

Draft Council Minutes

Owatonna City Administration Building

Tuesday, November 1, 2011

7:00 o'clock p.m.

The Owatonna City Council met in regular session on Tuesday, November 1, 2011 at 7:00 p.m. in the Council Chambers of the City Administration Building with Council President Abraham presiding. Present were Council Members Truelson, Burbank, Dotson, Wittrock, Schultz and Svenby; City Administrator Busse; City Attorney Walbran; Community Development Director Klecker; City Engineer Johnson; Fire Chief Johnson, and Assistant City Clerk Clawson.

Following the Pledge of Allegiance, Council President Abraham welcomed everyone in attendance and noted there would two additions to the Agenda: Item 1.4.1 Proclamation of Yellow Ribbon City and Item 3.5.1, Resolution 67-11: Steele County All-Hazard Flood Mitigation Plan which will moved to the first part of the meeting to allow the Fire Chief to leave, there is a controlled burn in process. Council Member Truelson made a motion to approve the agenda with these additions, Council Member Dotson seconded the motion; all members voted aye for approval.

Council Member Burbank read the proclamation issued by Governor Dayton for the City of Owatonna to be a Yellow Ribbon City. This formally recognizes the efforts in the community to build a network of support for the families of deployed military service members.

Fire Chief Johnson introduced Resolution 67-11 to support the hazard mitigation planning effort and wishes to adopt the Steele County All-Hazard Mitigation Plan Update to be eligible for FEMA Disaster Mitigation Funds. This plan has been coordinated through the Office of the Steele County Emergency Management as a multi-jurisdictional plan with Steele County and the Cities of Blooming Prairie, Ellendale, Medford and Owatonna. Minnesota Homeland Security Emergency Management and FEMA have each reviewed and approved the plan. Council Member Truelson made a motion to approve Resolution 67-11, Council Member Burbank seconded the motion; all members voted aye for approval.

Community Development Klecker introduced Resolution 60-11 for modification of the Job Opportunity Building Zones (JOBZ) Boundary. Chart Industries, Inc. is in negotiations to lease the vacant building at 2355 Lemond Road and is seeking JOBZ status for the property as well as a Minnesota Investment Fund Grant through the State. We have authorized Advance Resources for Development Inc. to draft the JOBZ application and help us work with the State Department of Employment and Economic Development to meet the requirements of the incentives for this project. This resolution will modify the Owatonna JOBZ sub-zones Application as per amended application materials dated October 14, 2011 for the Chart Industries, Inc. project for tax free zones, approves of the uses of tax exemptions and tax credits within the designated zones. Council Member Svenby made a motion to approve Resolution 60-11, Council Member Wittrock seconded the motion; all member voted aye for approval.

At 7:14 p.m. a Public Hearing was held for consideration of granting JOBZ Business Subsidies to Chart Industries, Inc. for the property located at 2335 Lemond Road. Ed Tschida of Advance Resources for Development, Inc. explained JOBZ Business Subsidies and the pending application for a Job Zone for this business to locate within the Owatonna Subzone on tax parcel #17-017-2301. This Business Subsidy Agreement will be in effect until December 31, 2015 and will allow the company subsidies towards income, state sales tax and local property taxes. The company will be required to create and maintain 100 new jobs at this location during the term of the agreement. Marlene Nelson, 1726 Mosher Avenue requested what amount of tax benefit the city would be giving Chart Industries, Inc. and asked who monitors the program to confirm the new employment positions are offered. Klecker advised the City taxes on this parcel are approximately \$20,000 per year and Tschida explained the city will maintain the program information and

are required to report to the state; if the company is not in compliance with the agreement, the state would take action to end the JOBZ. With no additional comments at 7:21, Council Member Truelson made a motion to close the public hearing, Council Member Dotson seconded the motion; all members voted aye for approval.

Community Development Director Klecker introduced Resolution 61-11 to approve the Job Opportunity Building Zone (JOBZ) Business Subsidy Agreement for Chart Industries, Inc. Council Member Dotson made a motion to approve Resolution 61-11, Council Member Truelson seconded the motion; all members voted aye for approval.

