



CITY COUNCIL MINUTES

COUNCIL CHAMBERS

TUESDAY, OCTOBER 22,
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, Adama Doumbouya, Royal Ross, Peter van Sluis, Tom Spooner and Chuck Thiele. Also in attendance were City Administrator Jessica Kinser, City Clerk Heather Slechta, Community and Economic Development Director David Wanberg, Public Works Director Travis Block, Police Chief John Sherwin, Fire Chief Dustin Dienst, Parks and Recreation Director Paul Peanasky and City Attorney Scott Riggs.

Approve Agenda

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

Presentations/Introductions – None

Approve minutes of the October 8, 2024, City Council Meeting and the October 8, 2024 Special City Council Meeting - Closed Session

Motion by van Sluis, seconded by Doumbouya to Approve minutes of the October 8, 2024, City Council Meeting and the October 8, 2024, Special City Council Meeting - Closed Session and carried unanimously.

Requests to be Heard

Jane Egerdahl, 103 14th Street NW, addressed the Council regarding a letter she received from the City regarding property and code violations at her home. Ms. Egerdahl felt that the letter was difficult to understand and intimidating. Ms. Egerdahl requested the letter be rewritten.

Consent Agenda

- A. List of Claims for Release
- B. Approve LG204B Applications to Conduct Excluded Bingo
- C. Approve Intensive Comprehensive Peace Officer Education Training (ICPOET) Grant Candidate Agreements
- D. Resolution 2024-206 Approve Street Closure for Peace Lutheran Church and Preschool Trunk or Treat

- E. Approve Hold Harmless and Indemnification Agreement with the Faribault Chamber of Commerce
- F. Approve Quote for Stormwater Outfall Materials at Water Reclamation Facility
- G. Resolution 2024-207 Declare Desk as Surplus and Donate to the Rice County Historical Society
- H. Resolution 2024-208 Establishing a Fee Schedule for Administrative Citations
- I. Approve Task Order No. 13 with Foth for Airfield Pavement Rehabilitation Planning Services at the Airport
- J. Resolution 2024-212 Accept Donation to the Parks and Recreation Department
- K. Approve Petition and Waiver for Water Service Repair at 719 5th Ave. NW
- L. Approve Petition and Waiver for Water Service Repair at 9 8th St. NW
- M. Resolution 2024-213 Approve Appointment of Board and Commission Members

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

Public Hearings – None

Items for Discussion

Ordinance 2024-16 Amend Chapter 28, Division 4 of the Code of Ordinances, Regarding Disconnection of Water for Nonpayment (Second Reading)

City Administrator Jessica Kinser explained that due to staffing shortages and changes in the Finance Department resulted in an examination of operations in utility billing to look for some efficiencies. The monthly process to disconnect water for non-payment only addressed about 10% of the accounts that could be disconnected in any given month, resulting in a time-consuming process for both Finance and Public Works where very little was accomplished in terms of collection of past due accounts. Instead of disconnecting water service for non-payment, staff proposed utilizing the special assessment process to place past due amounts as an assessment on the property. This would reduce the monthly activities associated with disconnection, while still providing notice to individuals that they are behind throughout the year. Since the first reading of this ordinance on October 8, 2024 there have been no changes or comments from the public.

Upon approval and publication, the intent is to implement this change immediately, with assessments to be presented to the Council for the November 30th assessment deadline.

Motion by Thiele, seconded by van Sluis to approve Ordinance 2024-16 Amend Chapter 28, Division 4 of the Code of Ordinances, Regarding Disconnection of Water for Nonpayment

Roll Call Vote:

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

Nay:

Motion carried 7:0

Motion by Spooner, seconded by Caron to Approve Summary Publication of Ordinance 2024-16 and carried unanimously.

Resolution 2024-209 Approve the Assignment of an Additional Investor, Restructuring of the Ownership Entity, and Mortgage Subordination related to the Property at 311 Central Avenue

Community and Economic Development Director David Wanberg explained that on November 28, 2023, the Faribault City Council approved Resolution 2023-232, which authorized the transfer of \$500,000 from the City's General Fund to the Faribault Economic Development Authority (the "EDA") to Administer a Special Commercial Rehabilitation Loan for Faribo Downtown Central ("FDC"). The loan agreement follows the City's Business Subsidy Policy, which requires the FDC to own the properties associated with the loan for five years. 311 Central is one of the properties that can benefit from the loan.

