to the planned Twin Oaks Subdivision, a Rice County work force housing development and park planned for just north of the Rice County Public Safety Center.

The bids were tabulated as follows:

S.L. Contracting, Rochester, MN	\$237,840.00
Timm’s Trucking, Morristown, MN	\$243,775.50
K.A. Witt Construction, New Prague, MN	\$277,368.60
Heselton Construction, Faribault	\$289,461.50
Urban Edge Solutions & Supply, LLC, Lonsdale, MN	\$394,813.50

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

Park Improvement Fund	\$ 190,275.00
Carbon Reduction Program (Federal Grant)	\$ 95,225.00

It was recommended to award to the low bidder, S.L. Contracting. Construction on the project is scheduled to begin in September and be substantially completed by the end of October, 2024.

Mayor Voracek requested wayfinding/direction signage on the trail since it was under budget, DuChene will look into it.

Motion by Ross, seconded by Thiele to approve Resolution 2024-160 Accept Bids for 2024 Cannon River View Trail - Contract 2024-05 and carried unanimously.

Boards and Commissions Reports, Announcements and Project Updates

Councilor Ross stated that the Chamber Car-Cruise was on Friday evening.

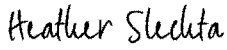
Adjournment

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

The meeting was adjourned at 6:59 p.m.

Respectfully Submitted,

DocuSigned by:

A handwritten signature in black ink that reads "Heather Slechta". The signature is written in a cursive, flowing style.

Heather Slechta
City Clerk

