

PLEASE NOTE: At 5:00 p.m. Council will meet in Council Chambers, City Hall at 540 West Hills Circle. At 5:30 p.m., Jared Hendricks, Marketing/Energy Conservation Officer will discuss Solar Primer. Other topics of discussion will include a recap of the All-Hands On Meeting and the City of Medford and wastewater treatment. If time allows, there will be a general update on board and commission activities.



OWATONNA CITY COUNCIL MEETING

Tuesday, February 7, 2023 at 7:00 PM

Council Chambers, City Hall at 540 West Hills Circle

**Roll Call: Council Members Svenby, Voss, Dotson,
Burbank, Boeke, Raney & Schultz**

1. INTRODUCTORY ACTIONS: Call to Order; Roll Call and Pledge of Allegiance

- 1.1. Council Agenda
- 1.2. Mayor Kuntz

2. CONSENT AGENDA ITEMS

- 2.1. Minutes – Council Meeting – January 17, 2023
- 2.2. Board/Commission Minutes
 - 2.2.1. Planning Commission Meeting - January 10, 2023
 - 2.2.2. Library Board Meeting - January 17, 2023
 - 2.2.3. EDA Meeting - January 18, 2023
 - 2.2.4. HRA Board Meeting - January 23, 2023
- 2.3. Department Reports:
 - 2.3.1. Building & Inspections Monthly Reports - January 2023
- 2.4. Licenses/Permits
 - 2.4.1. Temporary Liquor Permit - April 22, 2023 - St Mary's School
 - 2.4.2. Retail Fireworks Permit - Fleet Farm
 - 2.4.3. Exempt Permit - Minnesota Pheasants Inc - Raffle at VFW - April 1, 2023
- 2.5. Miscellaneous
 - 2.5.1. Resolution 16-23 Authorize Contract for Purchases - Fame Awards
 - 2.5.2. 26th Street Lift Station Panel Design Agreement - Advanced Engineering and Environmental Services, LLC

3. ACTION ITEMS

- 3.1. Finance Report
- 3.2. Ordinances
 - 3.2.1. First Reading Proposed Ordinance 23-03: Establish Chapter 121 - Sale of Cannabinoid Products (previously tabled)
 - 3.2.2. First Reading Proposed Ordinance 23-04: Amend Chapter 35, Fees & Charges for Sale of Cannabinoid Products (previously tabled)

3.3. Resolutions

3.3.1. Resolution 17-23: Approve Report & Set Public Hearing Date - 2023 Street & Utility Project

3.4. Miscellaneous

3.4.1. Tobacco License - DS Store LLC dba Owatonna Fuel & Food

3.4.2. Council Chambers Project Change Order #1 - Ebert, Inc.

3.4.3. Council Chambers Project Change Order #2 - Professional Services

3.4.4. Council Chambers Project - Advanced Audio & Lighting

4. **STAFF REPORTS**

5. **PUBLIC COMMENTS:** (Please limit comments - 2 minutes and items not on the agenda.)

6. **COUNCIL COMMENT AND GENERAL INFORMATION**

7. **ADJOURN**

Owatonna City Council Minutes – DRAFT Copy

Council President Schultz called the regular session of the Owatonna City Council to order on Tuesday, January 17, 2023, at 7:00 p.m. in Council Chambers at City Hall. Present were Council Members Boeke, Raney, Svenby, Voss, Dotson, Burbank, and Schultz; Mayor Kuntz; Assistant City Engineer Murphy; Community Development Director Klecker; Finance Director Moen; Parks, Recreation & Facilities Director Tuma; City Attorney Walbran; City Administrator Busse, and Administrative Specialist Clawson.

Agenda

Following the Pledge of Allegiance, Council President Schultz welcomed everyone to the meeting. Staff advised item added to the agenda, Resolution 16-23, Summary Publication of the Electric Franchise Fee Agreement with Northern States Power. Council Member Boeke made a motion to approve the agenda with this item added, Council Member Svenby seconded the motion, all members voted aye for approval.

Council President Schultz explained the process for the public hearings planned during this meeting, there will be three public hearings with consideration of resolution(s) after each.

Public Hearing - Establish Development District 19 & Tax Increment Financing District 19-1

Community Development Director Klecker advised Redline Development is proposing to redevelop property along the Straight River north of West Vine Street and west of North Oak Avenue. The proposed project includes the expansion of Mineral Springs Brewery, 20,000 square feet of commercial space, a new bank building and 70 luxury apartments. Tax Increment Financing (TIF) is being requested to assist with the costs of this project, the City will be reimbursed \$500,000 through TIF for property the City is contributing to the redevelopment project. This would be a redevelopment TIF district which can last up to a maximum of 25 years. The total TIF amount is \$7,065,451 for this project with a present-day value of \$3,267,514.

At 7:05 p.m., a public hearing was opened for comments on this proposed development and tax increment financing district. With no comments heard, at 7:06 p.m., Council Member Boeke made a motion to close the public hearing. Council Member Voss seconded the motion, all members vote aye in approval.

Resolution 6-23: Establish Development District 19

Community Development Director Klecker requested approval of Resolution 6-23 to establish Development District 19. Council Member Boeke made a motion for approval, Council Member Voss seconded the motion, all members voted aye in favor.

Resolution 7-23: Establish Tax Increment Financing District 19-1

Community Development Director Klecker presented Resolution 7-23 for approval. This resolution will establish Tax Increment Financing District (TIF) 19-1, a redevelopment TIF district for a total amount of \$7,065,451. Council Member Raney made a motion for approval, Council Member Dotson seconded the motion, all members voted aye in favor.

Resolution 8-23: Authorize Interfund Loan – Tax Increment Financing District 19-1

Community Development Director Klecker requested approval of Resolution 8-23 authorizing an advance of up to \$500,000 to Tax Increment Financing District (TIF) 19-1 from the Economic Development Funds, City's General Fund or such other fund designated by the City or so much thereof as may be paid as Qualified Costs. Council Member Boeke made a motion for approval, Council Member Voss seconded the motion, all members voted aye in favor.

Public Hearing - Amend Proposed Assessment Roll - 2018 Downtown Parking Lot and Alley Project

City Attorney Walbran requested amendment to the Assessment Roll for the 2018 Downtown Alley and Parking Lot Project in regard to the assessments proposed on the properties at 112 and 114 North Cedar Avenue. The City proposed assessment to 112 North Cedar Avenue the sum of \$4,680.00 and 114 North Cedar Avenue the sum of \$5,824.00. The owners of said properties request the assessment levied be deleted as they assert that no special benefits accrue to their properties because the alley: abutting their properties has been converted to a pedestrian plaza walkway and no longer serves as a service alley.

At 7:08 p.m., a public hearing was opened for comments on this proposed development and tax increment financing district. With no comments heard, at 7:09 p.m., Council Member Boeke made a motion to close the public hearing. Council Member Svenby seconded the motion, all members vote aye in approval.

Resolution 9-23: Amend Assessment Roll - 2018 Downtown Parking Lot and Alley Project

City Attorney Walbran presented Resolution 9-23 to amend the Assessment Roll of the 2018 Downtown Parking Lot and Alley Project by removing parcels located at 112 and 114 N Cedar Avenue. Council Member Boeke made a motion to approve Resolution 9-23, Council Member Svenby seconded the motion, all members voted aye for approval.

Public Hearing - Proposed Assessment - Delinquent OPU Accounts

Request was received from Toni Van Esch, Customer Service Supervisor at Owatonna Public Utilities to assess property owned by Owatonna Hospitality, LLC at 2365 43rd Street NW for the delinquent balances on their utility accounts:

Green Mill account	\$12,866.74
Water Park account	<u>2,362.52</u>
Total Proposed assessment:	\$15,229.26

At 7:11 p.m., a public hearing was opened for comments on these proposed assessments. With no comments heard, at 7:12 p.m., Council Member Raney made a motion to close the public hearing. Council Member Svenby seconded the motion, all members vote aye in approval.

Resolution 10-23: Adopt Assessments - OPU Delinquent Accounts

City Attorney Walbran requested approval of Resolution 10-23 adopting the proposed assessments for delinquent utility accounts. Collection will be over a three-year period beginning in 2024 with an interest rate of 3%. Council Member Raney made a motion to approve Resolution 10-23, Council Member Burbank seconded the motion, all members voted aye for approval.

Consent Agenda Items

Council President Schultz explained council members review the Consent Agenda items prior to the meeting for approval in one motion. Consent Agenda items for this meeting include:

- Minutes – Council Meeting – January 3, 2023
- Minutes - Planning Commission Meeting - December 13, 2022
- Library Board Meeting - December 20, 2022
- Human Rights Commission Meeting - December 13, 2022
- EDA Minutes - December 14, 2022
- Fire - Monthly Dashboard and Activity Report - December 2022

Monthly Building Inspection Reports - December 2022
Police Monthly Activity Reports - October, November, and December 2022
Police - 4th Quarter 2022 Service Analysis Report
Event Permit - Bob Fest - Saturday, February 18, 2023 - Foremost Brewing Cooperative
T-Hangar Lease Agreements: Adam Ailabounia and Chris Plasek
Restatement - Cafeteria Plan Document

Council Member Voss made a motion to approve these Consent Agenda items, Council Member Svenby seconded the motion, all members voted aye for approval.

Finance Report

Council Vice President Raney recapped payments made more than \$20,000 for this period. Bills presented for payment totaled \$623,156.91. Council Member Svenby made a motion to approve payment of these bills, Council Member Burbank seconded the motion, all members voted aye for approval.

Ordinance 23-01: Electric Franchise Agreement – Northern States Power

City Attorney Walbran presented the second/final reading of proposed Ordinance 23-01, an Electric Franchise Agreement with Northern States Power (NSP). This new ordinance grants NSP the right to provide electric energy for 20 years within certain areas of the city not served by OPU, currently NSP serves 35 customers. Council approved the first reading of this proposed ordinance during the January 3, 2023 meeting and there have been no changes since. Council Member Raney made a motion for approval, Council Member Boeke seconded the motion. With a roll call vote, voting aye were Raney, Svenby, Voss, Dotson, Burbank, Boeke and Schultz; the motion carried. This will be known as Ordinance 1642 to be effective May 1, 2023.

Ordinance 23-02: Electric Franchise Fees – Northern States Power

City Attorney Walbran presented the second/final reading of proposed Ordinance 23-02, the Franchise Fees for the proposed Franchise Agreement with Northern States Power (NSP). The new rate would become effective on May 1, 2023. Council approved the first reading of this proposed ordinance during the January 3, 2023, meeting and there have been no changes since. Council Member Burbank made a motion for approval, Council Member Voss seconded the motion. With a roll call vote, voting aye were Boeke, Raney, Svenby, Voss, Dotson, Burbank, and Schultz; the motion carried. This will be known as Ordinance 1643 to be effective May 1, 2023.

Resolution 16-23, Summary Publication of Ordinance 1642– Electric Franchise Fee Agreement with Northern States Power

City Attorney Walbran requested approval of Resolution 16-23 authorizing summary of Ordinance 1642, the Electric Franchise Agreement with Northern States Power. Council Member Dotson made a motion for approval, Council Member Burbank seconded the motion, all members voted aye for approval.

Ordinance 23-03: Establish Chapter 121 – Sale of Cannabinoid Products and Ordinance 23-02: Amend Chapter 35, Fees & Charges for Sale of Cannabinoid Products

City Attorney Walbran presented the first reading of proposed Ordinance 23-03 to establish Chapter 121, Sale of Cannabinoid Products in the 2015 Code of City Ordinances.

State Legislature is currently debating State Legislature (HF 100) which broadly covers the regulation of marijuana, including "Lower potency edible products" which are similar to, but not exactly the same as the edible cannabinoid product allowed since the summer of 2022. Among other things, House File 100, provides for the licensing of lower potency edible products, and regulations governing retail operations. The proposed House Bill preempts local control by cities in many respects. A City can't prohibit the establishment of a cannabis business licensed under the law. However, a city can adopt reasonable restrictions on time, place, and manner of the operation of a cannabis business, for example, prohibiting the operation of a cannabis business within 1,000 feet of a school and certain other establishments.

If State Legislature adopts its bill, some provisions of our ordinance would be preempted, and others likely amended. It is anticipated that the 2023 Legislature will adopt further regulations for the retail sale of edibles. Pending such further statutory regulation, City staff recommends that the City Council adopt reasonable regulations supplementary to the 2022 statute.

Council members proposed varied comments/questions about the proposed ordinances:

Council Member Voss asked if the state legislation includes enforcement or is this the responsibility of local law officers?

Council Member Boeke commented the application fee should be more than the proposed \$500 amount.

Council Member Svenby commented previous discussion included an additional requirement be added to the proposed ordinance which requires product be viewable at the retail store.

Council Member Dotson requested justification for the city ordinance.

Council Member Voss asked what strength of CBD product the proposed ordinance would regulate, is this for gummies or full-strength products.

Council Member Raney asked if licenses would be similar to alcohol with license type for particular products.

City Attorney Walbran commented the ordinance will regulate the product currently approved by State Legislation. If legislators adopt the current cannabinoid bill, there will be stores licensed for exclusive sales for these products.

Council Member Raney commented a license fee amount should cover the cost of regulation and suggested Captain Mundale provide estimate of enforcement.

Council President Schultz commented changes could be made for the second/final reading of the proposed ordinance.

Council Member Boeke commented he wants an ordinance as restrictive as possible and suggested the application fee be increased to \$1,000.

City Attorney Walbran commented he will amend the proposed ordinances with suggestions heard.

Council Member Svenby made a motion to table action on these proposed ordinances until the next meeting, Council Member Dotson seconded the motion. Members voted and the motion passed, Council Member Boeke voted nay.

Resolution 11-23 – Accept Land Transfer - 6' Strip in 300 Block N Cedar Avenue

Community Development Director Klecker requested approval of Resolution 11-23 to accept title to a 6-foot strip of land on the west side of North Cedar Avenue in front of the "Insty Prints" building at 306 North Cedar Avenue and the building formerly known as the site of "Completely Kids" at 312 North Cedar Avenue to cure a defect in title to those properties. When the plat of the

Original Town of Owatonna was surveyed in 1855, the lots on the west side of the 300 block of North Cedar Avenue were 66 feet in width and 132 feet in depth. In 1874 the larger lots were subdivided into narrower lots with depth of 126 feet leaving a 6- foot strip on the east side of the original lots. Since 1874 the 6-foot strip for all intents and purposes became part of the street right-of-way. Because the sublots do not include the east 6 feet of the original lots, the Title Company handling the closing of the sale of both buildings could not determine the legal owners of the 6-foot strips. Council Member Raney made a motion to approve Resolution 11-23, Council Member Burbank seconded the motion, all members voted aye in approval.

Resolution 12-23 Conditional Use Permit – Jersey Mikes’ Drive Thru

Community Development Director Klecker requested Council approval of Resolution 12-23 to approve Conditional Use No. CUP-3 requested by Quenton Scherer, Metro Equity, LLC. This is a request to construct a 1,500 square foot addition to the south side of the existing building for a drive-thru sandwich shop at 1045 Frontage Road West. Council Member Voss made a motion for approval, Council Member Dotson seconded the motion, all members voted aye for approval.

Resolution 13-23 MnPFA \$35,000,000 Note Agreement – WWTP Project

Finance Director Moen requested approval of Resolution 13-23, to purchase a General Obligation Sewer Revenue Note, Series 2023, in the original aggregate principal amount of \$35,000,000 from the Minnesota Public Facilities Authority (PFA). The interest rate on this note will be at 1.915%. It is estimated that the City will save \$3,890,400 in interest costs compared to market rate financing. The funds received from PFA will provide for a major upgrade and expansion of the wastewater treatment facility. The first draw on the funds will depend on timing but will likely occur in February. The draw cannot occur until:

- Note resolution is approved and executed
- Closing Certificates and Note are fully executed by the City and the PFA
- Resolution filed with Steele County
- Receipt of a signed Certificate from Steele County

Council Member Dotson made a motion to approve Resolution 13-23, Council Member Boeke seconded the motion, all members voted aye for approval.

Resolution 14-23 Approve Agency Agreement with MnDOT for Federal Participation in Construction

Assistant City Engineer Murphy requested approval of Resolution 14-23 authorizing Agency Agreement No. 1052160 with the Minnesota Department of Transportation. This agreement allows for MnDOT to act as the City’s agent in accepting federal aid funds for the construction, improvement or enhancement of transportation financed either in whole or in part by Federal Highway Administration federal funds. This Agreement is intended to cover all federal aid projects initiated by the Local Government and therefore has no specific State Project number associated with it. Additional terms and conditions are outlined in the attached agreement. Council Member Raney made a motion to approve Resolution 14-23, Council Member Boeke seconded the motion, all members voted aye in approval.

Resolution 15-23 Approve Report and Set Public Hearing Date – 2023 Havana Road Project

Assistant City Engineer Murphy requested approval of Resolution 15-23 approving the 2023 Havana Road Feasibility Report and setting a date for the Preliminary Assessment Public Hearing. City Council previously ordered preparation of the 2023 Havana Road Feasibility Report, the existing street improvements have exceeded their useful life. The project involves reconstruction of Havana Road from Truman Avenue to Smith Avenue at an estimated total cost of \$1,179,226.63. A Preliminary Assessment Public Hearing will be held on such proposed improvement on March 7, 2023. Council Member Boeke make a motion for approval, Council Member Burbank seconded the motion, all members voted aye for approval.

WWTP Facility Expansion Change Order #2

Assistant City Engineer Murphy requested approval of Change Order #2 for the Wastewater Treatment Facility Expansion Project. Work Change Directives (WCDs) are created as a means to address construction issues, design clarifications, and interdisciplinary coordination, just to name a few. WCDs, which are approved administratively, serve as changes to the contract. Due to the nature of the project and the current shipping and manufacturing climate, administrative approval is required to reduce delays and lock in shipping dates and prices. Administrative approval follows all requirements outlined by City audit procedures. There are 13 WCDs in Change Order 2, they are outlined in the WCD Log and detailed information on file in the Engineering Department. The work change directives as outlined will result in an \$89,899.14 price decrease amending the current contract price for the project to \$55,883,200.86.

Purchase 2023 Elgin Pelican Street Sweeper

Assistant City Engineer Murphy requested authorization to purchase a 2023 Elgin Pelican Street Sweeper. The City uses two street sweepers and one truck to clean the streets, it would not be cost effective to add an additional sweeper. A 2018 Elgin Pelican Street Sweeper will used towards the purchase with current trade value at \$88,000.00. The purchase price of the 2023 Elgin Pelican Street Sweeper is \$250,751.58, after trade in, the total purchase cost will be \$162,751.58. Council Member Dotson made a motion to approve this purchase, Council Member Boeke seconded the motion, all members voted aye in approval.

Kaplan Trail Connection Construction Contract with P&R Construction

Park and Recreation and Facilities Director Tuma requested Council to accept the bid received from P&R Construction for construction of the Trail Connection at Kaplan's Woods. This is part of CIP Project P&R-20-019, the trail connection from the boat landing to 18th Street Trail, bypassing the parking lot. The project was bid through the procurement software with four firms bidding the project. P&R Construction submitted the low bid of \$97,955.40. P&R Construction has done contracted work for the city before at Manthey Park. Grant funding and CIP funding will be used towards this project. Council Member Raney made a motion for approval, Council Member Dotson seconded the motion, all members voted aye in approval.

Staff Updates

Troy Klecker, Community Development Director commented construction of the t-hangar at airport is completed. Nine of the ten new hangars have been leased, two were relocated from

other hangars so currently there are three hangars and some additional storage space in the hangars available to lease. Staff began all operations at the airport the beginning of December. Excel Aviation is currently in process of hiring a mechanic which we hope an agreement can be made for mechanical services also available to the general public. Economic development projects vary, tonight Council took their first step for the Riverfront Project and there will be many more for Council consideration during the next several months. This project has been in consideration for eighteen months and should be completed during the next 16 months. People are also getting excited about smaller proposed projects like the Jersey's Mike drive-thru and the Scooter's Coffee Shop.