FDC requested to include an additional investor in the loan agreement. FDC would have a 33% ownership stake in 311 Central Avenue. Piepho Partners, LLC, would have the remaining ownership stake. On October 17, 2024, the EDA approved a request from FDC to restructure the ownership entity associated with 311 Central Avenue. Wanberg stated that because the City Council provided the \$500,000 loan, the City Council should also act on FDC's request to restructure the ownership of 311 Central Avenue.

Councilor Ross asked if this interrupts the 5-year agreement, Riggs stated that it would not.

Motion by Ross, seconded by van Sluis to approve Resolution 2024-209 Approve the Assignment of an Additional Investor, Restructuring of the Ownership Entity, and Mortgage Subordination related to the Property at 311 Central Avenue and carried 6:1 with Councilor Caron voting Nay.

Resolution 2024-211 Approve COREY LEE NEWBY, DBA URBAN FLEA MARKET Developer's Agreement

Community and Economic Development Director David Wanberg explained that on October 8, 2024, the City Council directed city staff to work with Corey Newby, property owner at 15 3rd Ave SW, on allowing operation of the business Urban Flea Market at the subject property. Staff worked with the City Attorney Scott Riggs to create a Developer's Agreement. Wanberg explained that the Developer's Agreement will allow Urban Flea Market and Corey Newby to operate on the property subject to conditions and a 9-month plan to become fully compliant with the Unified Development Ordinance. Wanberg informed the Council that staff did not input the escrow amount, and requested that the Council provide direction on the escrow, typically escrows are 110% of the project amount.

Mr. Newby stated that he had concerns with the agreement since it would allow for city staff to access his property at any time, Attorney Riggs explained that this agreement is standard and access to staff is granted elsewhere in the building code. Mr. Newby also

had concerns with the 9-month time line to come into compliance.

Councilor Spooner asked what would happen if Mr. Newby does not sign the agreement, Attorney Riggs stated that it would go back to the original request.

Through some discussion, the Council consensus was to extend the agreement to 12-months and require a \$5,000.00 escrow.

Motion by Ross, seconded by Thiele to approve Resolution 2024-211 Approve COREY LEE NEWBY, DBA URBAN FLEA MARKET Developer's Agreement with a \$5,000.00 escrow and a 12-month completion date and carried unanimously.

Resolution 2024-210 Approve a Restructuring of the Ownership Entity related to the Redevelopment of Lot 1 and Lot 2, Block 1, Midwest First Addition, Rice County, Minnesota

Community and Economic Development Director David Wanberg explained that KK&G Properties LLC entered into various agreements and received various approvals to redevelop the former Farmer Seed and Nursery site at 818 4th Street NW. KK&G is currently constructing an indoor-climate-controlled storage facility on Lot 1, Block 1, MIDWEST FIRST ADDITION. To help develop the previously Council-approved apartment building on Lot 2, Block 1, MIDWEST FIRST ADDITION, KK&G created a new ownership entity – Midwest Flats LLC. KK&G has a majority ownership stake in Midwest Flats LLC (roughly 78 percent), with TLS Companies owning the remainder.

KK&G submitted a building permit application for the foundation of the apartment building. Since they received DEED funds to clean up and redevelop the former Farmer Seed and Nursery site, they must start construction on the apartment building as soon as possible or risk the clawback of DEED funds. It is in both theirs and the City's best interest to facilitate the timely completion of this project.

Motion by Thiele, seconded by van Sluis to approve Resolution 2024-210 Approve a Restructuring of the Ownership Entity related to the Redevelopment of Lot 1 and Lot 2, Block 1, Midwest First Addition, Rice County, Minnesota and carried unanimously.

Bids - None

Boards and Commissions Reports, Announcements and Project Updates

Councilor Ross reminded the public to vote on November 5th and the Senior Center will be holding their annual meeting soon. Councilor van Sluis stated that the Rice County Fair will be holding their annual meeting on November 6th. Mayor Voracek thanked the Girl Scouts for attending the meeting.

Adjournment

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

The City Council meeting was adjourned at 6:41 pm.

Respectfully Submitted,

DocuSigned by:

Heather Slechta

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Heather Slechta

City Clerk