

CITY COUNCIL MINUTES

COUNCIL CHAMBERS

TUESDAY, JANUARY 25, 2022

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 6:00pm. Councilors Sara Caron, Royal Ross, Peter van Sluis, Tom Spooner, and Jon Wood were in attendance. Councilor Janna Viscomi was absent. Also, in attendance was City Administrator Tim Murray, Administrative Assistant II Kari Casper, Parks and Recreation Director Paul Peanasky, Human Resources Manager Kevin Bushard, Fire Dustin Dienst, City Engineer Mark DuChene, Community and Economic Development Director Deanna Kuennen, Police Chief Andy Bohlen, Public Works Director Travis Block, and City Attorney Scott Riggs.

Presentations/Introductions

The Faribault Area Chamber of Commerce and Tourism Annual Report was provided by Tourism Director Kelly Nygaard. Ms. Nygaard reviewed the 2021 financials, lodging tax collections, media and marketing strategies as well as the Minne-Road Trip. Lodging tax was up \$40,000 over 2020 revenues, and \$10,000 shy of pre-Covid numbers. \$122,000 has been budgeted for next year including a \$6,000 Explore Minnesota Tourism grant that they are hoping to receive. Billboard partnerships have continued as well as other print aspects throughout the year that focused on outdoor activities due to Covid. Travel guides and brochures are distributed at the airport, MOA and hotels. The website along with other social media are continuously being monitored. The digital campaigns in 2021, focused on outdoors. Travel trends showed that more females were booking trips and managing the travel budget, this led to the creation of a girl's weekend itinerary being put together. Ms. Nygaard has continued to work with influencers and bloggers as it has become a pivotal part of travel campaigns. Three Bloggers each with different track record and customized experience came to Faribault, these visits have led their followers to visit Faribault as well.

There were different media opportunities this year including stories by KSTP and the Town Ball Tour this past summer. Bus tours are coming back, there were nine different tours in 2021. The Chamber continues to use American Stories branding across all media.

The Minne-Road trip with Owatonna and Northfield attended the Iowa Sports Show. Staff are able to get phone numbers and emails of those in attendance when they take their photo in the Wagoneer. Staff are then able to send them emails to remind them why to visit this area. The wagon attended the Excelsior Woolen Mills grand opening.

Approve minutes of the January 11, 2022 City Council Meeting

Motion by Ross, seconded by Caron to approve January 11, 2022 City Council Minutes and carried unanimously.

Consent Agenda

- A. List of Claims for Release
- B. Resolution 2022-016 Approve 2021 Budget Amendments
- C. Resolution 2022-018 Authorizing the Transfer of the 2021 Balance of Restricted Cash in Fund 240-00000-460-39200 to the Economic Development Authority of the City of Faribault, Minnesota
- D. Approve Hangar Rental Agreements
- E. Approve Rescinding of the City of Faribault Employee Choice Vaccination Policy and Attestation Form
- F. Resolution 2022-017 Approve Appointments of Board and Commission Members
- G. Resolution 2022-022 Impose Monetary Fines for Off-Sale and/or On-Sale and Sunday Liquor Licensees for Compliance Check Failures
- H. Approve Significant Industrial User Contracts
- I. Approve Contract with Clean River Partners for MS4 Permit Educational Services
- J. Approve Private Hangar Land Lease Agreement
- K. Resolution 2022-023 Authorization to Apply for the Staffing for Adequate Fire and Emergency Response (S.A.F.E.R.) Grant
- L. Resolution 2022-024 Approve Hiring Police Officer

Councilor Spooner stated that he was voting in favor of all Consent Agenda Items, however would be abstaining from 4F. Resolution 2022-017 Approve Appointments of Board and Commission members due to a conflict of interest.

Motion by van Sluis, seconded by Ross to approve Consent Agenda Items 4A-4L and carried unanimously.