Sean Murphy, Interim Director Public Works commented a study on the current sanitary sewer system is nearing completion. This study will show growth, inaccuracies, and deficiencies which could limit future growth. The Surface Water Management Plan will identify flooding areas is also almost complete; both of these items will be brought to Council when completed. The roundabout on 18th Street/Bixby Road is moving forward in design, Steele County will be meeting with property owners affected. Progress is being made on the east-side corridor project and property owners will be invited to an informal meeting within the next few weeks for discussion. Also thanked the snowplow drivers for keeping the streets cleared and asked everyone to be mindful to stay back as far as you can to allow them room to work.

Jenna Tuma, Park & Recreation and Government Buildings Director shared a picture of skaters enjoying the new ice rink at Buecksler Park. The rink is being used and staff just received request for a neighborhood party. Winter Weekend Out is planned for the last weekend of January. Hoping spring will be early this year, have been selling annual golf memberships. In process of hiring a Golf Superintendent, hope to have this position filled by mid-February so ready when spring arrives.

Public Comments – none were heard.

Council/Administration Comments and General Information

Council Member Raney commented he has driven by Buecksler Park several times and seen lots of kids skating. Hopefully, the grass will be OK when the tarp is removed in the spring and if so, this on-land rink may be the best way to offer skating opportunities. His question of business owners receiving double bills hasn't been resolved, account at JJD advised him they are working on this and hopefully this will be resolved.

Council Member Svenby commented he attended the breakfast at the Plaza Morena on Martin Luther King Jr Day and thanked the Owatonna Human Rights Commission, Riverland Community College and Jose at the Plaza for sponsoring.

Council Member Voss commented he also attended the MLK Breakfast, and it was good. He asked Assistant City Engineer Murphy what residents should do if they see a sidewalk that hasn't been cleared. Murphy explained requests are received complaint based, it is the City's policy allows property owners 24 hours after a snowfall to clear their sidewalks and if complaints are received a walk is not cleared after 24 hours, we inspect and send a letter advising they have 3 days to clear and then we will request service to clear and charge the property owner the cost plus an administrative fee.

Council Member Boeke it is nice that residents have an option to walk indoors at the tennis center.

City Administrator Busse City staff is invited to attend our first All-Hands On Meeting tomorrow afternoon. City offices will be closed from 12:30 p.m.- 3:30 p.m. for this staff development meeting.

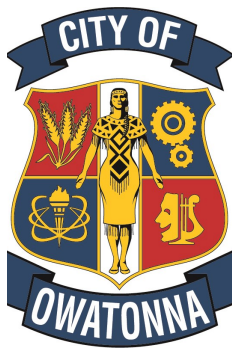
Council President Schultz wished everyone a good night.

Adjournment

At 8:14 p.m., Council Member Raney made a motion to adjourn, Council Member Boeke seconded the motion, all members voted aye in approval.

Respectfully Submitted,

Jeanette Clawson, Administrative Specialist



Board - Commission Minutes

OWATONNA PLANNING COMMISSION MINUTES FOR JANUARY 10, 2023

The Owatonna Planning Commission met in regular session at 5:30 pm in the Council Chambers of the City Administration Building with Chairperson Kelly Rooks conducting the meeting. Present at roll call were Commissioners David Effertz, John Eickhoff, Mark Meier, Nick Peake, Kelly Rooks, Rachel Springer-Gasner, and Mark Wilson. Community Development Manager Greg Kruschke and Planning Technician Kristen Kopp were also present.

A motion was made by Meier and seconded by Peake to approve the minutes of the regular meeting of December 13, 2022. All Commissioners voting Aye, the motion carried.

Conditional Use No. CUP-3, which is a request by Quenton Scherer, Metro Equity LLC, to construct a 1,500 square foot addition to the south side of the existing building for a drive thru sandwich shop on the subject property at 1045 Frontage Road West, was presented by Community Development Manager Greg Kruschke. (Refer to report on file.) Public hearing opened at 5:34 p.m. No comments were made regarding this request. Public hearing closed at 5:35 p.m. Commissioner Eickhoff said he thought this was great. A motion was made Eickhoff and seconded by Effertz to recommend City Council approval of this conditional use permit request with the following conditions:

- 1) Prior to issuance of the building permit, the City and Owatonna Public Utilities shall approve all grading, drainage, and utility plans.
- 2) All signs shall have a sign permit issued.
- 3) A directional signage plan for the drive thru shall be submitted and approved by the City of Owatonna.

All Ayes, motion carried.

Development District 19 (Ascend Riverfront Project) TIF Compliance was presented by Community Development Manager Greg Kruschke. (Refer to report on file.) A motion was made by Springer-Gasner and seconded by Wilson to approve the TIF Compliance. All Commissioners voting Aye, the motion passed.

Kruschke presented the 2022 Building Reports. He said that the total Valuation does not include CDI, which will be permitted this year. This also doesn't include the \$94 Million for the new high school. Single family house permits were down, but there were a total of 231 new housing units with the apartments.

The next meeting is February 14, 2023. Kruschke said he thinks there will be a couple of items on that meeting. He said that we will be in the Council Chambers until April, and then will be meeting at the Owatonna Public Library. In April, we'll be putting out an RFP for the Comprehensive Plan.

There being no further business to come before the Planning Commission at this time, a motion was made by Meier and seconded by Peake to adjourn the meeting at 5:40 pm. All Commissioners voting Aye, the motion passed.

Respectfully Submitted,

DRAFT

Unapproved Minutes of Owatonna Public Library

Board of Trustees

Owatonna Public Library, Gainey Room

105 North Elm Avenue

Tuesday, January 17th, 2023 4:30 PM

The Owatonna Public Library Board of Trustees held the monthly meeting on Tuesday, January 17th, 2023. The meeting was held in the Owatonna Public Library Gainey Room. In attendance were President Trudy Severson, Vice President Karen Malin, Trustee Meredith Erickson, Library Director Mark Blando and Administrative Assistant Robin Spande. Absent was Trustee Julianna Skluzacek.

Call to Order

The meeting was called to order by President Severson at 4:35 pm.

1. Reminder of Open Meeting Law

The open meeting law applies to the board meetings.

2. Public Comments

No Public Comments

4. Approve Minutes

Trustee Erickson moved and Vice President Malin seconded to approve the minutes of the December 2022 meeting with two slight corrections to page one. All aye and the motion approved.

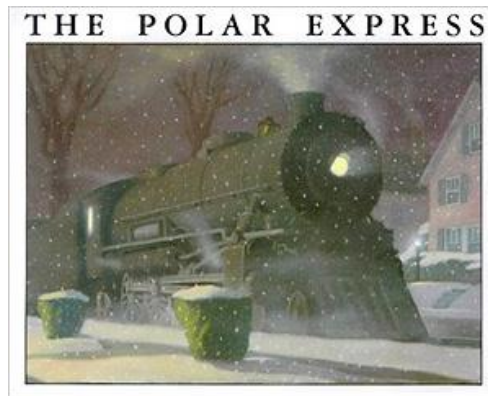
5. Financial Report

Blando reported that there is not much to report since we are at the very beginning of a new year. However we are now fully engaged in the new Open Gov financial software. The software has gone through some transitions but the revised version is more user friendly.

6. Children's Services Report for December 2022

December began with visits to Early Childhood Family Education at Roosevelt and at the Owatonna Education Center. Darla Lager read dinosaur stories to five separate groups of children and adults throughout the day for a total of 119 people.

Storytime was held the first two weeks of December on Tuesdays at 9:30 and 10:30 AM. The four sessions of Storytime were attended by 63 people.



The Polar Express by Chris Van Allsburg ©1985 Houghton Mifflin

First and Second Grade Class Visits

Each December, area first grade classes are invited to the library for a visit. They have a tour, listen to the *Polar Express*, and check out books. Because of Covid-19, this is the first time in a few years the first grade classes were able visit in December. Because of missing last year, one school brought second grade. Their visits are as follows:

- On Friday, December 9, St. Mary's First Grade visited the library bringing 28 students and teachers.
- On December 14, Lincoln First Grade brought five classes in three visits. A total of 114 children and adults attended that day.
- On Friday, December 16, two classes from Washington Elementary, 42 people, visited the library.
- A second group, two additional classes from Washington Elementary, 48 people, visited on Monday, December 19.
- Five classes, in two groups equaling 109 second graders and teachers, from Lincoln Elementary also visited on Monday, December 19.
- Medford Public Schools brought a busload of 86 students, teachers and parents on Tuesday, December 20th.
- Wilson Elementary's visit was postponed due to weather.

During those two weeks of December, the library was visited by 427 students, teachers and parents.

Darla Lager
January 17, 2023

7. Library Use Report

CKI & CKO - physical items				Dec-22		CKI & CKO - physical items				Dec-21	
bp	Checkin	Normal CKI	1,113			bp	Checkin	Normal CKI	1,036		
bp	Checkin	Late Checkin	272			bp	Checkin	Late Checkin	313		
		BP TOTAL CKI	1,385					BP TOTAL CKI	1,349		
bp	Checkout	First Time CKO	1,126			bp	Checkout	First Time CKO	970		
bp	Checkout	Phone Renewal	110			bp	Checkout	Phone Renewal	73		
bp	Checkout	Other Renewal	52			bp	Checkout	Other Renewal	35		
bp	Checkout	Opac Renewal	155			bp	Checkout	Opac Renewal	132		
bp		BP TOTAL CKO	1,443			bp		BP TOTAL CKO	1,210		
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CKI & CKO - physical items				Dec-22		CKI & CKO - physical items				Dec-21	
owat	Checkin	Normal CKI	9,019			owat	Checkin	Normal CKI	7,490		
owat	Checkin	Late Checkin	2,129			owat	Checkin	Late Checkin	1,811		
		OPL TOTAL CKI	11,148					OPL TOTAL CKI	9,301		
owat	Checkout	First Time CKO	9,744			owat	Checkout	First Time CKO	7,801		
owat	Checkout	Phone Renewal	214			owat	Checkout	Phone Renewal	256		
owat	Checkout	Other Renewal	307			owat	Checkout	Other Renewal	355		
owat	Checkout	Opac Renewal	948			owat	Checkout	Opac Renewal	969		
owat		OPL TOTAL CKO	11,213			owat		OPL TOTAL CKO	9,381		
New Borrowers Dec 2022				Library Visits Dec 2022							
bp	5			bp	775						
owat	281			owat	5,284						
ILL/Loaned Dec 2022				ILL/Borrowed Dec 2022		ILL/Loaned Dec 2021				ILL/Borrowed Dec 2021	
bp	365			bp	194	bp	342			bp	269
owat	985			owat	1,018	owat	1,182			owat	941

8. Upcoming Programs

Blando stated the movie “Till” will be showing Thursday January 26th at 2:00 pm in the Gainey Room. The winter reading program will be ramping up in February. Laura MacKenzie will be performing Celtic music in March. We are expecting presentations from authors Arn Kind as well as author Doug Ohman.

9. SELCO Updates – Trustee Erickson

Trustee Erickson stated that she serves on two committees with in SELCO, the Legacy Resource Committee as well as the Strategic Planning Committee. They review grants for local libraries as well as line up speakers. The SELCO group is a group of dedicated Library enthusiasts who are very much engaged.

Blando also stated that the technology fees should be decreasing in the new future. These fees consist of our ILS system, Pharos and Administrative fees.

Blando said that a search will be put in place to replace Trustee Christy Tryhus who recently resigned, as well as Trustee Meredith Erickson who will be retiring from the Board in May.

10. Renovation and Library Update

Blando stated that tomorrow (January 18th) a City-Wide All Hands meeting will be held at the Art Center that will be for all City employees. Therefore, the Library will be closed from 12 noon until 3:30 so that all employees are able to attend. Trustee Erickson stated that she would like to receive feedback from the meeting.

The City Chambers remodel will begin in April. While this is happening the Council meetings will take place in the Library Gainey Room on the first and third Tuesdays of the month.

Blando said that the 3D printers are on order and the Makerspace is slated for this spring.

Adjourn

A motion to adjourn was made by Trustee Erickson and seconded by Vice President Malin. All aye. The meeting adjourned at 5:30 pm.

The next meeting will be Tuesday, February 21st at 4:30pm.

Respectfully submitted by Robin Spande

**EDA
Minutes
January 18, 2023**

The Owatonna Economic Development Authority met in regular session at 4:00 PM at the City Council Chambers with Vice President Voss presiding. Commissioners present: Dan Boeke, Brenda DeVinny, Kevin Raney, and Doug Voss. Commissioners Brenda Andrew Cowell, Corey Mensink, and Tom Peterson were absent. Also present were Troy Klecker, Bill Owens, Brad Meier, Lisa Cochran, Glenda Smith, Dave Beaver, and Kristen Kopp.

Approval of Minutes. Commissioner Boeke moved approval of the minutes of the December 14, 2022 meeting with second by Commissioner Voss. All Commissioners voting Aye, the motion passed.

Treasurer's Report. Troy Klecker presented the revenue and expense reports for December. He said they are the preliminary year-end numbers. Tourism dollars have yet to be paid. With that payment going out, we'll probably be about 3% under budget – right where we want to be. There might be a few things that trickle in, but we're right where we expected to be.

Loan Report. Bill Owens presented the Loan Report for December. Owens said that loans are being paid as agreed with the exception of Wagner's Lunch. Klecker said he did check just before the meeting. There were two months where the payments were returned, but the next two months went through. It makes sense that we make contact with Wagner's Lunch on those two months to work something out. They could pay \$100 more a month until they're current—just so they make some attempt. Where we run into problems is where we ignore that two payments are missed. Klecker said we could start with Owens making contact.

OACCT Report. Chamber Director Brad Meier presented the OACCT Report for December. Workforce Coordinator Megan Horton has moved on. They had a meeting with their partners and had a strategic planning session with employers to evaluate the position and talk about next steps. They will be tweaking that job description. Riverland's application period goes through February 7 for the President. It could take three to six months to fill. Northstar Ideas will be here next week for the community wide branding initiative. The Chamber Growth Breakfast is at Torey's tomorrow and they're hosting Hamilton Real Estate and the owner of the new Roma's Italian Eatery. He said OPED has been working with a development team on Motel 6. Boeke asked what the hotel property is worth. Meier said that what's still owed to the bank plus property taxes is about \$3.5 Million and they've estimated \$10 Million to bring it back to life. Klecker said that this is what happens when money isn't put into a facility. The property remaining as a hotel and conference center is unlikely.

MainStreet Report. MainStreet Director Lisa Cochran presented the quarterly MainStreet Report. She said she needs to send quarterly reports to MN MainStreet, and decided that it's the report the EDA should get as well. She fills this out every quarter. This report includes businesses that are new or expanding and closed businesses within the MainStreet district. There are a lot of events listed. MainStreet didn't facilitate or help with all of the events, but because they took place within the district, they are included. She said when people say there's not a lot

to do in Owatonna, she wants to hand them this list. There is a lot going on, just in the downtown area. She said that if they'd rather see something different, to let her know. The last pages of the report is a story report and for fourth quarter, she reported on the parade. Raney asked if MainStreet is involved in Bold and Cold. She said they support it and help promote it. Voss asked if they've had any success with the GoFundMe for holiday lights. She said they've had a couple people donate through GFM and some walk into the office with a cash donation. She has an interview with Owatonna Live that will help next week. Voss said that Central Park looked really nice this year. Cochran said that they still do—they will be up through Bold and Cold.

Tourism Report. Tourism Director Glenda Smith presented the quarterly Tourism Report. She gave a couple of highlights. They were awarded a grant through Explore MN for a 1:1 match on \$20,000 for January through June 2023. They did have to fully reconcile their 2022 grant. They've been working on community-wide branding. The branding partner will be here next week and will be putting together a community wide survey. In 2023, they are focusing on group tours, meetings, and accessibility and translation services. This is a good opportunity for us. She said that occupancy for 2022 vs. 2019 was down 5.3%. There were 30 group tours in 2022. There were approximately 354,000 event attendees. There were 28 tournaments, 12,000 visitor guides, and 1,150 welcome bags distributed. They have 8,000 followers on Facebook and Instagram. They did some extra marketing for Hometown Holidays. DeVinnny said with the grant only coming for six months, do we have the whole year to spend the grant. Smith said, no, it has to be spent in the first six months. Boeke congratulated Smith on the \$20,000 grant. Smith said that 2022 is going to be a good benchmark year. Voss said that, looking at the occupancy numbers, 2022 looks a little disappointing. He wondered if this happens to do anything with the new hotel. Smith said that she guesses it has to do with the Motel 6. She gets the numbers from the State. Raney said he had the same question and wondered if we could get the number for each hotel for the month. Smith said that it's for all hotels – she can't see what each individual one is. There are over 600 rooms in Owatonna. The report number is 561 rooms. Voss said the concern he has is that there are plans to build another hotel. Klecker said it's an interesting time in Owatonna. The new Courtyard is 106 units. Motel 6 closing may skew it again. Home Suite is planning to build another 88 units over by the theater. It's hard to say what's happening or what's not happening until things settle down a bit. We will know more at the end of the year than we do now. When you add 106 rooms, the occupancy rates will go down. Smith said that there were more hotel rooms occupied in 2022. Raney said that he thinks that's more important. Smith said rates are also up from the last year. What they're receiving is higher. It's a moving target.

OPED Report. Troy Klecker provided the OPED Report. He said they're finalizing their strategic plan and will give a report when it is complete. They continue to work on housing, which is a group effort. You never know which developer is willing to do something. Brad mentioned the branding efforts. They just finished up the next five articles for Livability.com. That contract is through next year.

OABDC Report. Bill Owens presented the OABDC Report for December. He said consulting is 108 hours for the year. It's taking off quite well in January. Occupancy stayed the same. Klecker said that the board met earlier this week. There was a lot of discussion about being more proactive and strategic about getting new business startups. They had been trying to get the budget up to a point that's sustainable, and that has been accomplished. They are developing a

plan which includes a maker space at the Business Center. The lease agreement is expired and the EDA discussed this last year. The game plan is being worked on and developed and will be presented to the EDA so they can move forward with that lease. They are meeting every two to four weeks to work on this. Boeke said he just joined that board. They were able to break even mostly through storage. He said they've discussed whether they want to get back to helping businesses start and sacrifice that revenue from storage. Klecker said that there was an effort to get it back up to sustainable. It has been sustainable, but that was at a cost to the mission a bit. Now they know they might be sacrificing some revenue to do that. Raney said that MSB has a forgivable loan and wondered what are the processes once they move into their new building. Klecker said that was back in 2019 and they might hit the five-year residency mark by the time they move. If we don't hit it, it will be within months.

Airport Report. Beaver said 2022 was a good year for them. The new T-Hangar building was open for occupancy early November. There is one unit left. Fuel volumes are up and the flight schools are doing well. Students are coming from all over. They are looking for an aircraft mechanic. Boeke asked about the security fencing. Beaver said that they have a grant for it. The tenants are looking forward to that. The occupancy of the new hangar are from Lakeville, Rochester, etc. Voss asked if they can do another hangar. Beaver said they can look at it. There continues to be a big demand. This was a \$1.6 Million project with a local share of approximately \$10,000. Klecker said they'd have to structure it differently, unless our Federal allocation amount would increase. They'd have to financially set it up differently. Raney asked if more hangar space equates to more need for a mechanic. Beaver said he's not sure there's a correlation. Retirements are happening and no one new is coming in. He said there is an aircraft mechanic shortage.

EDA Projects. Community Development Director Troy Klecker presented the EDA Projects for December. Cemstone is continuing to work on their project, as well as Monson Eye Care. He will be meeting with Oscar about the Bubba's building to figure out what the game plan is as their costs have gone up considerably. Roma's restaurant is under construction in the old Jerry's building. There is still nothing for 117 W. Bridge or 148 W Main. Kamp Automation closes on February 7. Scooter's Coffee sale was completed yesterday and they're looking at a spring construction. Voss asked when we sell a property, where does that money go. Klecker said that it will go into the EDA land account. It's a revolving fund. We want money to come back in so we have money to do the next project. Raney asked about how we're marketing the Bridge Street property. Klecker said it's listed on Owatonna Development website, on a national real estate website, and there is a sign on the building. Those are the most typical ways you would list it for sale so people can see it. Raney asked about the garbage cans in front and said that they shouldn't be on our property. He asked what the market value is. Klecker said that they have about \$350,000 into it and they'd like to get that back out. It could be paid back in TIF. That came out of the EDA land fund, and we would want it to go back into that fund so we can do more projects. Raney asked how many buildings are not occupied in the downtown. Cochran said there are 11 vacant buildings that don't have a business in them. That includes buildings that are under construction.