At 7:27 p.m. a Public Hearing was held to consider the submission and filing of an application for a Minnesota Investment Fund Small Cities Development Program Grant from the Minnesota Department of Trade and Economic Development. Ed Tschida advised in conjunction with the proposal by Chart Industries, Inc. to locate at 2355 Lemond Road, the City is submitting an application to the Minnesota Department of Employment and Economic Development (DEED) for a Minnesota Investment Fund (MIF) \$500,000 grant. The grant will be awarded to the City to use as a forgivable loan to Chart Industries, Inc. contingent upon the company's requirement to create 100 new jobs. The company estimates they will initially create 100 additional jobs in Owatonna at an average hourly wage of \$18.25 plus benefits of \$5.40 per hour. If the company falls short of its goal to create the jobs, all or a portion of the forgivable loan will be converted to a term loan that requires repayment. A brief summary of the company was given by Tschida and with no additional comments Council Member Svenby made a motion to close the Public Hearing at 7:30 p.m., Council Member Truelson seconded the motion; all members voted aye for approval.

Community Development Director Klecker introduced Resolution 62-11 authorizing the application for the Minnesota Investment Fund Grant for Chart Industries, Inc. Council Member Truelson made a motion to approve Resolution 62-11, Council Member Schultz seconded the motion; all members voted aye for approval.

City Attorney Walbran introduced Resolution 66-11 for amendment to the indenture, mortgage and loan agreements related to the replacement of Industrial Development Revenue Bonds, Series 1997 for the Slidell, Inc. Project. The current property owner, Lemond Properties has requested these amendments to permit approval of the proposed Chart Industries, Inc. lease for repayment opportunity. The current final maturity date of May 1, 2027 will remain the same; however reamortization of the payment schedule or principal payments made at different times than originally contemplated have required an altered payment plan. The amendment documents have been drafted by counsel to the trustee, U.S. Bank National Association. Council Member Wittrock made a motion to approve Resolution 66-11, Council Member Dotson seconded the motion; all members voted aye for approval.

At 7:38 p.m. a Public Hearing was held for consideration of the assessments for the 2011 Improvement Projects. Moez Manji, 415 ½ South Cedar #3 inquired if interest charged to the assessment is amortized over the term of the repayments. City Administrator Busse answered yes and with no additional comments at 7:43 p.m. Council Member Truelson made a motion to close the Public Hearing, Council Member Svenby seconded the motion; all members voted aye for approval.

City Engineer Johnson introduced Resolution 63-11 adopting the assessments for the 2011 Improvement Projects. Council Member Svenby made a motion to approve Resolution 63-11 setting the term of repayment over a 10 (ten) year period at a rate of 7.0 percent, Council Member Schultz seconded the motion; all members voted aye for approval.

At 7:45 p.m. a Public Hearing was held for consideration of the assessments for the 2011 Sidewalk, Curb & Gutter and Driveway Repair Project. With no comments being heard at 7:47 p.m. Council Member Truelson made a motion to close the Public Hearing, Council Member Dotson seconded the motion; all members voted aye for approval.

City Engineer Johnson introduced Resolution 64-11 adopting the assessments for the 2011 Sidewalk, Curb & Gutter and Driveway Repair Project. Council Member Truelson made a motion to approve Resolution 64-11 setting the term of repayment over a 3 (three) year period at a rate of 7.0 percent, Council Member Burbank seconded the motion; all members voted aye for approval.

At 7:50 p.m. a Public Hearing was held for consideration of the assessments for the 2011 Mowing of Weeds, Grasses, Other Harmful Vegetation and Other Services. City Administrator Busse read a letter received from Connie Mathison regarding the property they just purchased at 453 13th St NE. The property was mowed prior to the sale and the invoice has not been paid by the previous owners and was not disclosed at the time of purchase. City Attorney Walbran has contacted the title company and recommends the assessment be approved as presented. With no comments being heard at 7:52 p.m. Council Member Truelson made a motion to close the Public Hearing, Council Member Svenby seconded the motion; all members voted aye for approval.

City Administrator Busse introduced Resolution 65-11 adopting the assessments for the 2011 Mowing of Weeds, Grasses, Other Harmful Vegetation and Other Services. Council Member Truelson made a motion to approve Resolution 65-11 setting the term of repayment over a 1 (one) year period at a rate of 7.0 percent, Council Member Wittrock seconded the motion; all members voted aye for approval.

Council President Abraham recapped the expenses for the period. Motion was made by Council Member Wittrock, seconded by Council Member Dotson to approve payment of the bills presented totaling \$1,093,208.26; all members voted aye for approval.