Requests to be Heard – None

Public Hearings – None

Items for Discussion

Resolution 2022-020 Approving Minnesota Department of Employment and Economic Development Redevelopment Grant and Authorizing Submittal of Grant Application for the Former Farmer Seed Building Located at 818 4th Street NW, Faribault, MN

Community and Economic Development Director Deanna Kuennen explained that at the City Council Work Session on January 18, 2022, the City Council was updated on a proposal for the redevelopment of the former Farmer Seed building and site. The Farmer Seed building was purchased by KK&G Properties, LLC (KK&G). While their original intent was to reuse the entire grouping of buildings for indoor storage, a conditions analysis and structural review revealed structural issues and significant damage to four (4) of the seven (7) buildings past the point of repair. Due to the building being listed on the national registry of historic places, KK&G applied to the Heritage Preservation Commission for a Certificate of Appropriateness for a partial demolition permit, which was granted in December 2021.

With the issuance of the Certificate of Appropriateness for the partial demolition, KK&G engaged additional engineers and architects to develop a reuse proposal for the site. The proposed redevelopment includes saving the oldest part of the building and renovating it into 18 apartments, converting two of the existing buildings into climate controlled self-storage, constructing a new 3-story climate controlled self-storage building, and constructing a standalone 42-unit apartment building. The total estimated cost for the redevelopment is approximately \$12,200,000.00, with \$1,191,002.99 in possible public financing and

\$11,008,677.01 privately financed.

The site requires costly cleanup, and many of those cleanup costs are eligible for the DEED Redevelopment Grant Program. The Redevelopment Grant Program focuses on projects where there was previous development and the need to recycle the land for more productive use exists. The program can pay for up to 50-percent of certain development costs for a qualifying site. This grant is competitive, is offered only twice per year and is awarded to projects that provide the highest return in public benefits for the public costs incurred. The next grant application round closes on February 1, 2022. In partnership with KK& G Properties LLC, a draft grant has been prepared. The total eligible redevelopment costs is \$1,047,650 and the requested DEED grant is \$523,825.

Resolution 2022-020 is required to be adopted prior to submittal of the grant application. The resolution identifies the City of Faribault as the applicant and legal sponsor for the project, authorizes the grant to be submitted, and commits the funding match to the grant. Staff will continue to refine the grant application, in collaboration with KK&G Properties, Inc. with the intention of submitting the grant by the application deadline of February 1, 2022.

Councilor Spooner asked what happens if they apply for the grant and they do not move forward, Kuennen explained that the money goes back to the state. Councilor Caron asked about language in the grant application that states "trees and landscaping will be a vast improvement to the site" as well as "amenities will be lost", Kuennen explained that all of this will be reviewed during the planning process, and that if the grant is not approved, the scope of the project would be scaled back. Kuennen also stated that this is just the beginning of the project, they still need to go through the planning and zoning process as well as the TIF components. City Administrator Tim Murray explained that in a perfect world that this would have gone through the other processes, however, due to the February 1, 2022 deadline, this part is being done first.

Motion by Ross, seconded by van Sluis to approve Resolution 2022-020 Approving Minnesota Department of Employment and Economic Development Redevelopment Grant and Authorizing Submittal of Grant Application for the Former Farmer Seed Building Located at 818 4th Street NW, Faribault, MN and carried unanimously.

Resolution 2022-019 Finding Parcel is Occupied by Structurally Substandard Buildings

Community and Economic Development Director Deanna Kuennen explained in order for the project to move forward at Famer Seed, there is a need for public financing, potentially a Redevelopment TIF District. The developers have applied and received a certificate of appropriateness to demo the building, but before we allow demo we want to be sure that we have the components in place to allow for Redevelopment TIF District. Staff worked with LHB, Inc. to conduct a TIF blight analysis of the Farmer Seed building site at 818 4th Street NW, Faribault, MN - PID 18.31.2.26.120 and provide a letter of findings. The purpose of this exercise was to determine if the site would be eligible and meet the criteria for a redevelopment tax increment financing district. If yes, then the City Council could approve a resolution with this finding, and once approved, demolition could take place without eliminating the ability to establish a redevelopment tax increment financing district within a three (3) year window. The Letter of Finding indicates that after inspecting and evaluating the building and applying the current statutory criteria for a redevelopment district, it is the opinion of LHB, Inc. that the building/site qualifies as substandard.