Schedule Next Meeting. The next EDA meeting is scheduled for **February 15, 2023** at 4:00 PM at the City Council Chambers.

Adjournment. There being no further business, a motion was made by Commissioner Boeke and seconded by Commissioner DeVinny to adjourn the meeting at 5:02 pm. All Commissioners voting Aye, the motion passed.

MINUTES
OWATONNA HOUSING AND REDEVELOPMENT AUTHORITY
REGULAR MEETING on JANUARY 23, 2023

The regular meeting of the Owatonna Housing and Redevelopment Authority was called to order at 4:00 p.m. in the 2nd Floor Conference Room by Chairperson Olivo.

Members present were Nathan Dotson, Shari Kropp, Vicky Olivo, and Hussein Osman. Also present were Housing Manager Ghassan Madkour, and Community Development Director Troy Klecker.

Approval of the Minutes: Chairperson Olivo called for a motion to approve the minutes of the November 28, 2022, meeting. A motion was made by Dotson and seconded by Osman to approve the minutes. All Commissioners voting Aye, the motion carried.

Executive Directors Report: Klecker gave project updates. He said that single family numbers for last year were down a bit – 16 compared to 40 the year before. That's an area we really want to see improved and have been working with developers. We had a developer, Troy Schrom, that did develop some lots on Maple Leaf Drive last year. He is going to put up a spec home, which is encouraging. They have one developer looking at developing additional land out by the water park. That could be done as soon as this year, and they could build on those lots fairly soon. There is another developer looking at developing vacant land over by McKinley School and 20th Street NE. It's a little tougher to develop because it has some wetlands on it. There are probably 20 lots there. The first phase of the development by the water park would have a mixture of single family homes and townhomes. It's encouraging to have some developers looking at opening up some property. Those are all good signs. There are two apartment projects under construction. The one on 26th and Cedar is going kind of slow. The development behind Lowe's is progressing pretty well. The downtown Riverfront project, Ascend, will be four levels of higher end apartments. They're also looking at another tax credit project for Eastgate II and that could be as many as 49 units. They're working through the application process. It likely wouldn't start construction until 2024. In the last week, he's talked to two new developers. The interest level in doing housing has really picked up this winter and is looking very promising. The more we can get, the better—from executive housing to the tax credit projects. United Way of Steele County did a gap analysis to address gaps in the community, one of which is affordable housing. Klecker said that he's one of the chairs of the housing group. They had a landlord summit last Friday. Ghassan talked about the voucher programs and Karina Schmitz with United Prairie Services talked about some programs as well. We do have unused vouchers right now, and if we had more landlords willing to participate, we could get more of our units affordable. The second part was a listening session with the landlords to better understand the challenges and obstacles. There is a group working on the affordable housing piece. Olivo asked how attendance was. Klecker said there were probably 12 to 15 or so there.

Old Business: The Housing Choice Voucher program monthly report was presented by Madkour, including the City of Owatonna monthly balance sheet and revenue/expense report. Program utilization: The Housing Voucher program for December totaled 120. Total year to date assistance and administration costs were \$712,031.81 and revenues were \$636,917.74. The Housing Choice Voucher Program fund balance at December month end is \$174,117.55. Madkour provided City of Owatonna HRA monthly balance sheet and revenue/expense reports for the HRA General Fund including the Bridges Programs. The HRA Revenues year to date total is \$479,848.47 and the expenses total \$414,237.66 The HRA General Fund balance is \$494,712.19.

Madkour gave updates on the Housing Choice Voucher program. He said they're currently sitting at 84 of 113 vouchers that are active. There has been a lot of activity and a lot of applications coming off the waitlist. There are 24 people shopping for HCV vouchers, and of those, six are Mainstream. He said he sent out 28 applications and nine came back. We're now at 30 of our 40 vouchers for Mainstream and there are a bunch out there shopping. Bridges is currently at 30 for Bridges regular and 10 for Bridges like. Bridges came out with their new application and that's due mid-February for the new grant that starts

July 1 of this year. He said he's going to speak with Ellie at Minnesota Housing with regards to any money that's left over. He said they have CMAP (?) this year. He said he has to send in all our numbers to HUD as to where we stand and they look at the portions of what we're supposed to be doing. Are we doing our rent reasonableness? It's more of an accountability thing that they do. With our agency, it's every two years. He said we should get an excellent on this score. A lot of the scores depend on how accurate our paperwork is. There is a lot of movement right now. Social workers are very busy.

A motion was made by Kropp and seconded by Osman to approve the reports as presented. All Commissioners voting Aye, the motion carried.

Old Business: Madkour said that he put a chart together showing the activity of all applications. It shows the return to senders, no applications returned, additional paperwork not returned, applications received late, vouchers that expired, no shows to orientations, zero HAP for 180 days (which is a HUD rule), if they chose to leave the program, ports that were cancelled, ports that were absorbed from someone else, if they were terminated, or deceased (he had four on the program and two that were shopping that passed away last year). Just for HCV alone, the total was 120. Mainstream was 24, and Bridges was 43. So that's a total of 187 people of which there was some kind of action, if not multiple actions, that I had to take, and they disappeared. There's a ton of activity here. He said he already started the 2023 chart, and that's already at five. He also had a chart of port ins and port outs specific to the HCV and Mainstream. There are 84 for regular HCV and 30 for Mainstream. There is a ton of activity with people shopping. He's had to turn down some units because they didn't have minimum safety features. He showed one more chart showing anyone that was on the program in 2022, but came off for some reason or another. There has been a total of 35 that were on the program and came off for various reasons, listed on the chart. He said that someone who just started the Bridges program in January and got good jobs, both husband and wife, and they are over income. This is a good thing, but all that work and all that activity to get them on for a month, and then they're off. You just don't know. History says that one of those people will probably quit their job to keep the program, not because they're being selfish or taking advantage of the program, but because they're afraid of losing their job and what to be ready with the program. It's more of an insecurity. This is one reason people want to stay on. When they want to come off by choice, he gives them many warnings – when they come off, they're off. They can't come back on the next month. They can always reapply. He said he encourages them to put their name back on the waitlist, because that can't hurt. He said these charts help a lot as long as he's updating it.

New Business: Madkour wanted to adjust Repair Allowances for the Homeownership Program. This program is similar to HCV, but instead of renting, they own a house through the USDA program. They'll have a mortgage and will pay a portion and we'll pay a portion. So it's like renting, but going toward owning the house. One of the allowances on there is a repair cost. The agency can choose to set a percentage of that repair as an allowance, sort of like a utility allowance. He said he was talking with a couple agencies and they have a certain percentage. He'd like to discuss this and put it in the admin plan of what a number can be for that. He said he and Klecker were thinking somewhere around 5% of their total repair expense. Klecker said the reason we're bringing it up is that we have someone on the program that is requesting assistance. Dotson said if the budget allows for it, he's okay with it. Olivo said she had a concern. Unless you have guidelines to go by so it's equitable for everyone who would want this assistance. Klecker said that's what this would be, so that anyone in that situation would have that assistance. Dotson asked if there would be a capped dollar amount on it if there was a scenario where someone did a significant amount of repairs. He said we probably should have something in place to put a cap on it. Kropp said she likes having a cap. She asked if it could be for any type of repair that they have. Madkour said yes, but we could designate the kind of repairs. We could set guidelines. Kropp said that she was thinking along the lines of unpreventable repairs, verses someone that does no maintenance and doesn't take care of things. Madkour said things such as tornadoes and bigger things. Klecker said one of the more expensive ones would be a new roof. That's a pretty good chunk of change. Madkour said the only thing he knows about is a percentage, but he can get ahold of some other agencies to see what they do. Kropp said if he can come back with a proposal, she would appreciate looking at the parameters or guidelines. Madkour said he can do that.

Olivo said that she was curious about the tiny homes on 22nd Street NW. Klecker said that that at the last meeting, they gave permission to move forward. The first step would be replatting it. There are some issues with title and he has Mark Walbran working on that. There is a gap in the description of the lot, which he isn't surprised about. Once we have a saleable lot, we would do a request for proposal for an affordable housing project.

The next meeting will be Monday, February 27, 2023.

Adjournment: There being no further business, a motion to adjourn was made by Kropp, seconded by Dotson. All Commissioners voting Aye, the motion carried. The meeting adjourned at 4:45 p.m.

Respectfully Submitted,
Ghassan Madkour
Housing Manager



Department Reports

COMPARISON REPORT OF BUILDING DONE IN CITY OF OWATONNA IN YEARS 2022 AND 2023											Ken Beck, Building Official				
	DWELLINGS		ACCESSORY		COMMERCIAL		INDUSTRIAL		ADD. & ALT.		DUPLEX/APTS		DEMO	TOTAL	
Month	NO.	VALUE	NO.	VALUE	NO.	VALUE	NO.	VALUE	NO.	VALUE	NO.	VALUE	NO.	NO.	VALUE
Jan '22	0	0	4	7,640	14	104,970	11	3,775,051	68	419,719	0	0	0	97	4,307,380
Jan '23	0	0	5	16,600	8	443,880	7	5,117,850	66	494,614	0	0	0	86	6,072,944
Feb '22	0	0	12	22,742	24	1,753,403	16	4,817,476	139	855,061	0	0	0	191	7,448,682
Feb '23															
Mar '22	5	1,901,925	33	67,493	35	2,161,547	26	5,560,379	284	1,747,846	0	0	1	384	11,492,265
Mar '23															
Apr '22	5	1,901,925	51	96,566	58	2,827,402	30	5,592,069	411	2,785,871	0	0.00	0.00	555	13,256,908
Apr '23															
May '22	6	2,141,925	62	112,316	75	5,328,038	36	6,191,103	585	4,336,520	0	0	0	764	18,162,974
May '23															
Jun '22	8	3,061,925	76	155,666	107	6,779,903	40	7,384,127	738	6,392,230	0	0	3	970	23,826,923
Jun '23															
Jul '22	10	3,631,925	94	282,866	130	8,869,882	48	8,653,897	870	7,489,327	2	10,500,000	3	1,155	39,427,897
Jul '23															
Aug '22	11	4,031,925	101	303,866	160	10,139,786	56	8,902,182	986	8,302,718	3	17,000,000	3	1,320	48,680,477
Aug '23															
Sep '22	12	4,531,000	126	332,386	184	11,910,289	67	19,440,272	1,104	10,577,868	4	24,500,000	3	1,499	71,291,815
Sep '23															
Oct '22	16	6,306,000	142	368,736	197	13,206,075	72	19,560,069	1,223	11,308,018	4	24,500,000	3	1,657	75,248,898
Oct '23															
Nov '22	16	6,306,000	152	380,936	209	17,318,397	79	19,922,914	1,320	13,572,135	4	24,500,000	3	1,783	82,000,382
Nov '23															
Dec '22	16	6,306,000	164	405,736	211	17,445,397	87	20,108,379	1,398	14,120,570	4	24,500,000	3	1,883	82,886,082
Dec '23															
Report compiled and prepared by Kristen Kopp											* Does not include \$94,000,000 valuation of Owatonna High School				

Owatonna Building Inspection Department Comparison Report- Construction to Date 2022/2023

Construction Report for Permits Issued through January 31, 2023

TYPE OF WORK	2022 PERMITS ISSUED	PERMITS ISSUED FOR CONSTRUCTION COST	Units	2023 PERMITS ISSUED	PERMITS ISSUED FOR CONSTRUCTION COST	Units
NEW DWELLINGS	0	0	0	0	0	0
ACCESSORY BUILDINGS (INCLUDES GARAGES, UTIL. BLDGS, SW. POOLS, ETC.)	4	7,640		5	16600	
COMMERCIAL PROJECTS	14	104,940		8	443880	
INDUSTRIAL PROJECTS	11	3,775,051		7	5117850	
RESIDENTIAL ADD. & ALT.	68	419,719		66	494614	
DUPLEXES & APTS. (INCLUDES ATTACHED SF)	0	0	0	0	0	0
DEMOLITION PERMITS		-			0	
TOTAL PERMITS ISSUED	97	4,307,350	0	86	6,072,944	0

City of Owatonna
Permits Issued & Fees Report - Detail by Address

Issued Date From: 1/1/2023 To: 1/31/2023

Permit Type: BUILDING PERMIT, MECHANICAL PERMITS, PLUMBING PERMIT, SITE WORK PLUMBING Property Type: All Construction Type: All
Include YTD: Yes Status: Not Voided

Permit#	Date Issued	Site Address	Permit Count	Dwell Units	Valuation	Revenue	Plan Check	State Surcharge	Park Fees	SAC Units	SAC Fees	WAC Fees	Total Fees
Permit Type: BUILDING PERMIT													
		Permit Kind:	COMMERCIAL BUILDING ADDITION										
2023-00034	01/13/2023	1045 FRONTAGE RD W		0	415,000.00	1,990.39	0.00	207.50					2,197.89
		Permit Kind:	COMMERCIAL BUILDING ALTERATION										
2023-00086	01/31/2023	605 CEDAR AVE - NORTH		0	9,880.00	125.19		4.94					130.13
2023-00078	01/27/2023	1810 CEDAR AVE - SOUTH		0	16,000.00	182.97	118.93	8.00					309.90
		Permit Kind:	INDUSTRIAL BUILDING ALTERATION										
2023-00084	01/30/2023	800 24TH AVE NW		0	38,100.00	367.08	0.00	19.05					386.13
		Permit Kind:	INDUSTRIAL NEW INDUSTRIAL										
2023-00059	01/23/2023	315 32ND AVE NW		0	5,000,000.00	12,349.64		1,500.00					13,849.64
		Permit Kind:	RESIDENTIAL ALT/ADDITION TO ATTACHED GARAGE										
2023-00080	01/27/2023	834 17TH ST NE		0	2,200.00	57.78	0.00	1.10					58.88
2023-00081	01/27/2023	809 MINNESOTA AVE		0	1,200.00	31.03	0.00	0.60					31.63
2023-00082	01/27/2023	409 PEBBLE BEACH DR NE		0	4,900.00	77.04	0.00	2.45					79.49
2023-00079	01/27/2023	2075 PRAIRIE PLACE NE		0	3,900.00	67.41	0.00	1.95					69.36
2023-00008	01/06/2023	1993 WILDFLOWER DR NE		0	4,400.00	77.04	0.00	2.20					79.24
		Permit Kind:	RESIDENTIAL BASEMENT FINISH										
2023-00083	01/27/2023	1685 EAGLE RIDGE ST NE		0	4,000.00	67.41		2.00					69.41
2023-00053	01/20/2023	524 PROSPECT ST		0	10,000.00	125.19		5.00					130.19
		Permit Kind:	RESIDENTIAL BUILDING ALTERATION										
2023-00013	01/10/2023	635 18TH ST NE		0	36,601.00	353.16	229.55	18.30					601.01
2023-00057	01/20/2023	718 18TH ST SE		0	5,000.00	77.04		2.50					79.54
2023-00071	01/25/2023	173 22ND ST NW		0	25,000.00	269.64	0.00	12.50					282.14
2023-00062	01/23/2023	2223 7TH AVE NE		0	10,200.00	134.82	87.63	5.10					227.55
2023-00032	01/13/2023	148 BARRY DRIVE NE		0	5,145.00	86.67		2.57					89.24
2023-00036	01/13/2023	825 CEDAR AVE - SOUTH		0	2,500.00	57.78	0.00	1.25					59.03
2023-00038	01/13/2023	450 CRESTVIEW LANE NE		0	3,000.00	57.78		1.50					59.28
2023-00076	01/26/2023	1715 DENMARK PLACE NE		0	8,820.00	115.56	75.11	4.41					195.08
2023-00015	01/10/2023	520 LEE ST NE		0	3,200.00	67.41	0.00	1.60					69.01
2023-00001	01/03/2023	2595 MOSSY CREEK DR NE		0	15,000.00	173.34		7.50					180.84

Permit#	Date Issued	Site Address	Permit Count	Dwell Units	Valuation	Revenue	Plan Check	State Surcharge	Park Fees	SAC Units	SAC Fees	WAC Fees	Total Fees
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Permit Type: BUILDING PERMIT

Permit Kind:		RESIDENTIAL BUILDING ALTERATION											
2023-00055	01/20/2023	703 PARKVIEW PLACE NE		0	10,000.00	125.19	81.37	5.00					211.56
2023-00007	01/06/2023	218 PLAINVIEW ST		0	22,000.00	240.75	0.00	11.00					251.75
2023-00063	01/23/2023	1345 RIDGE ROAD NE		0	3,800.00	67.41	43.82	1.90					113.13
2023-00051	01/19/2023	554 VINE ST - EAST		0	25,000.00	269.64	0.00	12.50					282.14
Permit Kind:		RESIDENTIAL RESHINGLE											
2023-00065	01/24/2023	247 UNIVERSITY ST E		0	500.00	16.05		0.25					16.30
Permit Kind:		RESIDENTIAL SIDING REPLACEMENT											
2023-00006	01/04/2023	2045 WILLOWRIDGE PLACE NE		0	16,000.00	182.97		8.00					190.97
Permit Kind:		RESIDENTIAL WINDOW REPLACEMENT											
2023-00050	01/19/2023	102 13TH ST NW		0	6,722.00	96.30		3.36					99.66
2023-00073	01/25/2023	117 14TH ST NE		0	12,000.00	144.45		6.00					150.45
2023-00035	01/13/2023	590 20TH ST NE		0	7,064.00	105.93		3.53					109.46
2023-00040	01/17/2023	2223 7TH AVE NE		0	14,000.00	163.71		7.00					170.71
2023-00004	01/03/2023	1437 CANTERBURY PLACE SE		0	1,500.00	37.45		0.75					38.20
2023-00074	01/25/2023	2550 FOX HOLLOW LANE NE		0	5,000.00	77.04		2.50					79.54
2023-00077	01/26/2023	211 FREMONT ST - EAST		0	9,750.00	125.19		4.88					130.07
2023-00003	01/03/2023	701 GREENHAVEN LANE NE		0	23,595.00	260.01		11.80					271.81
2023-00069	01/24/2023	1934 HEMLOCK AVE NE		0	14,750.00	173.34		7.38					180.72
2023-00068	01/24/2023	1143 IRONWOOD AVE		0	12,974.00	154.08		6.49					160.57
2023-00002	01/03/2023	695 MINERAL SPRINGS RD		0	6,000.00	86.67		3.00					89.67
2023-00037	01/13/2023	547 MURRAY ST		0	12,530.00	154.08		6.27					160.35
2023-00075	01/25/2023	140 UNIVERSITY ST W		0	9,000.00	115.56		4.50					120.06

Permit Type: BUILDING PERMIT - Totals													
	Period	41	0	5,836,231.00	19,507.19	636.41	1,918.13						22,061.73
	YTD	41	0	5,836,231.00	19,507.19	636.41	1,918.13						22,061.73

Permit Type: MECHANICAL PERMITS

Permit Kind:		INDUSTRIAL BUILDING ALTERATION											
2023-00058	01/23/2023	2929 BRIDGE ST W		0	57,750.00	482.20	313.43	28.88					824.51
Permit Kind:		RESIDENTIAL FIREPLACE - GAS											
2023-00024	01/12/2023	445 BARNEY ST		0	4,888.00	77.04		2.44					79.48

Permit#	Date Issued	Site Address	Permit Count	Dwell Units	Valuation	Revenue	Plan Check	State Surcharge	Park Fees	SAC Units	SAC Fees	WAC Fees	Total Fees
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Permit Type: MECHANICAL PERMITS