Council President Abraham explained council members review the Consent Agenda Items prior to the meeting for approval in one motion during the meeting. Current Consent Agenda Items include:

Minutes - City Council meeting held October 18, 2011.

Exempt Permit: Kid's Korner Educare Center, Inc. to hold a raffle Nov 22, 2011.

Temporary Liquor License – Knights of Columbus for a wedding at the Armory on Dec 31, 2011.

Dance Permit – Plaza Morena Campestre Grill.

Animal Control Monthly Report - September 2011.

Council Member Truelson made a motion to approve the Consent Agenda Items, Council Member Svenby seconded this motion; all members voted aye for approval.

Community Development Director Klecker introduced the second and final Reading of Proposed Ordinance 10-11, the revised FEMA Floodplain Management Ordinance and Floodplain Maps. The new ordinance will be a freestanding part of the city's zoning ordinance. Changes recommended are:

- Adopting and referencing the new flood plain maps.
- The inclusion of the General Flood Plain Zone which is a flood zone in which the floodway/flood fringe is not defined. Any individual development in the "GFP" zone would require an engineering study to determine floodway/flood fringe line. Once the line is determined respective regulations would apply.
- The requirement of a conditional use permit for fencing constructed in the designated floodway.
- Changes to and addition of several definitions.

- The tightening up of language regarding the granting of flood plain related variances and the issuance of flood plain permits.
- There are also sections of the current ordinance that are now considered optional by FEMA and the DNR. Staff is proposing the following:
 - 1) Eliminate the requirement of a conditional use permit to place fill in the flood fringe in excess of 1,000 cu. Yards – instead permit this upon issuance of an administrative flood plain permit;
 - 2) Eliminate the requirement that all principal structures constructed in the flood fringe have a vehicular access not more than two feet below the regulatory flood elevation;
 - 3) Eliminate the existing provision that requires the city to track in perpetuity the value of all physical improvements (both repair and non-repair related done to a property located in a flood plain and cap those improvements at 50% of the market value of the structure – instead use the ordinance’s default language that limits the tracking of such improvements to any 365 day period. A structure damaged to an extent that the cost of repairs equals or exceeds 50% of its market value could not rebuild as it is currently. However, as proposed, any improvements done to the property prior to a year before the damage occurred would not be counted towards that 50% of the value as is now required.

The ordinance language includes adoption of the new flood plain maps dated December 2, 2011. Staff recommends approval of this ordinance as recommended by the Planning Commission and also recommends that the City continue to pursue a LOMR (Letter of Map Revision) completed by FEMA to remove four Sherwood Heights houses out of the floodplain on the new maps. Council Member Truelson made a motion to approve the second and final reading of the ordinance as recommended, Council Member Dotson seconded the motion; with a roll call vote all members voted aye for approval. This will be known as Ordinance 1475.

During Public Comment Marlene Nelson, 1726 Mosher Ave questioned if council pushed for even year elections to allow the school to administer the special school election this fall. Marlene also thanked Council Member Truelson for a donation he gave her at the last council meeting for the Owatonna Hospitality House. Roger Waseck, 464 Vine St E, asked how important power is to the community and what efforts have been taken within the City’s Economic Development to promote alternative power sources.

During Council Comment, Council Member Truelson reminded everyone of the White Ribbon event scheduled in Central Park during the noon hour on Wednesday, November 2nd. Council Member Truelson also asked if the topic of discussion at the next study session would be consideration of a 2:00 a.m. On-Sale Liquor License. City Administrator Busse advised the next study session is prior to the next council meeting on November 15th with discussion regarding the new proposed ordinance for weight restriction of garbage trucks allowed on the alleys within the city and review of the 2012 Proposed Budgets of the Administration and Finance Departments and the CIP Plan. Council Member Burbank reminded everyone Friday, November 11th will be Veteran’s Day. City Busse added the city offices will be closed in observance of Veteran’s Day on Friday, November 11th. Council discussed plans for the next Coffee with the Council for Saturday, November 19th beginning at 8:30 a.m. at Wagners Lunch located at 222 Cedar Ave N.

At 8:14 p.m. Council Member Wittrock made a motion to adjourn the meeting, Council Member Dotson seconded the motion; all members present voted aye for approval.

Dated: November 3, 2011

Respectfully submitted,
Jeanette Clawson, Assistant City Clerk