Councilor Wood stated that the building report it states that building code deficiencies total more

than 15% replacement costs not including energy code, is that a benchmark? Kuennen, stated that she believed that is the threshold in the statutes.

Motion by van Sluis, seconded by Wood to approve Resolution 2022-019 Finding Parcel is Occupied by Structurally Substandard Buildings and carried unanimously.

Ordinance 2022-1 Amend the Specific Development Standards for Residential Care Facilities Outlined in Chapter 7, Sec. 7-30 of the City's Unified Development Ordinance - Second Reading and Approve Summary Publication

Community and Economic Development Director Deanna Kuennen explained that on January 11, 2022, the City Council approved the first reading of Ordinance 2022-1, which amends the specific development standards for residential care facilities outlined in Chapter 7, Sec. 7-30 of the City's Unified Development Ordinance. Since the first reading of the ordinance, Staff has not received any comments from the public, nor has Staff made any changes to the ordinance

For clarification purposes, the City could require a greater separation between residential care facilities than what the state requires for its purposes. However, aligning the City's ordinances with state statutes gives the City Council the flexibility to approve or deny a conditional use permit for a residential care facility that does not meet separation requirements. A conditional use permit is currently required (and will still be required) for residential care facilities over six (6) units. The proposed amendment eliminates the extra step to approve or deny a variance for a residential care facility that does not meet separation requirements from other residential care facilities and childcare facilities, in addition to the conditional use permit. The amendment simplifies the approval process while still providing the City Council with the authority to consider whether to approve or deny a request related to the location of a proposed residential care facility.

Motion by Wood, seconded by van Sluis to approve Ordinance 2022-1 Amend the Specific Development Standards for Residential Care Facilities Outlined in Chapter 7, Sec. 7-30 of the City's Unified Development Ordinance

Roll Call Vote:

Aye: Councilor Caron, Ross, van Sluis, Spooner, Wood, Mayor Voracek

Nay:

Motion carried 6:0

Motion by Ross, seconded Caron to Approve Summary Publication and carried unanimously.

Ordinance 2022-2 Amend Table 11-1 of the City's Unified Development Ordinance Related to Residential Care Facilities in Commercial Zoning Districts - Second Reading and Approve Summary Publication

Community and Economic Development Director Deanna Kuennen explained that on January 11, 2022, the City Council approved the first reading of Ordinance 2022-2, which amends Table 11-1 of the City's Unified Development Ordinance related to residential care facilities in the C-2 and C-3 zoning districts. Table 11-1 currently does not allow residential care facilities serving more than 32 persons in the C-2 and C-3 districts. However, Ordinance 2022-2 amends Table 11-1 to allow residential care facilities serving seventeen (17) or more persons in the C-2 and C-3 zoning districts with the approval of a conditional use permit. Since the first reading of Ordinance 2022-2, Staff has not received any comments from the public, nor has Staff made any changes to the ordinance.

Motion by Ross, seconded by Wood to approve Ordinance 2022-2 A mend Table 11-1 of the City's Unified Development Ordinance Related to Residential Care Facilities in Commercial Zoning Districts - Second Reading

Roll Call Vote:

Aye: Councilor Caron, Ross, van Sluis, Spooner, Wood, Mayor Voracek

Nay:

Motion carried 6:0

Motion by Spooner, seconded by van Sluis to Approve Summary Publication and carried unanimously.

Ordinance 2022-3 Approve a Zoning Text Amendment to Create a Public / Institutional Zoning District - Second Reading and Approve Summary Publication

Community and Economic Development Director Deanna Kuennen explained that on January 11, 2022, the City Council approved the first reading of Ordinance 2022-3, which approves a zoning text amendment to create a public/institutional zoning district for medium to large-scale public/institutional uses such as educational facilities, hospitals, and government facilities. Since the first reading of the ordinance, Staff has not received any comments from the public, nor has Staff made any changes to the ordinance.