Permit Kind:		RESIDENTIAL FIREPLACE - GAS											
2023-00026	01/12/2023	902 GREENHAVEN LANE NE		0	3,848.21	67.41		1.92					69.33
2023-00070	01/25/2023	2 KNOLLWOOD PLACE NE		0	5,430.71	86.67		2.72					89.39
2023-00025	01/12/2023	1138 LILAC AVE		0	5,522.08	86.67		2.76					89.43
2023-00027	01/12/2023	133 MILL ST WEST		0	5,212.97	86.67		2.61					89.28
2023-00028	01/12/2023	620 RIVERWOOD DR SW		0	6,120.28	96.30		3.06					99.36
2023-00061	01/23/2023	2470 STONY CREEK DR NE		0	3,400.00	67.41		1.70					69.11

Permit Kind:		RESIDENTIAL FIREPLACE - WOOD BURNING											
2023-00029	01/12/2023	509 17TH ST SW		0	10,281.91	134.82		5.14					139.96

Permit Kind:		RESIDENTIAL HEATING UNIT REPLACEMENT											
2023-00031	01/12/2023	1115 16TH ST SW		0	5,000.00	77.04		2.50					79.54
2023-00041	01/18/2023	350 22ND ST SE		0	3,800.00	67.41		1.90					69.31
2023-00012	01/09/2023	625 CEDAR AVE - NORTH		0	1,100.00	28.89		0.55					29.44
2023-00047	01/19/2023	110 FREMONT ST - WEST		0	5,000.00	77.04		2.50					79.54
2023-00030	01/12/2023	1320 LIBERTY DR SW		0	5,449.00	86.67		2.72					89.39

Permit Kind:		RESIDENTIAL NEW BOILER											
2023-00014	01/10/2023	304 GROVE AVE S		0	8,700.00	115.56		4.35					119.91

Permit Kind:		RESIDENTIAL NEW SINGLE FAMILY											
2023-00052	01/20/2023	2410 WATER TOWER LANE NE		0	18,500.00	211.86		9.25					221.11

Permit Type: MECHANICAL PERMITS - Totals													
Period			16	0	150,003.16	1,849.66	313.43	75.00					2,238.09
YTD			16	0	150,003.16	1,849.66	313.43	75.00					2,238.09

Permit Type: PLUMBING PERMIT

Permit Kind:		COMMERCIAL BUILDING ALTERATION											
2023-00022	01/12/2023	135 LANDMARK DR NE		0	3,000.00	57.78		1.50					59.28

Permit Kind:		INDUSTRIAL BUILDING ALTERATION											
2023-00016	01/10/2023	655 EISENHOWER DR NW		0	22,000.00	240.75		11.00					251.75

Permit Kind:		RESIDENTIAL BASEMENT FINISH											
2023-00056	01/20/2023	524 PROSPECT ST		0	3,000.00	57.78		1.50					59.28

Permit Kind:		RESIDENTIAL BUILDING ALTERATION											
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Permit#	Date Issued	Site Address	Permit Count	Dwell Units	Valuation	Revenue	Plan Check	State Surcharge	Park Fees	SAC Units	SAC Fees	WAC Fees	Total Fees
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Permit Type: PLUMBING PERMIT

Permit Kind:	RESIDENTIAL BUILDING ALTERATION												
2023-00011	01/09/2023	506 14TH ST NE		0	2,500.00	57.78		1.25					59.03
2023-00043	01/18/2023	545 15TH ST SE		0	900.00	24.61		0.45					25.06
2023-00049	01/19/2023	665 23RD ST NE		0	1,500.00	37.45		0.75					38.20
2023-00009	01/06/2023	3075 3RD AVE NE		0	1,500.00	37.45		0.75					38.20
2023-00033	01/13/2023	148 BARRY DRIVE NE		0	4,410.00	77.04		2.21					79.25
2023-00045	01/18/2023	403 BROADWAY - E		0	900.00	24.61		0.45					25.06
2023-00067	01/24/2023	150 CEDAR PLACE NW		0	900.00	24.61		0.45					25.06
2023-00010	01/06/2023	860 COUNTRY VIEW AVE NE		0	1,500.00	37.45		0.75					38.20
2023-00021	01/12/2023	1960 DIABLO DR SE		0	900.00	24.61		0.45					25.06
2023-00042	01/18/2023	650 ELDORADO ST SE		0	900.00	24.61		0.45					25.06
2023-00019	01/12/2023	1640 OAKVIEW DR NE		0	900.00	24.61		0.45					25.06
2023-00023	01/12/2023	418 PARK ST		0	900.00	24.61		0.45					25.06
2023-00072	01/25/2023	218 PLAINVIEW ST		0	6,000.00	86.67		3.00					89.67
2023-00044	01/18/2023	134 RICE ST WEST		0	1,800.00	43.87		0.90					44.77
2023-00048	01/19/2023	726 SCHOOL ST E		0	1,500.00	37.45		0.75					38.20
2023-00018	01/12/2023	322 STATE AVE		0	900.00	24.61		0.45					25.06
2023-00066	01/24/2023	1125 SUNNYDALE LANE SE		0	2,900.00	57.78		1.45					59.23
2023-00020	01/12/2023	233 THOMAS AVE		0	900.00	24.61		0.45					25.06

Permit Kind:	RESIDENTIAL NEW SINGLE FAMILY												
2023-00039	01/17/2023	2410 WATER TOWER LANE NE		0	27,000.00	283.56		13.50					297.06

Permit Type: PLUMBING PERMIT - Totals													
	Period	22	0	86,710.00	1,334.30		43.36						1,377.66
	YTD	22	0	86,710.00	1,334.30		43.36						1,377.66

Report Total			Period	79	0	\$6,072,944.16	22,691.15	949.84	2,036.49				25,677.48
			YTD	79	0	\$6,072,944.16	22,691.15	949.84	2,036.49				25,677.48



Licenses - Permits



Minnesota Department of Public Safety
Alcohol and Gambling Enforcement Division
445 Minnesota Street, Suite 1600, St. Paul, MN 55101
651-201-7507 TTY 651-282-6555
**APPLICATION AND PERMIT FOR A 1 DAY
TO 4 DAY TEMPORARY ON-SALE LIQUOR LICENSE**

Name of organization St. Mary's School		Date of organization 04/19/1990	Tax exempt number 41-0744379
Organization Address (No PO Boxes) 730 South Cedar Avenue	City Owatonna	State MN	Zip Code 55060
Name of person making application Connie Lembke		Business phone 507-446-2300	Home phone
Date(s) of event 4/22/2023	Type of organization ☐ Microdistillery ☐ Small Brewer ☐ Club ☐ Charitable ☐ Religious ☒ Other non-profit		
Organization officer's name Jennifer Swanson	City Owatonna	State MN	Zip Code 55060
Organization officer's name 	City 	State MN	Zip Code
Organization officer's name 	City 	State MN	Zip Code

Location where permit will be used. If an outdoor area, describe.
St. Mary's School, 730 South Cedar Avenue, Owatonna, MN 55060

If the applicant will contract for intoxicating liquor service give the name and address of the liquor license providing the service.
N/A

If the applicant will carry liquor liability insurance please provide the carrier's name and amount of coverage.
The Catholic Mutual Relief Society of America, \$500,000 Limit of Coverage

APPROVAL

APPLICATION MUST BE APPROVED BY CITY OR COUNTY BEFORE SUBMITTING TO ALCOHOL AND GAMBLING ENFORCEMENT

City or County approving the license	Date Approved
Fee Amount	Permit Date
Event in conjunction with a community festival ☐ Yes ☐ No	City or County E-mail Address
Current population of city	

Please Print Name of City Clerk or County Official

Signature City Clerk or County Official

CLERKS NOTICE: Submit this form to Alcohol and Gambling Enforcement Division 30 days prior to event
No Temp Applications faxed or mailed. Only emailed.

ONE SUBMISSION PER EMAIL, APPLICATION ONLY.

**PLEASE PROVIDE A VALID E-MAIL ADDRESS FOR THE CITY/COUNTY AS ALL TEMPORARY
PERMIT APPROVALS WILL BE SENT BACK VIA EMAIL. E-MAIL THE APPLICATION SIGNED BY
CITY/COUNTY TO AGE.TEMPORARYAPPLICATION@STATE.MN.US**



Fire Department

DATE: February 7, 2023
TO: Mayor and City Council
FROM: Ed Hoffman, Fire Chief
SUBJECT: Retail Fireworks Permit - Fleet Farm

Purpose:

Standard retail fireworks license for Fleet Farm for 2023

Background:

This is a standard retail fireworks license application for Fleet Farm for 2023.

Section 111.03. License Required.

No person shall keep for retail sale or wholesale distribution, sell at retail or wholesale, or otherwise supply or furnish as part of a commercial transaction any permitted consumer fireworks without first having obtained a current license hereunder, paid the required license fee and conspicuously posted the license on the licensed premises.

Section 111.04. License Fee; Term of License.

(A) The annual license fee shall be in the amount duly established by the Council from time to time. The license fee shall cover the administrative and enforcement costs, including the conduct of unannounced compliance checks, inspections by the Fire Chief, inspections by the Police Department or other city department, as well as sampling and testing of the merchandise to ascertain chemical content. Full payment of the required license fee shall accompany the application.

(E) The annual license expires December 31 of each year.

Budget Impact:

Revenue generated for the permit is \$100.00.

Staff Recommendation:

Recommend approval of the retail fireworks license.

Attachments:

1. Fleet Farm Fireworks Packet 2023
2. Fleet Farm Fireworks License 2023



FW-23-1

Retail Fireworks License

Status: Active

Date Created: Jan 27, 2023

Applicant

Phantom Fireworks Store Sales, LLC
hford@fireworks.com
2445 Belmont Ave.
Youngstown, OH 44505
234-251-3048

Primary Location

2121 BRIDGE ST W
Owatonna, MN 55060

Applicant

First Name

Helen

Last Name

Ford

Applicant is:

Corporation

Business Name

Fleet Farm LLC

Mailing Address

2401 S Memorial Dr

City, State, Zip Code

Appleton, WI 54915

Phone Number

920-997-1403

E-Mail Address

hford@fireworks.com

Location Information

Location Name

Fleet Farm

Street Address

2121 Bridge St W

Phone Number

507-455-1088

Hours of Operation

M-F, 8am-9pm; Sat 8am-8pm; Sun 9am-6pm

Zoning District

B-2

Property Taxes

Yes

Ownership

Yes

Description of On-Site Management and Parking Facilities

See site plan

Display & Storage Information**Location of Sales**

In-Store Display

Amount on Display (in pounds)

125

Location of Storage

Stockroom

Amount of Storage (in pounds)

125

Approximate Start Date of Sales

05/01/2023

Location Management**Full Name**

Annette Willert

Position / Title

Store Manager

Phone Number

507-455-1088

E-Mail Address

n/a

Workers' Compensation Insurance Information

Select ONE of the following:

I have a workers' compensation insurance policy.

**Insurance Company Name**

EMC Insurance

Policy Number

6X14914

Effective Date

01/01/2023

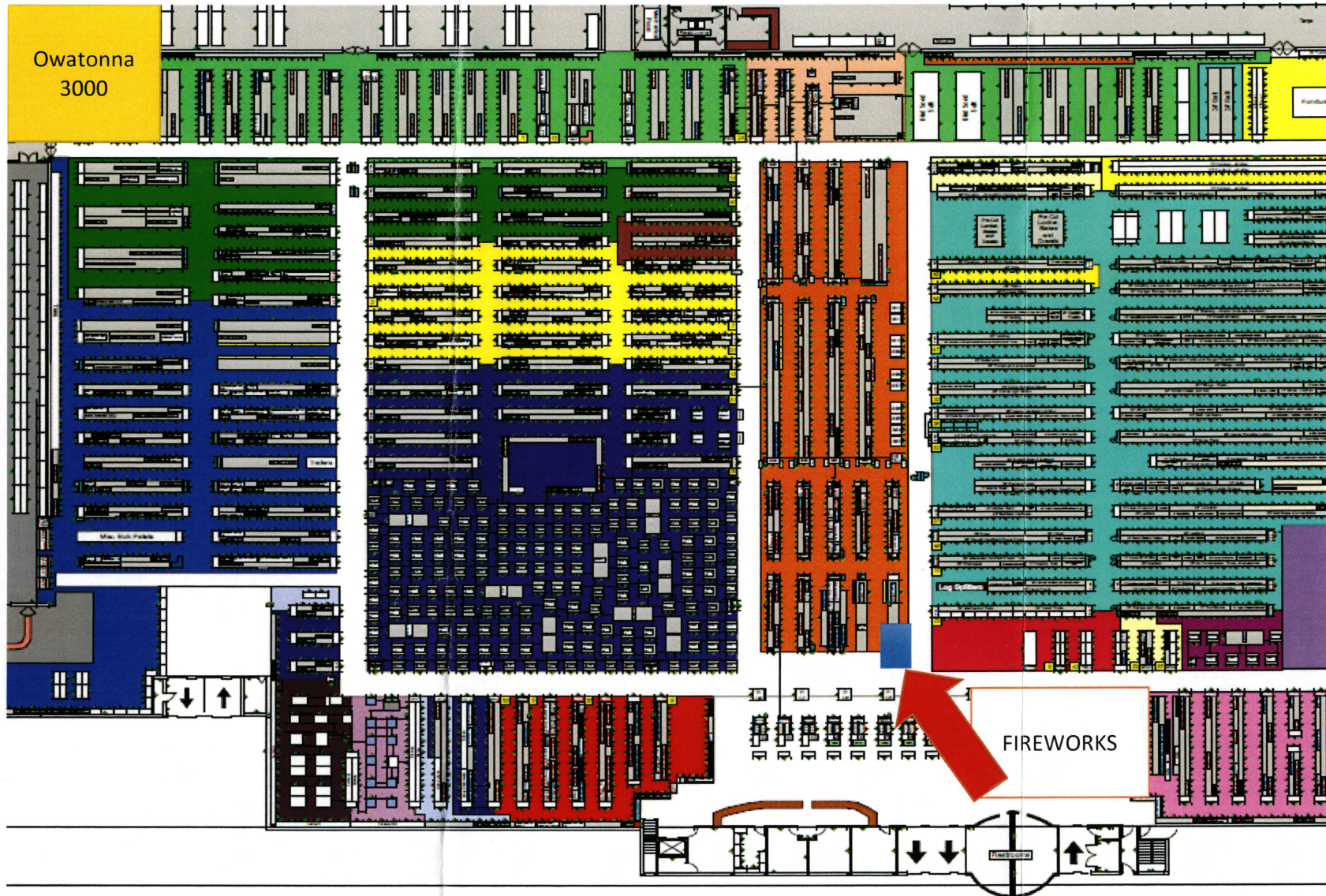
Expiration Date

01/01/2024

Acknowledgement

Digital Signature

Owatonna
3000





PHANTOM FIREWORKS STORE SALES, LLC

Distributor of Phantom® Fireworks to Stores & Merchandisers Nationwide

2445 Belmont Ave
Youngstown, Ohio 44505

Phone: 888-449-0001 Fax: 330-743-9684
Web Site: www.fireworks.com

January 18, 2023

Owatonna Fire Department
Attn: Bonnie Hermel
107 W. Main Street
Owatonna, MN 55060

Re: Permit Fee for Retail Sales of Fireworks
Fleet Farm #3000 –2121 West Bridge Street, Owatonna, MN 55060

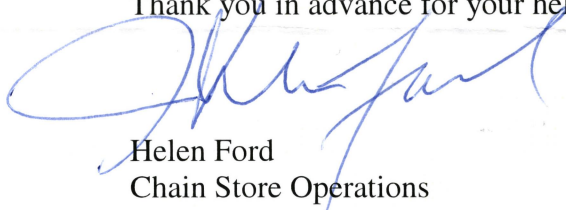
Bonnie Hermel,

This letter is in request for a fireworks permit to sell (inside retail sales) in the city of Owatonna. All State and local laws, ordinances and regulations will be followed, including Minnesota Statute 624.20 – 624.25. We are submitting the following required items for your city permit:

Permit Application
Check for \$100
Floor Plan

Please submit the permit to the referenced store location. **We also need a copy sent to us for our records.** If you have any questions contact me at 234-251-3048. Fax a copy of permit to 330-743-9684 or email hford@fireworks.com, please make sure city and state is on fax.

Thank you in advance for your help.



Helen Ford
Chain Store Operations



Owatonna Fire Department

107 West Main Street
Owatonna, Minnesota 55060-2913

Ed Hoffman
Fire Chief
(507) 444-2454

FIREWORKS DEALER'S LICENSE APPLICATION

SECTION 111

ORDINANCE CODE OF OWATONNA

Name of Applicant Fleet Farm LLC

Circle One: Natural person, Corporation, Partnership, Business Association, Organization

Address 2401 S. Memorial Dr, Appleton, WI 54915

Phone Number 920-997-1403 Hours of operation Mon-Fri 8am-9pm/Sat 8/8/ Sun 9am-6pm

Street Address of premises to be licensed 2121 West Bridge St, Owatonna, MN 55060

Zoning District of licensed premises B-2

Are all real estate and personal property taxes that are due and payable for the premises paid? ☒ YES ☐ NO

Does applicant own the business premises? ☒ YES ☐ NO If not, a true and correct copy of the current, executed lease and the written authorization of the property owner for the applicant's use of the property for the sale of permitted consumer fireworks is required.

Description of on-site management and parking facilities See attached

Inside sales of MN legal fireworks

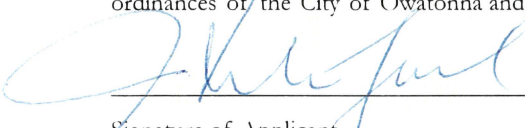
Detailed site plan illustrating and describing proposed sales and storage areas to be covered by this license has been attached. ☒ YES ☐ NO

Name of Person in Charge of Premises Store Manager: Annette Willert

Address 2121 West Bridge St, Owatonna, MN 55060

Phone Number 507-455-1088

I have read the above mentioned Section 111, Ordinance Code of Owatonna and have knowledge of its terms and provisions, and I agree to obey all the terms, provisions and requirements of said ordinance and all other ordinances of the City of Owatonna and all the laws of the State of Minnesota.


Signature of Applicant

1/18/23
Date



Fire Department
107 Main St W
Owatonna, MN 55060
(507) 444-2454

Retail Fireworks License FW-23-2

Issued: February 7, 2023

Expires: December 31, 2023

LICENSE INFORMATION

Applicant / Business: Helen Ford / Fleet Farm LLC

Location Name: Fleet Farm

Street Address: 2121 Bridge St W

Phone Number: 507-455-1088

Hours of Operation: M-F, 8am-9pm; Sat 8am-8pm; Sun 9am-6pm

Location Contact: Annette Willert, Store Manager

Location of Sales: In-Store Display

Amount on Display: 125 pounds

Location of Storage: Stockroom

Amount of Storage: 125 pounds

LICENSE REQUIREMENTS

- License must be posted in a conspicuous place near the fireworks display and/or sales counter.
- License is issued to the applicant only and shall not be transferable to any other person or business.
- Only non-aerial consumer fireworks that are permitted by Minnesota Statute 624.20 shall be offered for sale.
- Signs that read "FIREWORKS - NO SMOKING" in letters not less than four inches in height on a contrasting background shall be posted conspicuously near fireworks displays.
- Fireworks shall be sold only to persons who are at least 18 years of age. A valid, current photographic ID is required by law.

LICENSE APPROVAL

Ed Hoffman, Fire Chief

Date

Kris Busse, City Admin/Clerk

Date

Thomas Kuntz, Mayor

Date

LG220 Application for Exempt Permit

An exempt permit may be issued to a nonprofit organization that:

- conducts lawful gambling on five or fewer days, and
- awards less than \$50,000 in prizes during a calendar year.

If total raffle prize value for the calendar year will be \$1,500 or less, contact the Licensing Specialist assigned to your county by calling 651-539-1900.

Application Fee (non-refundable)

Applications are processed in the order received. If the application is postmarked or received 30 days or more before the event, the application fee is **\$100**; otherwise the fee is **\$150**.

Due to the high volume of exempt applications, payment of additional fees prior to 30 days before your event will not expedite service, nor are telephone requests for expedited service accepted.

ORGANIZATION INFORMATION

Organization Name:

Minnesota Pheasants Inc

Previous Gambling Permit Number: X-

X-74011-19-030

Minnesota Tax ID Number, if any:

Es 29793

Federal Employer ID Number (FEIN), if any:

41-1442699

Mailing Address:

P.O. Box 351

City:

Owatonna

State:

MN

Zip:

55060

County:

Steele

Name of Chief Executive Officer (CEO):

George Sprague

CEO Daytime Phone:

612-699-1581

CEO Email:

(permit will be emailed to this email address unless otherwise indicated below)

Email permit to (if other than the CEO):

JP585B@live.com

NONPROFIT STATUS

Type of Nonprofit Organization (check one):

- ☐ Fraternal ☐ Religious ☐ Veterans ☒ Other Nonprofit Organization

Attach a copy of one of the following showing proof of nonprofit status:

(DO NOT attach a sales tax exempt status or federal employer ID number, as they are not proof of nonprofit status.)

**A current calendar year Certificate of Good Standing**

Don't have a copy? Obtain this certificate from:

MN Secretary of State, Business Services Division
60 Empire Drive, Suite 100
St. Paul, MN 55103

Secretary of State website, phone numbers:
www.sos.state.mn.us
651-296-2803, or toll free 1-877-551-6767

**IRS income tax exemption (501(c)) letter in your organization's name**

Don't have a copy? To obtain a copy of your federal income tax exempt letter, have an organization officer contact the IRS toll free at 1-877-829-5500.

**IRS - Affiliate of national, statewide, or international parent nonprofit organization (charter)**

If your organization falls under a parent organization, attach copies of both of the following:

1. IRS letter showing your parent organization is a nonprofit 501(c) organization with a group ruling; and
2. the charter or letter from your parent organization recognizing your organization as a subordinate.

GAMBLING PREMISES INFORMATION

Name of premises where the gambling event will be conducted (for raffles, list the site where the drawing will take place):

VFW

Physical Address (do not use P.O. box):

135 Oakdale St.

Check one:

☒ City: Owatonna Zip: 55060 County: Steele

☐ Township: _____ Zip: _____ County: _____

Date(s) of activity (for raffles, indicate the date of the drawing):

04-01-2023

Check each type of gambling activity that your organization will conduct:

- ☒ Bingo ☐ Paddlewheels ☐ Pull-Tabs ☐ Tipboards ☒ Raffle

Gambling equipment for bingo paper, bingo boards, raffle boards, paddlewheels, pull-tabs, and tipboards must be obtained from a distributor licensed by the Minnesota Gambling Control Board. EXCEPTION: Bingo hard cards and bingo ball selection devices may be borrowed from another organization authorized to conduct bingo. To find a licensed distributor, go to www.mn.gov/gcb and click on **Distributors** under the **List of Licensees** tab, or call 651-539-1900.

LG220 Application for Exempt Permit**LOCAL UNIT OF GOVERNMENT ACKNOWLEDGMENT (required before submitting application to the Minnesota Gambling Control Board)****CITY APPROVAL
for a gambling premises
located within city limits**

- ☒ The application is acknowledged with no waiting period.
- ☐ The application is acknowledged with a 30-day waiting period, and allows the Board to issue a permit after 30 days (60 days for a 1st class city).
- ☐ The application is denied.

Print City Name: Owatonna

Signature of City Personnel:

Jeanette ClausenTitle: Admin Specialist Date: 2/1/2023

**The city or county must sign before
submitting application to the
Gambling Control Board.**

**COUNTY APPROVAL
for a gambling premises
located in a township**

- ☐ The application is acknowledged with no waiting period.
- ☐ The application is acknowledged with a 30-day waiting period, and allows the Board to issue a permit after 30 days.
- ☐ The application is denied.

Print County Name: _____

Signature of County Personnel: _____

Title: _____ Date: _____

TOWNSHIP (if required by the county)

On behalf of the township, I acknowledge that the organization is applying for exempted gambling activity within the township limits. (A township has no statutory authority to approve or deny an application, per Minn. Statutes, section 349.213.)

Print Township Name: _____

Signature of Township Officer: _____

Title: _____ Date: _____

CHIEF EXECUTIVE OFFICER'S SIGNATURE (required)

The information provided in this application is complete and accurate to the best of my knowledge. I acknowledge that the financial report will be completed and returned to the Board within 30 days of the event date.

Chief Executive Officer's Signature: _____ Date: _____
(Signature must be CEO's signature; designee may not sign)

Print Name: _____

REQUIREMENTS**Complete a separate application for:**

- all gambling conducted on two or more consecutive days; or
- all gambling conducted on one day.

Only one application is required if one or more raffle drawings are conducted on the same day.

Financial report to be completed within 30 days after the gambling activity is done:

A financial report form will be mailed with your permit. Complete and return the financial report form to the Gambling Control Board.

Your organization must keep all exempt records and reports for 3-1/2 years (Minn. Statutes, section 349.166, subd. 2(f)).

MAIL APPLICATION AND ATTACHMENTS**Mail application with:**

- _____ a copy of your proof of nonprofit status; and
- _____ application fee (non-refundable). If the application is postmarked or received 30 days or more before the event, the application fee is **\$100**; otherwise the fee is **\$150**. Make check payable to **State of Minnesota**.

To: Minnesota Gambling Control Board
1711 West County Road B, Suite 300 South
Roseville, MN 55113

Questions?

Call the Licensing Section of the Gambling Control Board at 651-539-1900.

Data privacy notice: The information requested on this form (and any attachments) will be used by the Gambling Control Board (Board) to determine your organization's qualifications to be involved in lawful gambling activities in Minnesota. Your organization has the right to refuse to supply the information; however, if your organization refuses to supply this information, the Board may not be able to determine your organization's qualifications and, as a consequence, may refuse to issue a permit. If your organization supplies the information requested, the Board will be able to process the

application. Your organization's name and address will be public information when received by the Board. All other information provided will be private data about your organization until the Board issues the permit. When the Board issues the permit, all information provided will become public. If the Board does not issue a permit, all information provided remains private, with the exception of your organization's name and address which will remain public. Private data about your organization are available to Board members, Board staff whose work requires access to the information; Minnesota's Depart-

ment of Public Safety; Attorney General; Commissioners of Administration, Minnesota Management & Budget, and Revenue; Legislative Auditor, national and international gambling regulatory agencies; anyone pursuant to court order; other individuals and agencies specifically authorized by state or federal law to have access to the information; individuals and agencies for which law or legal order authorizes a new use or sharing of information after this notice was given; and anyone with your written consent.

This form will be made available in alternative format (i.e. large print, braille) upon request.

An equal opportunity employer



Miscellaneous



Administration Department

DATE: February 7, 2023
TO: Mayor and City Council
FROM: Jeanette Clawson, Administrative Specialist
SUBJECT: Resolution 16-23 Authorize Contract for Purchases - Fame Awards

Purpose:

Council approve Resolution 16-23 authorizing purchases from Fame Awards.

Background:

The City purchased recognition products (a memorial plaque, mugs and a plaque for the 2022 softball league champions) from Fame Awards. This business is owned by Doug Voss, a current Council Member At-Large for the City of Owatonna.

State Statute prohibits a City Council member from having a personal financial interest in a contract with the City unless it meets an exception included in the statute. The council may, by unanimous vote, contract for goods and services with an interested officer in certain enumerated situations, including “a contract for which competitive bids are *not* required by law.” Competitive bids are not required for contracts less than \$100,000.00.

When no competitive bid is required, these steps must be followed:

1. That the council adopt a resolution authorizing the contract which includes a statement that the contract price is as low as or lower than the price for which the commodity could be obtained elsewhere;
2. That before payment is made to the public official, the public official must file with the city clerk an affidavit stating that to the best of the officer’s knowledge, the contract’s price is as low as or lower than the price at which the commodity could be obtained from other sources;
3. That the council must approve the contract by unanimous vote; and
4. The public official must abstain from voting on the matter.

Budget Impact:

The amount of these purchases is \$781.00.

Staff Recommendation:

Staff recommends approval of Resolution 16-23.

Attachments:

1. Res 16-23 Contract - Fame Award Purchases

RESOLUTION NO. 16-23

A RESOLUTION AUTHORIZING CONTRACT WITH FAME AWARDS
PURSUANT TO MINN. STAT. §§ 471.87-89

WHEREAS, the City of Owatonna desires to purchase certain recognition products including nameplates, plaques, bag tags, and signs; and

WHEREAS, Douglas V. Voss, owner of Fame Awards, is a City Council member of the City and will be financially interested in the contract; and

WHEREAS, the contract in the sum of \$781.00 is not one that is required to be competitively bid. and

WHEREAS, Councilmember Voss has signed an Affidavit of Official Interest in Claim as required by law. and

WHEREAS, the contract price of \$781.00 is as low as, or lower than, the price at which the goods can be obtained elsewhere at this time.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Owatonna, Minnesota as follows:

1. The City Clerk-Treasurer is directed to make the above-mentioned purchases on behalf of the City from Fame Awards for a price of \$781.00.
2. The Mayor and City Clerk-Treasurer are directed to issue an order-check to pay the claim upon the filing of an affidavit of official interest by the interested official pursuant to Minn. Stat. § 471.89.
3. This resolution is adopted pursuant to Minn. Stat. §§ 471.87-89.

Passed and adopted this ____ day of _____, 2023, with the following vote:

Aye ____; No ____; Absent ____; Abstain ____.

Approved and signed this _____ day of _____, 2023.

ATTEST:

Thomas A. Kuntz, Mayor

Kris M. Busse, City Administrator



Public Works Department

DATE: February 7, 2023
TO: Mayor and City Council
FROM: Sean Murphy, Assistant City Engineer
SUBJECT: 26th Street Lift Station Panel Design Agreement - Advanced Engineering and Environmental Services, LLC

Purpose:

Requesting City Council approval of an agreement with Advanced Engineering and Environmental Services, LLC (AE2S) to provide professional engineering services for the 26th Street Waste Water Lift Station Improvements.

Background:

The 26th Street Lift Station is in need of control panel replacement and electrical system updates. AE2S will provide professional services related to the design, bidding and construction administration.

Budget Impact:

The total is not to exceed \$24,567.00 without prior approval from the City of Owatonna. Costs will be paid by the Wastewater Enterprise Fund as a Capital Improvement.

See the attached agreement for the full scope of services.

Staff Recommendation:

Staff recommends approval.

Attachments:

1. 26th Street Lift Station - AE2S Agreement



January 23, 2023

Mr. Andrew Fischer
Wastewater Manager
City of Owatonna
540 West Hills Circle
Owatonna, MN 55060

**RE: Letter Agreement between Client and AE2S
657 26th Street Wastewater Lift Station Improvements**

Dear Mr. Fischer:

Advanced Engineering and Environmental Services, LLC (AE2S) proposes to render professional engineering services (Assignment) to City of Owatonna (CLIENT).

This Agreement, including Exhibit A, sets forth the terms and conditions under which the CLIENT and AE2S shall be governed regarding the Assignment.

Scope of Basic Services

AE2S will perform the following tasks required for Lift Station improvements related to Control Panel replacement and electrical system updates:

1. Design Phase Services
2. Bidding Phase Services
3. Construction Administration Services

Final Design Phase

The Final Design phase includes the specific design of all project elements necessary for a successful construction project, including:

- Coordinate and conduct a project team kickoff meeting attended by Owner representatives and Engineer.
- Perform preliminary engineering calculations to size associated electrical system(s).
- 60 Percent Design Completion Milestone:
 - Prepare a preliminary set of drawings. Drawings will be sufficiently detailed to understand project but will lack details required of construction.
 - Prepare a preliminary list of specifications that cover the project. Specification format will meet the approval of the Owner and will include Owner standard general conditions and contract forms.
 - Prepare preliminary opinion of probable construction cost.
 - Submit to Owner draft of Preliminary Design documents for review.
- Review Preliminary Design documents with Owner, make changes and updates as required.

- Prepare 90 Percent construction drawings, specifications, and probable cost estimate based upon review of preliminary design documents.
- 90 Percent Design Completion Milestone:
 - Prepare a revised set of drawings.
 - Prepare draft specifications.
 - Prepare an updated opinion of probable construction cost.
 - Submit to Owner review copy of 90 Percent Design PDF for Owner review.
 - Meeting to discuss final quote package.
- Review 90 Percent Design documents with Owner, make updates as appropriate.
- Prepare Final construction drawings, specifications, and probable cost estimate based upon review of 90 Percent Design documents.
- Submit two (2) printed copies, and one (1) copy in electronic format (PDF) of Final bidding documents to the Owner.

Bidding / Contractor Quotes Phase

The Bidding / Contractor Quotes Phase will consist of:

- Preparing a single quote package for lift station control panel replacement.
- Attend a walkthrough of the facility with contractors who would supply quotes to complete the work.
- Pre-bid administration services – solicit quotes from contractors and respond to questions.
- Provide bidding support services including communications with Owner representatives, bidders, suppliers, and others as necessary.
- Provide addendums and clarifications to the quote documents, if required.
- Facilitate the tabulation of quotes
- Supply a letter of recommendation to the City for the recommendation of a contractor to complete the work.

Construction Phase

The Construction Phase consists of construction activities management and oversight, including:

- Construction Kickoff Meeting – attend kickoff meeting with Contractor to review the scope of work. (6 hours)
- Project management, support and communications with Client, Contractor(s), and all other project team members. Review, recommend action, and process of contractor pay requests. (8 hours)
- Attend site during panel startup to provide oversight and providing installation clarifications. (8 hours)
- Shop Drawing and O&M manual Review – review equipment data for installed equipment. (12 hours)
- Visit site upon project completion and create punch list or list of items to be completed by contractor to meet the requirements of final completion of the project. (5 hours)
- Installation Documentation – complete record drawings. (5 hours)

Consultant shall not at any time supervise, direct, control, or have authority over any contractor's work, nor shall Consultant have authority over or be responsible for the means, methods, techniques, sequences, or procedures of construction selected or used by any contractor, or the safety precautions and programs incident thereto, for security or safety at a project site, nor for any failure of a contractor to comply with laws and regulations

applicable to such contractor's furnishing and performing of its work. Consultant neither guarantees the performance of any contractor nor assumes responsibility for any contractor's failure to furnish and perform its work in accordance with the contract between the City and such contractor. Consultant shall not be responsible for the acts or omissions of any contractor, subcontractor, or supplier, or of any of their agents or employees or of any other persons (except Consultant's own employees) at a project site or otherwise furnishing or performing any construction work; or for any decision made regarding the construction contract requirements, or any application, interpretation, or clarification of the construction contract other than those made by Consultant.

Additional Services

Services resulting from significant changes in the general scope, extent, or character of the Assignment are not included as a part of the Scope of Basic Services. If authorized in writing by the CLIENT, AE2S will provide services beyond the scope of this Agreement on an hourly basis in accordance with the Hourly Fee Schedule attached as Exhibit B.

CLIENT'S Responsibilities

CLIENT shall do the following in a timely manner, so as not to delay the services of AE2S:

1. Designate a person to act as CLIENT's representative with respect to the services to be rendered under this Agreement. Such person shall have authority to transmit instructions, receive information, and interpret and define CLIENT's policies and decisions with respect to services for the Assignment.
2. Provide relevant information regarding requirements for the Assignment. AE2S shall be entitled to use and rely upon all information provided by CLIENT or others in performing AE2S's services under this Agreement.
3. Provide access to the relevant sites sufficient for AE2S to perform its services under this Agreement.
4. CLIENT shall, so long as AE2S is not in default, promptly pay AE2S for such services as have been performed satisfactorily hereunder in accordance with the fee terms set forth herein.

CLIENT shall bear all costs incident to compliance with its responsibilities pursuant to this section.

Fees

AE2S shall render services under this Agreement on an hourly basis in accordance with the Hourly Fee Schedule attached as Exhibit B not to exceed \$24,567 without written authorization from CLIENT, including reimbursement for all project related expenses.

Task	Professional Fees
<i>Design Phase Services</i>	<i>\$10,989</i>
<i>Bidding Phase Services</i>	<i>\$4,446</i>
<i>Construction Administration Services</i>	<i>\$8,682</i>
<i>Expenses</i>	<i>\$450</i>
Total Professional Services	\$24,567

Performance Schedule

AE2S shall use commercially reasonable efforts to complete Basic Services within a reasonable time period.

Contract Documents

This Agreement includes the following documents, incorporated herein by reference:

1. Exhibit A - Terms and Conditions;
2. Exhibit B - Hourly Fee and Expense Schedule;
3. Any drawings or specifications provided by the CLIENT in writing; and
4. Any duly executed written amendments.

There are no contract documents other than this Agreement and those documents listed above.

If this Agreement sets forth your understanding of our agreement, including the scope of work desired, fees, terms, and conditions, please sign in the space provided and return a copy to AE2S. Thank you for the opportunity to assist you. We look forward to working with you.

Sincerely,



Mark Ruda
Senior Project Engineer

AE2S

CLIENT

Accepted this _____ day of
_____, 2023

By: 
Justin Klabo, P.E.
Operations Manager

By: _____

Name (Print): _____

Title: _____

Standard Terms and Conditions

The Agreement is supplemented to include the following terms and conditions:

1. **Standard of Care**
 - a. The standard of care for all professional services performed or furnished by AE2S under this Agreement will be the care and skill ordinarily used by members of AE2S's profession practicing under similar circumstances at the same time and in the same locality. AE2S makes no warranties, express or implied, under this Agreement or otherwise, in connection with AE2S's services.
 - b. CLIENT shall be responsible for, and AE2S may rely upon, the accuracy and completeness of all requirements, programs, instructions, reports, data, and other information furnished by CLIENT to AE2S pursuant to this Agreement. AE2S may use such requirements, reports, data, and information in performing or furnishing services under this Agreement.
2. **Payments to AE2S**

Invoices will be prepared in accordance with AE2S's standard invoicing practices and will be submitted to CLIENT by AE2S monthly, unless otherwise agreed. Invoices are due and payable within 30 days. If CLIENT fails to make any payment due AE2S for services and expenses within 30 days, the amounts due AE2S will be increased at the rate of 1.75% per month (or the maximum rate of interest permitted by law, if less) from said thirtieth day. In addition, AE2S may, after giving seven days written notice to CLIENT, suspend services under this Agreement until AE2S has been paid in full all amounts due for services, expenses, and other related charges. All payments shall be made in United States Dollars.
3. **Insurance**

AE2S will maintain insurance coverage for Workers' Compensation, Professional Liability, General Liability, and Automobile Liability and will provide certificates of insurance to CLIENT upon request.
4. **Exclusion of Special, Incidental, Indirect, and Consequential Damages**

To the fullest extent permitted by law, and notwithstanding any other provision in the Agreement, AE2S and AE2S's officers, directors, partners, employees, agents, and Consultants, or any of them, shall not be liable to CLIENT or anyone claiming by, through, or under CLIENT for any special, incidental, indirect, or consequential damages whatsoever arising out of, resulting from, or in any way related to the Assignment or this Agreement, from any cause or causes, including but not limited to any such damages caused by the negligence, professional errors or omissions, strict liability, breach of contract or warranties, express or implied, of AE2S or AE2S's officers, directors, partners, employees, agents, or AE2S's Consultants, or any of them.
5. **Limit of Liability**

To the fullest extent permitted by law, notwithstanding any other provision of this Agreement, the total liability, in the aggregate, of AE2S and AE2S's officers, directors, partners, employees, agents, and AE2S's Consultants, and any of them, to CLIENT and anyone claiming by, through, or under CLIENT for any and all claims, losses, costs, or damages whatsoever arising out of, resulting from or in any way related to the Project or the Agreement from any cause or causes, including but not limited to the negligence, professional errors or omissions, strict liability or breach of contract, or warranty express or implied of AE2S or AE2S's officers, directors, partners, employees, agents, or AE2S's Consultants, or any of them, shall not exceed total compensation received by AE2S as part of this agreement.
6. **Termination of Contract**

Either party may at any time, upon seven days prior written notice to the other party, terminate this Agreement. Upon such termination, CLIENT shall pay to AE2S all amounts owing to AE2S under this Agreement, for all work performed up to the effective date of termination, plus reasonable termination costs.
7. **Access**