Motion by Spooner, seconded by van Sluis to approve Ordinance 2022-3 Approve a Zoning Text Amendment to Create a Public / Institutional Zoning District - Second Reading

Roll Call Vote:

Aye: Councilor Caron, Ross, van Sluis, Spooner, Wood, Mayor Voracek

Nay:

Motion carried 6:0

Motion by Ross, seconded by Spooner to approve Summary Publication and carried unanimously.

Bids

Resolution 2022-021 Accept Bid for Roof Replacement on Community Center and Buckham Memorial Library

Parks and Recreation Director Paul Peanasky stated that on Tuesday, January 18, 2022, bids were received for the replacement of the roof on the Community Center and Buckham Memorial Library. The library roof was last replaced in 1994 and the Community Center roof was last replaced in 1999. Both roofs have had numerous repairs over the past years and continue to leak. The replacement also includes the old section of Buckham West. Buckham West is responsible for 50% of the cost of their building. The cost to Buckham West for their share will be \$53,500, which includes the roof replacement and resetting of the HVAC units. Several roof drains will also be added in the library's lower level roof as no roof drains were originally installed. Without roof drains, all the water on the roof had to drain to scuppers on the edges of the roof. This will get the water off the roof quicker and cause fewer future issues.

The cost also includes the full removal of all of the skylights on the Community Center and replacement of the two sky lights on the library. Due to the size of the sky lights on the library, it will be much cheaper to replace them than to remove them. The new sky lights also have a life expectancy of 35 years.

The roof itself has a 30-year warranty and if proper inspections are done on the roof, an additional 10 years are added to the warranty. All inspections are done annually at no charge by the Garland Company.

In the 2022 Capital Improvement Budget, \$1,385,000 was budgeted for roof replacement and additional roof repairs.

Three bids were received and tabulated as follows:

Palmer West Construction Co. Inc.	\$1,717,700
Schwickerts' Tecta America	\$1,775,450
Jackson and Associates LLC	\$1,829,000

Palmer West plans to begin construction in the spring with an approximate 60-day construction schedule.

One item that is being discussed internally is the addition of a screen for the HVAC unit on the Library. City Code Chapter 6-30 paragraph A4 requires the screening if the unit is visible. However, the wall on the library may cover most of the unit and it is the screening that is visible. If required, the screening was put in the bid as an alternate and the cost would be an additional \$28,800. For a project this size, we do also anticipate there may be some change orders.

With the higher cost than anticipated for this project, we are also requesting a budget adjustment to cover the difference. With the funds required for the roof repairs, approximately \$325,000 will be needed in the budget adjustment from the Facilities Improvement Fund.

Councilor Ross asked if the Senior Center was bid separately, Peanasky stated that it was bid separately. The drains are not going through the building, they will go through the roof of the building and to the storm sewer.

Motion by Ross, seconded by Wood to approve Resolution 2022-021 Accept Bid for Roof Replacement on Community Center and Buckham Memorial Library and carried unanimously.

Boards and Commissions Reports, Announcements and Project Updates

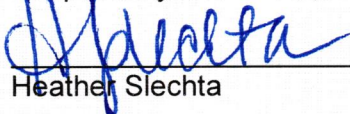
The Monthly Financial Report was provided to the Council as part of the meeting materials prior to the meeting.

Murray reminded the Council that next week's Work Session is on Wednesday at 6, and prior to that is Open House for Police Chief candidates at the Police Department. Councilor Spooner asked if the police chief appointment would be discussed at a closed session, Murray explained that it would be in an open session. Spooner also asked if the Council would be asked to decide that night. Murray stated that they would be asked to consider deciding, that would be the objective, but it would depend on the Council.

Adjournment

Motion by Wood, seconded Ross to adjourn the meeting and carried unanimously.
Meeting adjourned at 6:43pm.

Respectfully Submitted,


Heather Slechta

Assistant to the City Administrator