CLIENT shall arrange for safe access to and make all provisions for AE2S and AE2S's Consultants to enter upon public and private property as required for AE2S to perform services under this Agreement.
8. **Patents**

AE2S shall not conduct patent searches in connection with its services under this Agreement and assumes no responsibility for any patent or copyright infringement arising therefrom. Nothing in this Agreement shall be construed as a warranty or representation that anything made, used, or sold arising out of the services performed under this Agreement will be free from infringement of patents or copyrights.
9. **Ownership and Reuse of Documents**

All documents prepared or furnished by AE2S pursuant to this Agreement are instruments of service, and AE2S shall retain an ownership and property interest therein. Reuse of any such documents by CLIENT shall be at CLIENT's sole risk; and CLIENT agrees to indemnify, and hold AE2S harmless from all claims, damages, and expenses including attorney's fees arising out of such reuse of documents by CLIENT or by others acting through CLIENT.
10. **Limited Equipment Warranty**

AE2S MAKES NO REPRESENTATIONS OR WARRANTIES WITH RESPECT TO ANY PRODUCTS MANUFACTURED BY A THIRD PARTY, INCLUDING ANY (a) WARRANTY OF MERCHANTABILITY; (b) WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE; (c) WARRANTY OF TITLE; OR (d) WARRANTY AGAINST INFRINGEMENT OF INTELLECTUAL PROPERTY RIGHTS OF A THIRD PARTY; WHETHER EXPRESS OR IMPLIED BY LAW, COURSE OF DEALING, COURSE OF PERFORMANCE, USAGE OF TRADE OR OTHERWISE. AE2S'S SOLE RESPONSIBILITY TO CLIENT WITH RESPECT TO ANY EQUIPMENT OR COMPONENTS AND PARTS MANUFACTURED BY A THIRD PARTY AND INCORPORATED INTO THE EQUIPMENT SHALL BE TO PASS THROUGH TO CLIENT SUCH ORIGINAL EQUIPMENT MANUFACTURER'S AVAILABLE PRODUCT WARRANTY. THE REMEDIES SET FORTH IN THE MANUFACTURER'S TERMS SHALL BE THE CLIENT'S SOLE AND EXCLUSIVE REMEDY AND AE2S'S ENTIRE LIABILITY FOR ANY BREACH OF THIS LIMITED WARRANTY
11. **Contractors**

AE2S shall not at any time supervise, direct, control, or have authority over any contractor's work, nor shall AE2S have authority over or be responsible for the means, methods, techniques, sequences, or procedures of construction selected or used by any contractor, or the safety precautions and programs incident thereto, for security or safety at a project site, nor for any failure of a contractor to comply with laws and regulations applicable to such contractor's furnishing and performing of its work. AE2S neither guarantees the performance of any contractor nor assumes responsibility for any contractor's failure to furnish and perform its work in accordance with the contract between CLIENT and such contractor. AE2S shall not be responsible for the acts or omissions of any contractor, subcontractor, or supplier, or of any of their agents or employees or of any other persons (except AE2S's own employees) at a project site or otherwise furnishing or performing any construction work; or for any decision made regarding the construction contract requirements, or any application, interpretation, or clarification of the construction contract other than those made by AE2S.

12. **Force Majeure**
AE2S shall not be liable for any loss or damage due to failure or delay in rendering any service called for under this Agreement resulting from any cause beyond AE2S's reasonable control.
13. **No Third Party Beneficiaries**
All duties and responsibilities undertaken pursuant to this Agreement will be for the sole and exclusive benefit of CLIENT and AE2S and not for the benefit of any other party. Nothing contained in this Agreement shall create a contractual relationship with or a cause of action in favor of a third party against either CLIENT or AE2S. AE2S's services under this Agreement are being performed solely for CLIENT's benefit, and no other entity shall have any claim against AE2S because of this Agreement or the performance or nonperformance of services hereunder.
14. **Assignment**
Neither party shall assign its rights, interests or obligations under this Agreement without the express written consent of the other party.
15. **Binding Effect**
This Agreement shall bind, and the benefits thereof shall inure to the respective parties hereto, their legal representatives, executors, administrators, successors, and assigns.
16. **Severability and Waiver of Provisions**
Any provision or part of the Agreement held to be void or unenforceable under any laws or regulations shall be deemed stricken, and all remaining provisions shall continue to be valid and binding upon CLIENT and AE2S, who agree that the Agreement shall be reformed to replace such stricken provision or part thereof with a valid and enforceable provision that comes as close as possible to expressing the intention of the stricken provision. Non-enforcement of any provision by either party shall not constitute a waiver of that provision, nor shall it affect the enforceability of that provision or of the remainder of this Agreement.
17. **Survival**
All express representations, indemnifications, or limitations of liability included in this Agreement will survive its completion or termination for any reason.
18. **Headings**
The headings used in this Agreement are for general reference only and do not have special significance.
19. **Controlling Law**
This Agreement is to be governed by the law of the State of Minnesota without regard to its conflicts of laws principles.
20. **Notices**
Any notice required under this Agreement will be in writing, addressed to the appropriate party at its address on the signature page, or if to AE2S at 4050 Garden View Drive, Grand Forks, ND 58201, and given personally, or by registered or certified mail postage prepaid, or by a commercial courier service. All notices shall be effective upon the date of receipt.
21. **Executed in Counterparts**
This Agreement may be executed in counterparts, each of which together will constitute one and the same instrument. Delivery of an executed counterpart of this Agreement shall constitute effective delivery of this Agreement. Each party agrees that the delivery of the Agreement by facsimile or electronic mail shall have the same force and effect as delivery of original signature and that each party may use such facsimile or electronic mail signatures as evidence of the execution and delivery of the Agreement by the parties to the same extent that an original signature could be used.

Hourly Fee and Expense Schedule

Engineer's Reimbursable Expense Rates & Standard Hourly Rates Schedules - 2023

Reimbursable Expenses and Standard Hourly Rates in effect on the date of the Agreement are set forth below. Rates are subject to annual adjustment effective January 1.

Labor Rates*		I&C Assistant	\$100.00
		I&C 1	\$148.00
		I&C 2	\$175.00
Administrative 1	\$65.00	I&C 3	\$198.00
Administrative 2	\$79.00	I&C 4	\$210.00
Administrative 3	\$95.00	I&C 5	\$220.00
Communications Specialist 1	\$105.00	IT 1	\$130.00
Communications Specialist 2	\$122.00	IT 2	\$175.00
Communications Specialist 3	\$141.00	IT 3	\$215.00
Communications Specialist 4	\$170.00		
Communications Specialist 5	\$187.00		
Construction Services 1	\$125.00	Land Surveyor Assistant	\$95.00
Construction Services 2	\$153.00	Land Surveyor 1	\$115.00
Construction Services 3	\$170.00	Land Surveyor 2	\$139.00
Construction Services 4	\$188.00	Land Surveyor 3	\$157.00
Construction Services 5	\$208.00	Land Surveyor 4	\$173.00
		Land Surveyor 5	\$190.00
Engineering Assistant 1	\$85.00	Operations Specialist 1	\$100.00
Engineering Assistant 2	\$99.00	Operations Specialist 2	\$125.00
Engineering Assistant 3	\$125.00	Operations Specialist 3	\$155.00
Engineer 1	\$135.00	Operations Specialist 4	\$177.00
Engineer 2	\$162.00	Operations Specialist 5	\$199.00
Engineer 3	\$190.00		
Engineer 4	\$220.00	Project Coordinator 1	\$116.00
Engineer 5	\$235.00	Project Coordinator 2	\$130.00
		Project Coordinator 3	\$145.00
Engineering Technician 1	\$84.00	Project Coordinator 4	\$160.00
Engineering Technician 2	\$105.00	Project Coordinator 5	\$180.00
Engineering Technician 3	\$126.00		
Engineering Technician 4	\$141.00	Project Manager 1	\$205.00
Engineering Technician 5	\$161.00	Project Manager 2	\$225.00
		Project Manager 3	\$240.00
Financial Analyst 1	\$112.00	Project Manager 4	\$254.00
Financial Analyst 2	\$127.00	Project Manager 5	\$272.00
Financial Analyst 3	\$153.00	Project Manager 6	\$284.00
Financial Analyst 4	\$167.00		
Financial Analyst 5	\$186.00	Sr. Designer 1	\$178.00
		Sr. Designer 2	\$198.00
GIS Specialist 1	\$105.00	Sr. Designer 3	\$212.00
GIS Specialist 2	\$127.00		
GIS Specialist 3	\$150.00	Sr. Financial Analyst 1	\$210.00
GIS Specialist 4	\$168.00	Sr. Financial Analyst 2	\$230.00
GIS Specialist 5	\$187.00	Sr. Financial Analyst 3	\$250.00
		Technical Expert 1	\$325.00
		Technical Expert 2	Negotiable

Reimbursable Expense Rates

Transportation	\$0.75/mile
Survey Vehicle	\$0.95/mile
Laser Printouts/Photocopies	\$0.30/copy
Plotter Printouts	\$1.00/s.f.
UAS - Photo/Video Grade	\$100.00/day
UAS – Survey	\$50.00/day
Total Station – Robotic	\$35.00/hour
Mapping GPS	\$25.00/hour
Fast Static/RTK GPS	\$50.00/hour
All-Terrain Vehicle/Boat	\$100.00/day
Cellular Modem	\$75.00/month
Web Hosting	\$26.00/month
Legal Services Reimbursement	\$250.00/hour
Outside Services	cost * 1.15
Geotechnical Services	cost * 1.30
Out of Pocket Expenses	cost * 1.15
Rental Car	cost * 1.20
Project Specific Equipment	Negotiable

* Position titles are for labor rate grade purposes only.

These rates are subject to adjustment each year on January 1.

RECAP:

33,729.82	AVFuel - Airport fuel for resale
61,473.00	Coalition of Greater MN Cities - 2023 Dues assessment
187,499.50	Everstrong Construction - Airport T-Hangar Estimate 3
40,230.00	Horizon Commercial Pool Supply - River Springs WP Filtration & Pump Est 1
20,000.00	Mohs Contracting - 4 Temporary Cert of Occupancy refunds
57,930.70	Nero Engineering - December WWTP expansion
144,333.70	OpenGov Inc - 2023 Subscription + \$4,700 2022 service/implementation
66,117.93	Owatonna Area Chamber - Sept/Oct/Nov Lodging tax
44,235.00	Prime Garage Door - WWTF overhead doors
1,237,764.50	Rice Lake Const Group - December WWTF Expansion Est 7
62,664.17	Steele County Auditor - 4th Qtr 2022 LEC costs
24,960.00	Visual Labs Inc - 2023 vehicle & body camera service subscription
<u>278,495.26</u>	OTHER EXPENDITURES
\$ 2,259,433.58	<i>SUBTOTAL</i>
<u>83,870.30</u>	HRA HOUSING ASSISTANCE PAYMENTS
\$ <u><u>2,343,303.88</u></u>	TOTAL EXPENDITURES PRESENTED FOR APPROVAL

NOTE: Checks over \$20,000 are detailed out individually

Check Number	Check Date	Vendor Name	Net Check Amount	Check Status	Check Type
Cash Account: 999-19100-000-000-000000					
371855	01/31/23	ALEX AIR APPARATUS, INC	846.14	0	Regular
371856	01/31/23	ALEXANDER LUMBER COMPANY	4,284.56	0	Regular
371857	01/31/23	AMAZON.COM	888.51	0	Regular
371858	01/31/23	AMERICAN LEGAL PUBLISHING	450.00	0	Regular
371859	01/31/23	APG MEDIA OF SO MINNESOTA LLC	459.86	0	Regular
371860	01/31/23	ARAMARK UNIFORM SERVICES INC	357.84	0	Regular
371861	01/31/23	ARROW ACE HARDWARE	336.02	0	Regular
371862	01/31/23	ASPEN MILLS	88.50	0	Regular
371863	01/31/23	ASSN OF MINNESOTA COUNTIES	350.00	0	Regular
371864	01/31/23	AVFUEL CORPORATION	33,729.82	0	Regular
371865	01/31/23	BAKER & TAYLOR BOOKS	1,216.06	0	Regular
371866	01/31/23	BAKER TILLY MUNICIPAL ADV LLC	11,920.00	0	Regular
371867	01/31/23	BATTERIES PLUS BULBS LLC	47.02	0	Regular
371868	01/31/23	BOLTON & MENK INC	19,934.35	0	Regular
371869	01/31/23	BRODART CO	41.43	0	Regular
371870	01/31/23	CARGILL INC	14,014.91	0	Regular
371871	01/31/23	CARQUEST	1,153.69	0	Regular
371872	01/31/23	CENGAGE LEARNING INC/GALE	49.60	0	Regular
371873	01/31/23	CENTRAL FARM SERVICE	1,860.23	0	Regular
371874	01/31/23	CHAR KUNKEL	1,199.02	0	Regular
371875	01/31/23	COALITION OF GREATER MN CITIES	61,473.00	0	Regular
371876	01/31/23	COMPCARE OCCUPATIONAL MEDICINE	58.00	0	Regular
371877	01/31/23	CONTINENTAL RESEARCH CORP	3,287.96	0	Regular
371878	01/31/23	CULLIGAN OF OWATONNA	31.08	0	Regular
371879	01/31/23	CUMMINS INC	766.04	0	Regular
371880	01/31/23	CURT'S TRUCK & DIESEL SERVICE	1,455.68	0	Regular
371881	01/31/23	D & M CONSTRUCTION LLC	3,343.10	0	Regular
371882	01/31/23	DEANS WESTSIDE TOWING	200.00	0	Regular
371883	01/31/23	DEML FORD INC	137.87	0	Regular
371884	01/31/23	DK ENTERPRISES OF AUSTIN INC	657.50	0	Regular
371885	01/31/23	DTN LLC	1,956.00	0	Regular
371886	01/31/23	EBSCO INFORMATION SERVICES	5,800.00	0	Regular
371887	01/31/23	ENERGY PRODUCTS & DESIGN INC	289.00	0	Regular
371888	01/31/23	EVERSTRONG CONSTRUCTION INC	187,499.50	0	Regular
371889	01/31/23	EYE MED VISION CARE	447.39	0	Regular
371890	01/31/23	FAME AWARDS	781.00	0	Regular
371891	01/31/23	FARIBAULT CO SHERIFF'S OFFICE	5,950.28	0	Regular
371892	01/31/23	FASTENAL COMPANY	68.03	0	Regular
371893	01/31/23	Fifth Asset, Inc	10,125.00	R	ACH
371894	01/31/23	FIRST SUPPLY OWATONNA	1,804.00	0	Regular
371895	01/31/23	FLAHERTY & HOOD PA	5,177.56	0	Regular
371896	01/31/23	FLEXIBLE PIPE TOOL CO	1,175.00	0	Regular
371897	01/31/23	FOUR SEASONS ELECTRIC	69.88	0	Regular
371898	01/31/23	GALLAGHER BENEFIT SERVICES INC	7,000.00	0	Regular

Check Number	Check Date	Vendor Name	Net Check Amount	Check Status	Check Type
371899	01/31/23	GAMEHAVEN COUNCIL-BS OF AMER	340.00	0	Regular
371900	01/31/23	GENESIS LAMP CORPORATION	1,193.70	0	Regular
371901	01/31/23	GRAINGER	8.45	0	Regular
371902	01/31/23	GREATER MN PARKS & TRAILS	330.00	0	Regular
371903	01/31/23	HAWKINS INC	10,686.39	0	Regular
371904	01/31/23	HEALTHPARTNERS INC	4,603.29	0	Regular
371905	01/31/23	HORIZON COMMERCIAL POOL SUPPLY	40,230.00	0	Regular
371906	01/31/23	HUBER SUPPLY CO INC	89.42	0	Regular
371907	01/31/23	ICS CONSULTING INC	5,000.00	0	Regular
371908	01/31/23	IFACS	135.20	0	Regular
371909	01/31/23	INNOVATIVE OFFICE SOLUTIONS	14,083.53	0	Regular
371910	01/31/23	JETTER CLEAN INC	312.50	0	Regular
371911	01/31/23	KOWZ-FM	500.00	0	Regular
371912	01/31/23	KWIK CASE LLC	3,028.02	R	ACH
371913	01/31/23	L & M BOILER SYSTEMS INC	937.20	0	Regular
371914	01/31/23	LAWSON PRODUCTS	1,514.66	0	Regular
371915	01/31/23	LEADSONLINE LLC	3,396.00	0	Regular
371916	01/31/23	LEGACY SIGNS INC	153.55	0	Regular
371917	01/31/23	MACQUEEN EQUIPMENT CO	666.96	0	Regular
371918	01/31/23	MADISON NATL LIF INS CO INC	984.18	0	Regular
371919	01/31/23	MARCO TECHNOLOGIES LLC	7,996.80	0	Regular
371920	01/31/23	MEI TOTAL ELEVATOR	881.07	0	Regular
371921	01/31/23	METRO SALES INC	378.76	0	Regular
371922	01/31/23	METRONET	2,267.05	0	Regular
371923	01/31/23	MICHAEL BEACH COACHING & CONSU	1,675.00	0	Regular
371924	01/31/23	MID-AMERICA BUSINESS SYSTEMS	895.00	0	Regular
371925	01/31/23	MINER'S OUTDOOR & RECREATION	415.80	0	Regular
371926	01/31/23	MINNESOTA LIFE	2,794.55	0	Regular
371927	01/31/23	MN BUILDING PERMIT TECH ASSN	100.00	0	Regular
371928	01/31/23	MN DEPT NATURAL RESOURCES	516.96	0	Regular
371929	01/31/23	MN DEPT OF LABOR AND INDUSTRY	110.00	0	Regular
371930	01/31/23	MN NCPERS GROUP LIFE INSURANCE	464.00	0	Regular
371931	01/31/23	MN RECREATION & PARK ASSN	125.00	0	Regular
371932	01/31/23	MN SC INVESTIGATOR'S COALITION	1,000.00	0	Regular
371933	01/31/23	MN VALLEY TESTING LABS INC	898.65	0	Regular
371934	01/31/23	MOHS CONTRACTING INC	20,000.00	0	Regular
371935	01/31/23	MTI DISTRIBUTING INC	5,477.93	0	Regular
371936	01/31/23	NAPA AUTO PARTS	1,138.47	0	Regular
371937	01/31/23	NORTHFIELD NEWS	81.95	0	Regular
371938	01/31/23	NORTHLAND FARM SYSTEMS	604.79	0	Regular
371939	01/31/23	O'REILLY AUTOMOTIVE INC	148.17	0	Regular
371940	01/31/23	OFFICE OF MNIT SERVICES	420.00	0	Regular
371941	01/31/23	OPENGOV INC	144,333.70	R	ACH
371942	01/31/23	OWATONNA AREA CHAMBER OF COMM	66,117.93	0	Regular
371943	01/31/23	OWATONNA GROUNDMASTERS INC	3,310.50	0	Regular

Check Number	Check Date	Vendor Name	Net Check Amount	Check Status	Check Type
371944	01/31/23	OWATONNA HEATING & COOLING INC	1,386.00	0	Regular
371945	01/31/23	OWATONNA MOTOR COMPANY	1,083.32	0	Regular
371946	01/31/23	OWATONNA QUARTERBACK CLUB	9,879.48	0	Regular
371947	01/31/23	OWATONNA TOWNSHIP	518.80	0	Regular
371948	01/31/23	PARAGON PRINTING	544.46	0	Regular
371949	01/31/23	PARKS & TRAILS COUNCIL OF MN	35.00	0	Regular
371950	01/31/23	PDI	45.30	0	Regular
371951	01/31/23	PEPSI COLA OF ROCHESTER	499.20	0	Regular
371952	01/31/23	PLUNKETT'S PEST CONTROL INC	130.00	0	Regular
371953	01/31/23	PRIME GARAGE DOOR & MORE LLC	44,235.00	0	Regular
371954	01/31/23	QUALITY EQUIP SALES & SERVICE	1,108.61	0	Regular
371955	01/31/23	RENT N SAVE	840.00	0	Regular
371956	01/31/23	RIVERLAND COMMUNITY COLLEGE	5,000.00	0	Regular
371957	01/31/23	ROCKMOUNT RESEARCH & ALLOYS IN	1,007.20	0	Regular
371958	01/31/23	ROCON INCORPORATED	408.00	0	Regular
371959	01/31/23	RON'S REPAIR SERVICE	1,297.39	0	Regular
371960	01/31/23	SANCO EQUIPMENT	3,202.56	0	Regular
371961	01/31/23	SCHILLING SUPPLY CO	2,412.41	0	Regular
371962	01/31/23	SE MN ASSN OF REGIONAL TRAILS	25.00	0	Regular
371963	01/31/23	SERVICE RESTORATION	2,500.00	0	Regular
371964	01/31/23	SHERWIN WILLIAMS COMPANY	1,514.43	0	Regular
371965	01/31/23	SHINGOBBE BUILDERS INC	5,000.00	0	Regular
371966	01/31/23	SHRED RIGHT	40.00	0	Regular
371967	01/31/23	SMRPA	150.00	0	Regular
371968	01/31/23	SOUTHERN MN INSPECTION CO	1,174.80	0	Regular
371969	01/31/23	STATE INDUSTRIAL PRODUCTS	899.34	0	Regular
371970	01/31/23	STEELE COUNTY AUDITOR	62,664.17	0	Regular
371971	01/31/23	STEELE COUNTY RECORDER	92.00	0	Regular
371972	01/31/23	STEELE COUNTY TREASURER	5,944.25	0	Regular
371973	01/31/23	STEELE THREADS	503.00	0	Regular
371974	01/31/23	STEWART DENISE	46.94	0	Regular
371975	01/31/23	STREICHER'S INC	6,158.30	0	Regular
371976	01/31/23	SYNCHRONY BANK	427.38	0	Regular
371977	01/31/23	T-MOBILE	554.85	0	Regular
371978	01/31/23	TERRACON CONSULTANTS INC	3,316.25	0	Regular
371979	01/31/23	THOMSON REUTERS	505.59	0	Regular
371980	01/31/23	UKG INC	193.67	0	Regular
371981	01/31/23	UNITED STATES GOLF ASSN	150.00	0	Regular
371982	01/31/23	UNIVERSITY OF VIRGINIA	1,860.00	0	Regular
371983	01/31/23	USABLUBOOK	270.67	0	Regular
371984	01/31/23	UTILITY LOGIC	145.55	0	Regular
371985	01/31/23	VALUE LINE PUBLISHING INC	4,095.00	0	Regular
371986	01/31/23	VAN IWAARDEN ASSOCIATES	1,800.00	0	Regular
371987	01/31/23	VENTURE HYDRAULICS INC	144.49	0	Regular
371988	01/31/23	VERIZON WIRELESS	2,360.00	0	Regular

Check Number	Check Date	Vendor Name	Net Check Amount	Check Status	Check Type
371989	01/31/23	VESSCO INC	397.00	0	Regular
371990	01/31/23	VISUAL LABS INC	24,960.00	0	Regular
371991	01/31/23	WALBRAN & FURNESS CHARTERED	4,721.75	0	Regular
371992	01/31/23	WSB & ASSOCIATES INC	5,821.50	0	Regular
371993	01/31/23	MATTHEW R HOKANSON	3,684.10	0	Regular
371994	01/31/23	MATTHEW R HOKANSON	2,916.67	0	Regular
371995	01/31/23	RANDALL'S LICENSE BUREAU	14.25	0	Regular
371996	01/31/23	RANDALL'S LICENSE BUREAU	14.25	0	Regular
371997	02/01/23	DOMA INSURANCE AGENCY OF MN	1,177.74	0	Regular
371998	02/01/23	METRONET	95.17	0	Regular
371999	02/01/23	NERO ENGINEERING	57,930.70	0	Regular
372000	02/01/23	OWATONNA PUBLIC UTILITIES	258.92	R	ACH
372001	02/01/23	RICE LAKE CONSTRUCTION GROUP	1,237,764.50	0	Regular
372002	02/01/23	WASTE MANAGEMENT OF WI-MN	135.45	0	Regular
372003	02/01/23	XCEL ENERGY	247.61	0	Regular
372004	02/01/23	ACADEMY APARTMENTS OF OWATONNA	197.00	R	ACH
372005	02/01/23	ADAMS REVOCABLE LIVING TRUST	544.00	R	ACH
372006	02/01/23	ALL AREA MANAGEMENT LLC	543.00	R	ACH
372007	02/01/23	APACHE APARTMENTS	602.00	R	ACH
372008	02/01/23	ARNFELT RENTS	271.00	R	ACH
372009	02/01/23	ATM PROPERTIES LLC	853.00	R	ACH
372010	02/01/23	AUSTIN HRA	1,940.00	0	Regular
372011	02/01/23	B-GROVE LLC	1,085.00	R	ACH
372012	02/01/23	BB BROTHERS HOLDINGS LLC	299.00	R	ACH
372013	02/01/23	BROWN CYNTHIA	484.00	R	ACH
372014	02/01/23	BRYCEN GREGOR	941.00	R	ACH
372015	02/01/23	CEDAR HILLS ESTATES	1,361.00	R	ACH
372016	02/01/23	CEDAR RIDGE APARTMENTS	732.00	R	ACH
372017	02/01/23	CEDAR ROSE ASSOCIATES LLC	254.00	R	ACH
372018	02/01/23	CEDAR RUN TOWN HOMES MDI #41	1,988.00	R	ACH
372019	02/01/23	CEDARDALE NORTH APARTMENTS	348.00	R	ACH
372020	02/01/23	CEDARDALE SOUTH APARTMENTS	262.00	R	ACH
372021	02/01/23	CEDARDALE WEST APARTMENTS	579.00	R	ACH
372022	02/01/23	CHAD EISCHENS	589.00	R	ACH
372023	02/01/23	CHRIS PROHASKI	1,496.00	R	ACH
372024	02/01/23	COMMON CENTS PROPERTIES LLC	340.00	R	ACH
372025	02/01/23	DAN NECHVILLE	644.00	R	ACH
372026	02/01/23	DANIEL SCHLEGEL	483.00	R	ACH
372027	02/01/23	DONALD RIPPLE	982.00	R	ACH
372028	02/01/23	EEK LLC	460.00	R	ACH
372029	02/01/23	ELLINGSON RICHARD	807.00	R	ACH
372030	02/01/23	ESSO PROPERTIES LLC	722.00	R	ACH
372031	02/01/23	FITZGERALD TLS PROPERTIES LLC	466.00	R	ACH
372032	02/01/23	GERALD BESSER & JANET BESSER	457.00	R	ACH
372033	02/01/23	IMAGE APARTMENT	2,602.00	R	ACH

Check Number	Check Date	Vendor Name	Net Check Amount	Check Status	Check Type
372034	02/01/23	JBLL EQUITIES LLC	572.00	R	ACH
372035	02/01/23	JOHN & DENISE SCHROEDER	485.00	R	ACH
372036	02/01/23	JOHNSON WINDOW & SIDING INC	3,046.00	R	ACH
372037	02/01/23	JPF PROPERTIES	1,100.00	R	ACH
372038	02/01/23	JULIE WERSAL	437.00	R	ACH
372039	02/01/23	KEG INVESTMENTS LLC	471.00	R	ACH
372040	02/01/23	KERR MCCAULEY INVESTMENT II	289.00	R	ACH
372041	02/01/23	KLEVOS GREG	837.00	R	ACH
372042	02/01/23	LAXMAN S SUNDAE	1,224.00	R	ACH
372043	02/01/23	LEE ANNA	2,105.00	R	ACH
372044	02/01/23	LINCOLN SQUARE APARTMENTS	6,649.00	R	ACH
372045	02/01/23	LOFTS ON 3RD	526.00	R	ACH
372046	02/01/23	LWO LIMITED PARTNERSHIP #116	1,725.00	R	ACH
372047	02/01/23	MANCINI NICHOLAS	693.00	R	ACH
372048	02/01/23	MARQUARDT DENNIS	3,010.00	R	ACH
372049	02/01/23	MARTIN ALLAN	2,000.00	R	ACH
372050	02/01/23	MARTIN FAMILY LLC	546.00	R	ACH
372051	02/01/23	MCCAULEY PATRICK	835.00	R	ACH
372052	02/01/23	MIDWEST INVEST LLC	485.00	R	ACH
372053	02/01/23	MINNEAPOLIS PHA	917.40	R	ACH
372054	02/01/23	NECHVILLE SUSAN	1,807.00	R	ACH
372055	02/01/23	NORTH VIEW APARTMENTS	867.00	R	ACH
372056	02/01/23	NORTHCOURT APARTMENTS	1,654.00	R	ACH
372057	02/01/23	NORTHGATE	2,160.00	R	ACH
372058	02/01/23	NORTHWEST MANOR	1,203.00	R	ACH
372059	02/01/23	OWATONNA PUBLIC UTILITIES	109.00	R	ACH
372060	02/01/23	PARK PLAZA LLC	1,067.00	R	ACH
372061	02/01/23	PARKVIEW OWATONNA LLC	325.00	R	ACH
372062	02/01/23	POSITIVE SHARE LLC	417.00	R	ACH
372063	02/01/23	PROHASKI PROPERTIES	1,116.00	R	ACH
372064	02/01/23	QUALITY RENTALS OF OWATONNA LL	631.00	R	ACH
372065	02/01/23	RAYMOND WILLMOTT	398.00	R	ACH
372066	02/01/23	SCOTT COUNTY CDA	2,402.80	R	ACH
372067	02/01/23	SMITH REAL ESTATE LLC	629.00	R	ACH
372068	02/01/23	SOUTH CENTRAL HUMAN RELATIONS	3,745.00	R	ACH
372069	02/01/23	ST CLOUD HRA	781.10	R	ACH
372070	02/01/23	SUBLAND INVESTMNTS & LIFESTYLE	600.00	R	ACH
372071	02/01/23	SUMMIT MANOR	293.00	R	ACH
372072	02/01/23	T & M RENTALS	421.00	R	ACH
372073	02/01/23	TM RENTALS II LLC	483.00	R	ACH
372074	02/01/23	TREND REALTY LLC	570.00	R	ACH
372075	02/01/23	USDA RURAL DEVELOPMENT	480.00	0	Regular
372076	02/01/23	USDA RURAL DEVELOPMENT	436.00	0	Regular
372077	02/01/23	WILLOW RUN I MDI #58	3,290.00	R	ACH
372078	02/01/23	WILLOW RUN II MDI #85	2,907.00	R	ACH

Check Number	Check Date	Vendor Name	Net Check Amount	Check Status	Check Type
372079	02/01/23	YOUNGDAHL DEVELOPMENT LLC	1,613.00	R	ACH
372080	02/01/23	ZK INVESTORS LLC	2,182.00	R	ACH

apadatecr2 City of Owatonna

jmatejcek
A/P Check Register
Checks from

to

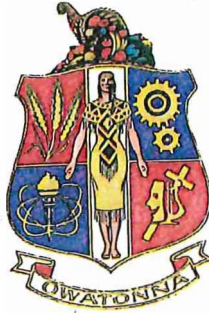
02/02/2023 12:40

Page 6

148	Checks total:	2,104,543.94
78	ACH total:	238,759.94
0	EFTPS total:	
0	Wire transfer total:	
0	Payment Manager total:	
226	GRAND TOTALS	2,343,303.88

THE CITY OF

Mark M. Walbran
City Attorney
Phone: (507) 451-1173
Fax: (507) 451-8916



OWATONNA

140 East Main Street
P.O. Box 273
Owatonna, MN 55060
mwalbran@walbranfurnesslaw.com

PURPOSE MEMO

TO: Mayor, City Council, City Administrator, Chief of Police
FROM: Mark M. Walbran
DATE: 1/12/03 (updates earlier Purpose Memo of 12/1/22)
RE: Ordinance Regulating the Sale of Cannabinoid Products

Purpose:

The purpose of the proposed ordinance is to regulate the sale and possession of edible cannabinoid products commonly known as "edibles" by licensing the same similar to the manner of licensing the City Council has enacted regulating the sale and possession of tobacco.

Background:

In the summer of 2022 the Minnesota Legislature enacted a statute allowing the sale of edible cannabinoid products containing no more than 0.3% of tetrahydrocannabinol (THC) with no product containing more than 5 mg. of THC per serving nor more than a total of 50 mg. per package. Sale of edibles to persons under 21 was prohibited. The packaging of such products could not appeal to children and the packages were required to be child resistant. Because the Legislature failed to enact other regulations local government have enacted local ordinances governing the sale of edibles.

On January 5, 2023, a bill was introduced in the State Legislature (HF 100) which broadly covers the regulation of marijuana, including "Lower potency edible products" which are similar to, but not exactly the same as the edible cannabinoid product allowed since the summer of 2022. Among other things, House File 100, provides for the licensing of lower potency edible products, and regulations governing retail operations.

The proposed House Bill preempts local control by cities in many respects. A City can't prohibit the establishment of a cannabis business licensed under the law. However, a city can adopt reasonable restrictions on time, place, and manner of the operation of a cannabis business, for example, prohibiting the operation of a cannabis business within a 1,000 feet of a school and certain other establishments.

The Minnesota House Research Summary may be found at <https://www.house.leg.state.mn.us/hrd/bs/93/HF0100.pdf>.

If the Legislature adopts its bill, some provisions of our ordinance would be preempted and others likely amended.

The following is a summary of the proposed Ordinance:

- (1) Before any person may sell edibles an application must first be submitted to the City together with the fee which will be referred to the Chief of Police for an investigation. Upon completion of the investigation the Chief will then submit his written recommendation to the Council. The Council will then consider the application and either approve or deny the application. The Ordinance provides grounds for denying the issuance of a license or the license renewal and the right to appeal the denial.
- (2) A cannabinoid product must comply with the statutory requirements and not contain more than 0.3% of THC and no single serving may contain more than 5 mg. of THC and no package may contain more than 50 mg. of THC.
- (3) No licensee may be located within 1,000 feet from any K-12 school, public or private.
- (4) The licensee must keep all edibles stored in a locked cabinet behind the check-out counter and out of the customer's view.
- (5) No sales may be made from a vending machine, out of a person's home, or by a solicitor or peddler or transient merchant.
- (6) No sales may be made to any person under the age of 21 nor shall any person under the age of 21 purchase edibles.
- (7) No person under the age of 21 may possess such edibles unless specifically prescribed by a physician for medical purposes.
- (8) Packaging of edibles must be child resistant. The Ordinance adopts the definition of child resistant packaging provided in Federal Regulation 16 CFR Part 1700, "Poison Prevention Packaging".
- (9) The licensee must verify the age of any person purchasing edibles by means of a government-issued photographic ID.
- (10) A licensee is responsible for the actions of the licensee's employees.
- (11) Hours of sale are limited to 8:00 a.m. to 10:00 p.m.

- (12) The licensee's business is subject to compliance checks and inspections.
- (13) The licensee must provide a certificate of liability insurance insuring against personal injury, death, or property damage arising out of the licensee's business.
- (14) Any licensee who violates the Ordinance is subject to civil penalties, including fines and suspension or revocation. A violation of the Ordinance is a misdemeanor. If the City pursues a misdemeanor prosecution no administrative penalty is imposed, however, the Council may still suspend or revoke a license in appropriate circumstances.

Budget Impact:

The initial application fee shall be \$500. The investigation fee shall be \$500 or the actual cost not to exceed \$10,000 if the investigation is required outside of the state.

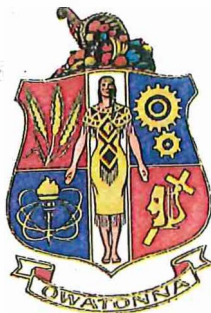
City Staff Recommendation:

It is anticipated that the 2023 Legislature will adopt further regulations for the retail sale of edibles. Pending such further statutory regulation, City staff recommends that the City Council adopt reasonable regulations supplementary to the 2022 statute.

MMW:ras

THE CITY OF

Mark M. Walbran
City Attorney
Phone: (507) 451-1173
Fax: (507) 451-8916



OWATONNA

140 East Main Street
P.O. Box 273
Owatonna, MN 55060
mwalbran@walbranfurnesslaw.com

SECOND PURPOSE MEMO

TO: Mayor, City Council, City Administrator, Chief of Police
FROM: Mark M. Walbran, City Attorney
DATE: February 3, 2023 (updates earlier Purpose Memo of January 12, 2023)
RE: Ordinance Regulating the Sale of Cannabinoid Products

Purpose:

The purpose of the second memo is to briefly summarize the substantive changes made to the previous draft of the Ordinance. In § 121.05 "INVESTIGATION" the first sentence was changed to read as follows:

On an initial application for a license and on application for transfer of an existing license, the City shall request that its Chief of Police conduct a preliminary background investigation of the applicant and any financial investigation if deemed necessary.

In § 121.06 "COUNCIL ACTION" the first sentence was changed to read as follows:

The City Council may either approve or deny the application for a license, or it may delay action for a reasonable period of time as necessary to complete further investigation of the application or the applicant.

In § 120.10 "PROHIBITED SALES", Subd. 4, was changed to read as follows:

Subd. 4. *Product Display Limited.* All cannabinoid products shall be stored in a location behind the check-out counter in a locked cabinet or other locked storage unit not accessible to the general public. This section does not apply to an "Age-Restricted Retail Establishment" as defined in this ordinance which is continuously staffed by an employee and entry to which is not permitted by persons under 21 years of age.

In the Fee Ordinance the initial application amount was changed to \$1,000. The application fees which cities have adopted range from \$450.00 to \$1500.00. Chief Mundale has separately outlined the potential cost burden on the City from the retail sale of cannabinoids.

MMW:ras



OWATONNA POLICE DEPARTMENT

Jeffrey E. Mundale
Chief of Police

204 East Pearl St., Owatonna, MN 55060
Phone: (507) 774-7202

TO: Kris Busse, City Administrator & Owatonna City Council
FROM: Jeff Mundale, Chief of Police
DATE: February 2, 2023
RE: Proposed CBD Ordinance & Enforcement Costs

Upon your request for further information about the costs to the City/Owatonna Police Department to conduct CBD compliance checks and enforcement activities.

The Detective Bureau personnel are tasked with conducting annual alcohol and tobacco compliance checks and would be responsible for the same relating to cannabinoid (CBD) licensure.

To date, the City of Owatonna has issued 33 tobacco licenses, 8 types of liquor licenses to total 53 alcohol licenses. On Dec 6, 2022, The Owatonna Police Department did a survey and identified seven retailers of cannabinoid (CBD) products containing tetrahydrocannabinol (THC) in the City of Owatonna.

All compliance checks are conducted at least once annually. The Owatonna Police Department is seeking to add another round of compliance checks per calendar year, starting in 2023.

Staff recommendation to conduct one round of 7-15 CBD retail compliance checks can be accomplished in an 8-hour workday using one Detective at his/her regular rate of pay. Below is an itemized list of expenses. Additional staff time and expenses may be necessary to prepare administrative memorandums, preparing Incident/violation reports, submitting evidence, contracting with a 3rd Party Independent Lab to run potency tests, and if necessary, to conduct random CBD samples for a safety analysis that meet the testing requirements under §151.72 Subd. 4(a).

City Wide Compliance Checks

1 Day Detective Wage @\$39.80	\$318.40
Undercover Operatives Wages	\$80.00
Other Operating Costs & Supplies	\$50.00

Budget Impact: \$448.40 once annual CDB Compliance Checks

Criminal Case Prosecution

Independent Lab Potency Testing ⁱ	\$100.00 per piece/sample
Independent Lab Safety Testing ⁱⁱ	\$730.00 per piece/sample
Certificate of Analysis (CoA)	\$25.00 per piece/sample
Witness Fees to Authenticate Testing	\$200.00/hour (to include travel and court testimony)

-
- ⁱ Legend Technical Services. 88 Empire Drive, Saint Paul, MN 55103 (651) 642-1150.
Tests potency of each sample with additional cost for the Certificate of Analysis (CoA). Witness Fees not included.
 - ⁱⁱ Legend Technical Services also offers CBD product safety testing pursuant to 151.72 Subdivision 4 that includes microbial contaminants, residual solvents, pesticides, aflatoxins, and heavy metals. This is not required to in possession cases.

Proposed Ordinance No. 23-03

ORDINANCE NO. _____

AN ORDINANCE AMENDING TITLE XI: BUSINESS REGULATIONS OF THE 2015 ORDINANCE CODE OF THE CITY OF OWATONNA, AS AMENDED, BY ADDING THERETO CHAPTER 121 ESTABLISHING LICENSING REGULATIONS FOR THE SALE OF CERTAIN CANNABINOID PRODUCTS PURSUANT TO MINN. STAT. § 151.72.

THE CITY COUNCIL OF THE CITY OF OWATONNA DO ORDAIN:

Section 1. Title IX of the 2015 Ordinance Code of the City of Owatonna, as amended, is hereby amended by adding Chapter 121, to read as follows:

CHAPTER 121: CANNABINOID PRODUCTS

§ 121.01 PURPOSE.

(A) The purpose of this ordinance is to establish licensing regulations for the sale of cannabinoid products derived from hemp as provided in Minn. Stat. § 151.72.

§ 121.02 FINDINGS OF CITY COUNCIL.

(A) The City Council makes the following findings regarding the need to regulate, license, and inspect establishments that sell certain cannabinoid products:

- (1) By enacting 2022 Session Law Chapter 98, Article 13, the Minnesota Legislature amended Minn. Stat. § 151.72 to allow the sale of certain cannabinoid products.
- (2) The amendment does not prohibit municipalities from licensing and regulating the sale of cannabinoid products derived from hemp.
- (3) The National Academies of Science, Engineering, and Medicine note that the growing acceptance, accessibility, and use of cannabis and its derivatives have raised important public health concerns, while the lack of aggregated knowledge of cannabis-related health effects has led to uncertainty about the impact of its use.
- (4) The Minnesota Legislature recognized the danger of cannabis use among youth by prohibiting the sale of any product containing cannabinoid or

tetrahydrocannabinol (THC) extracted or otherwise derived from hemp to those under the age of 21 and requiring that edible cannabinoid products be packaged without appeal to children and in child-resistant packaging or containers.

- (5) Due to the passage of the amendment, the City Council finds and determines that the following regulations and standards for licensing the sale of cannabinoid products are necessary to promote and protect the public health, safety, and general welfare of the residents of Owatonna.

§ 121.03 DEFINITIONS.

Subd. 1. "*Cannabinoid product*" means any product containing nonintoxicating cannabinoids extracted from hemp, including an edible cannabinoid product, that is sold for human or animal consumption.

Subd. 2. "*Certified hemp*" has the meaning as provided in Minn. Stat. §151.72, Subd. 1(b), as may be amended.

Subd. 3. "*Child-resistant packaging*" means Special Packaging designed or constructed to be significantly difficult for children under 5 years of age to open or obtain a toxic or harmful amount of the substance contained therein within a reasonable time and not difficult for normal adults to use properly, as defined in 16 CFR Part 1700, "Poison Prevention Packaging".

Subd. 4. "*Compliance checks*" means the system the City uses to investigate and ensure that those authorized to sell cannabinoid products are following and complying with the requirements of state laws and this ordinance. Compliance checks involve the use of persons under the age of 21 who purchase or attempt to purchase cannabinoid products. Compliance checks may also be conducted by the City or other units of government for educational, research, and training purposes or for investigating or enforcing federal, state, or local laws and regulations relating to cannabinoid products.

Subd. 5. "*Edible cannabinoid product*" means any product that is intended to be eaten or consumed as a beverage by humans, contains a cannabinoid in combination with food ingredients, and is not a drug.

Subd. 6. "*Hemp*" or "*Industrial Hemp*" means the definition for the same provided in Minn. Stat. § 18K.02, Subd. 3, as may be amended.

Subd. 7. "*Home occupations*" means the definition of the same provided in Ordinance Code § 175.002.

Subd. 8. "*Label*" means the definition for the same provided in Minn. Stat. § 151.01, Subd. 18, as may be amended.

Subd. 9. "*Labeling*" means the definition for the same provided in Minn. Stat. § 151.72, Subd. 1(f), as may be amended.

Subd. 10. "*Loosies*" means a single serving or use from a package with more than one single use or more than one single serving.

Subd. 11. "*Matrix barcode*" means the definition for the same provided in Minn. Stat. § 151.72, Subd. 1(g), as may be amended.

Subd. 12. "*Moveable place of business*" means any form of business that is operated out of a kiosk, truck, van, automobile or other type of vehicle or transportable shelter and that is not a fixed address or other permanent type of structure licensed for over-the-counter sales transactions.

Subd. 13. "*Nonintoxicating cannabinoid*" means substances extracted from certified hemp plants that do not produce intoxicating effects when consumed by any route of administration.

Subd. 14. "*Operator*" means the person in legal possession and control of a location by reason of ownership, lease, contract or agreement, for the sale of cannabinoid products at retail.

Subd. 15. "*Retail establishment*" means

- a. Any fixed place of business where cannabinoid products are available for sale to the general public. Retail establishment for purposes of this ordinance does not include exclusive liquor stores or residences.
- b. "Age-Restricted Retail Establishment" means licensed premises to which access is limited to person age 21 or older.

Subd. 16. "*Sale*" means any transfer of goods for money, trade, barter or other consideration.

Subd. 17. "*Self-service vending*" means the display for sale of cannabinoid products that are accessible to the public without the need of assistance of an employee.

Subd. 18. "*Vending machine*" means any mechanical, electrical or electronic, or other type of device that dispenses cannabinoid products upon the insertion of money, tokens, or other form of payment into or onto the device by the person seeking to purchase cannabinoid products.

§ 121.04 LICENSE REQUIRED.

Subd. 1. *License Required.* No natural person, corporation, partnership, liability company, or business entity of any type (herein referred to collectively as "persons" and individually referred to as "person") shall sell, donate, give away, or otherwise transfer any cannabinoid product, or offer to do so, without first having obtained a license from the City as provided herein.

Subd. 2. *Tobacco License Required.* No license shall be issued to any applicant who does not hold a valid Tobacco License issued pursuant to Ordinance Code Ch. 114.

Subd. 3. *Application and Fees.* An application for a license shall be made on a form provided by the City and approved by the City Council. The completed application shall be signed by the applicant and acknowledged in the presence of a Notary Public and submitted to the City Clerk together with the Application Fee and Investigation Fee in amounts duly established by the Council from time to time as listed in Chapter 35, Appendix A: Fee Schedule, of the 2015 Ordinance Code, as amended.

Subd. 4. *Applicant's Business Entity.* The application shall show whether the applicant is a natural person, corporation, partnership, limited liability company, or other form of organization.

1. *Natural Person.* If the applicant is a natural person, the following information shall be required:
 - a. Full legal name, place and date of birth and street address of applicant.
 - b. Whether the applicant has ever used or been known by a name other than his or her true legal name and, if so, what was such name or names, and information concerning dates and places where used.

- c. The name of the business if it is to be conducted under a designation, name, or style other than the full individual name of the applicant.
 - d. Street addresses at which applicant lived during the preceding five (5) years.
 - e. The name of any business or occupation and the nature of the same and its location (address) which the applicant has been engaged in during the preceding five (5) years.
 - f. Names and addresses of applicant's employers and business partners, if any, for the preceding five (5) years.
 - g. Whether the applicant has ever been convicted of any felony, crime, or violation of any ordinance, excluding misdemeanor traffic offenses, but including any alcohol related driving offenses. If so, the applicant shall furnish information as to the time, place and offense for each conviction.
 - h. The name of the proprietor, manager, operating officer, or other agent in charge of the premises to be licensed.
2. *Partnership or Limited Liability Partnership.* If the applicant is a partnership or limited liability partnership, the names and addresses of all partners and all information concerning each partner as required of a single applicant in Subd. 4.1 above. A managing partner, or partners, shall be designated. The interest of each partner in the business shall be disclosed and a true copy of the applicant's partnership agreement, if any, shall be submitted with the application. If and in the event the composition of the partnership shall change at any time subsequent to the initial application, any amended partnership agreements must be filed with the City.
3. *Corporation, Limited Liability Company, or other Business Entity.* If the applicant is a corporation, limited liability company, or any other business entity, the following information shall be required:

- a. Company name and state of incorporation or organization.
 - b. A true copy of Certificate of Incorporation or Organization, Articles of Incorporation or Organization, and, if a foreign corporation, any certificate of authority to conduct business in the state of Minnesota as may be required by state law.
 - c. The name of the operating officer, manager, proprietor, or other agent in charge of the premises to be licensed, giving all the information about said person as is required of a single applicant in Subd. 4.1 above.
 - d. A list of all persons who, whether individually or with another, own or control any interest in said corporation or association together with their addresses and all information as is required of a single applicant in Subd. 4.1 above.
 - e. The name of the business if it is to be conducted under a designation, name, or style other than the full legal name of the applicant.
4. *Disclosure of Ownership Interests.* At the time of application, each applicant that is not a natural person shall furnish the City with a list of all persons that have an interest of five percent or more in the business. The list shall name all owners and show the interest held by each, either individually or beneficially for others. It is the duty of each business licensee to notify the City Clerk in writing of any change in ownership in the business . Any change in the ownership or control of the business shall be deemed equivalent to a transfer of the license, and any such license shall be revoked 30 days after any such change in ownership or control unless the licensee has notified the Council of the change in ownership by submitting a new license application for the new owners, and the Council has approved the transfer of the license by appropriate action. Any time an additional investigation is required because of a change in ownership or control of a business, the licensee shall pay an additional investigation fee to be determined by the City. The City may at any reasonable time examine the transfer records and minute books of any business licensee to verify and identify the owners, and the City may examine the business records of any other licensee to the extent necessary to disclose the interest which persons

other than the licensee have in the licensed business. The Council may revoke any license issued upon its determination that a change of ownership of a licensee has actually resulted in the change of control of the licensed business so as materially to affect the integrity and character of its management and its operation, but no such action shall be taken until after a hearing by the Council on notice to the licensee.

5. *Legal Description and Street Address.* The street address and legal description of the premises to be licensed, together with a plan, sketch, or drawing of the area showing dimensions, location of buildings, street access, parking facilities and the locations of and distances to the nearest place of worship and school building .
6. *Floorplan.* A diagram depicting dimensions of the licensed premises and the dimensions of the interior within the licensed premises where the licensed product will be sold.
7. *Age-Restricted Retail Establishment.* Certification as to whether access to the licensed premises will be limited to persons age 21 or older.
8. *Insurance.* Licensee shall, during the term of its licensure, obtain a Commercial General Liability Insurance insuring licensee against any liability arising out of this license which specifically insures licensee against claims for personal injury, including death, and property damage arising out of licensee's business selling cannabinoid products or by the negligent acts, errors, or omissions of licensee, with limits not less than \$1.5 Million per occurrence. The limits of coverage may be satisfied by a combination of underlying coverage and umbrella coverage. All such policies shall be with a company rated by A.M. Best as VII or better and in a form acceptable to the City. Licensee shall provide City with a Certificate of Insurance certifying to the existence of such policies.
9. *Additional Information.* Any additional information the City deems necessary.

§ 121.05 INVESTIGATION.

On an initial application for a license and on application for transfer of an existing license, the City shall request that its Chief of Police conduct a preliminary background investigation of the applicant and any financial investigation if deemed necessary. The application in such case shall be made on a form prescribed by the State Bureau of Criminal Apprehension and with such additional information as the Council may require. If the Council deems it in the public interest to have an investigation made on a particular application for renewal of a license, it shall so determine. If the Council determines that a comprehensive background and financial investigation of the applicant is necessary, it may conduct the investigation itself or contract with the Bureau of Criminal Apprehension for the investigation. If an investigation outside the state is required, the applicant shall be charged the cost not to exceed the amount duly established by the Council from time to time, which shall be paid by the applicant after deducting any initial investigation fee already paid. The fee shall be payable by the applicant whether or not the license is granted. Upon completion of the investigation, the Chief of Police shall make a written report and recommendation to the City Council of his or her findings, including a specific report on any violations of federal or state law or municipal regulations.

§ 121.06 COUNCIL ACTION.

The City Council may either approve or deny the application for a license, or it may delay action for a reasonable period of time as necessary to complete further investigation of the application or the applicant. If the City Council approves the license, the City Clerk shall issue the license to the applicant. If the City Council denies the license, notice of the denial shall be delivered by U.S. mail to the applicant along with notice of the applicant's right to appeal the City Council's decision pursuant to § 121.08 of this Ordinance. If a license application is denied, the earliest an applicant may reapply is 12 months from the date the license is denied.

§ 121.07 BASIS FOR DENIAL OF LICENSE.

Subd. 1. Grounds for denying the issuance or renewal of a license include, but are not limited to, the following:

- (1) The applicant is under 21 years of age.
- (2) The applicant has been convicted within the past ten (10) years of any violation of federal, state, or local law, ordinance provision, or other

regulation relating to cannabinoid products, alcohol, drugs, tobacco, or firearms.

- (3) The applicant has had a license to sell cannabinoid products suspended or revoked within the preceding 12 months of the date of application.
- (4) The applicant fails to provide any of the information required on the licensing application, or provides false or misleading information.
- (5) The applicant is prohibited by federal, state, or other local law, ordinance, or other regulation from holding a license.
- (6) The business for which the license is requested is a moveable place of business. Only fixed-location retail establishments that are not excluded under the definition for retail establishments in this ordinance are eligible to be licensed.
- (7) No license shall be granted or renewed for operation on any premises on which real estate taxes, assessments, or other financial claims of the City or the State are due, delinquent, or unpaid. If an action has been commenced pursuant to the provisions of Minnesota Statutes, Chapter 278, questioning the amount or validity of taxes, the council may, on application by the licensee, waive strict compliance with this provision; no waiver may be granted, however, for taxes, or any portion thereof,, which remain unpaid for a period exceeding one year after becoming due unless such one-year period is extended through no fault of the licensee.

Subd. 2. *Zoning*. No license will be approved unless the premises proposed to be licensed complies with all applicable zoning requirements. No licensee shall be located within 1,000 feet as measured in a straight line from the main public entrance of the licensed premises to the nearest boundary line of the following:

- (a) All K-12 public and private schools;
- (b) West Hills;

Subd. 3. *Issued Mistakenly*. If a license is mistakenly issued or renewed to a person, the City will revoke the license upon the discovery that the person was ineligible for the license under this ordinance. The City will provide the license holder with notice of the revocation, along with information on the right to appeal. If the permit has been issued by mistake through no fault of the applicant the permit fee may be refunded.

§ 121.08 PROCEDURE UPON DENIAL, SUSPENSION, NON-RENEWAL, OR REVOCATION OF LICENSE.

A determination by the City to deny, suspend, revoke, or not renew any license under this section may be appealed to the City Council of Owatonna by filing with the City Administrator a written Notice of Appeal within fifteen (15) days of the date on which notice of the City's denial suspension, or revocation is mailed to the licensee. In that event, the appeal will be heard by the Council within 45 days after the filing of the Notice of Appeal. At any appeal of a determination by the City under this Ordinance, the licensee or applicant, or an attorney representing said party, may appear and make a presentation to the City Council. The licensee or applicant shall present to the City Council the basis for the determination being appealed, and the City Council may receive and consider any evidence it deems relevant to the issue. After the hearing, the Council may uphold, reverse, or modify the prior decision based upon the provisions of this Ordinance and upon the protection of the public health, safety, or general welfare. The City Council shall issue written findings and determination within thirty-one (31) days of the hearing, unless the Council extends that time for good cause. A decision of the City Council made following an appeal as set forth herein may be appealed by Writ of Certiorari to the Court of Appeals of the State of Minnesota pursuant to its Rules of Civil Appellate Procedure and Minnesota Statutes.

§ 121.09 PERMITTED SALES OF CANNABINOIDS.

In accordance with Minn. Stat. §151.72, Subd.3, as may be amended:

Subd. 1. A product containing nonintoxicating cannabinoids, including an edible cannabinoid product, may be sold for human or animal consumption only if all of the requirements of this section are met, provided that a product sold for human or animal consumption does not contain more than 0.3 percent of any tetrahydrocannabinol and an edible cannabinoid product does not contain more than five milligrams of any tetrahydrocannabinol in a single serving, or more than a total of 50 milligrams of any tetrahydrocannabinol per package.

Subd. 2. No other substance extracted or otherwise derived from hemp may be sold for human consumption if the substance is intended:

- (1) For external or internal use in the diagnosis, cure, mitigation, treatment, or prevention of disease in humans or animals; or

- (2) To affect the structure or any function of the bodies of humans or other animals.

Subd. 3. Products that meet the requirements of this section are not controlled substances under Minn. Stat. § 152.02.

§ 121.10 PROHIBITED SALES.

Subd. 1. *Sale to Person under 21.* No product containing any cannabinoid or tetrahydrocannabinol extracted or otherwise derived from hemp may be sold to any person who is under the age of 21.

Subd. 2. *Samples Prohibited.* Sampling of cannabinoid products within any retail establishment licensed under this ordinance is prohibited. No person shall distribute samples of any cannabinoid products free of charge or at a nominal cost. The distribution of cannabinoid products as a free donation is prohibited.

Subd. 3. *Coupon and Price Promotion.* No person shall accept or redeem any coupon, price promotion, or other instrument or mechanism, whether in paper, digital, electronic, mobile, or any other form, that provides any cannabinoid products to a consumer at no cost or at a price that is less than the non-discounted, standard price listed by a retailer on the item or on any related shelving, posting, advertising, or display at the location where the item is sold or offered for sale, including all applicable taxes.

Subd. 4. *Product Display Limited.* All cannabinoid products shall be stored in a location behind the check-out counter in a locked cabinet or other locked storage unit not accessible to the general public. This section does not apply to an “Age-Restricted Retail Establishment” as defined in this ordinance which is continuously staffed by an employee and entry to which is not permitted by persons under 21 years of age.

Subd. 5. *Prohibition Against Retail Sales of Cannabinoid Products by Vending Machines.* No person will sell or dispense cannabinoid products through use of a vending machine.

§ 121.11 OTHER PROHIBITED ACTS.

Unless otherwise provided, the following acts shall be a violation of this chapter.

Subd. 1. *Legal age.* It shall be unlawful for any person to sell, give, or share any licensed product to any person under the age of 21.

Subd. 2. *Illegal purchase by or on behalf of a person under 21.*

- a. It shall be unlawful for any person under the age 21 to purchase licensed products or to purchase licensed products on behalf of a person under the age of 21.
- b. It shall be unlawful for any person to coerce or attempt to coerce a person under the age of 21 to illegally purchase or otherwise obtain or use any licensed product.
- c. No person under the age of 21 may furnish, sell or attempt to sell licensed products on behalf of a licensee.

Subd. 3. *Use of false identification.* It shall be unlawful for any person under the age of 21 to attempt to disguise the person's true age by the use of a false form of identification, whether the identification is that of another person or one on which the age of the person has been modified or tampered with, to represent an age older than the actual age of the person.

Subd. 4. *Illegal possession.* It shall be unlawful for any person under the age of 21 to possess any licensed product or to give or share any licensed product to any person under the age of 21.

Subd. 5. *Illegal use.* It shall be unlawful for any person under the age of 21 to use any intoxicating THC product unless it is lawfully prescribed by a Health Care Practitioner as defined in Minn. Stat. § 152.22, subd. 4.

Subd. 6. *Employees under age 18.* It shall be unlawful for any person under the age of 18 from selling edible cannabinoid products.

Subd. 7. *Impermissible home occupation.* The sale of edible cannabinoid products is not a permissible "Home Occupation" as defined in Ordinance Code § 157.002(B). "Home" includes any "Dwelling" as defined in Ordinance Code § 157.002(B).

Subd. 8. *Transient merchant; peddler; solicitor sales.* It shall be unlawful for any transit merchant, peddler, or solicitor, as defined in Ordinance Code § 118.070 to sell, offer to sell, or solicit orders for edible cannabinoid products.

§ 121.12 TESTING REQUIREMENTS. All testing must comply with the requirements set forth in Minn. Stat. § 151.72, Subd. 4, as may be amended.

§ 121.13 LABELING REQUIREMENTS.

All labeling must comply with the requirements set forth in Minn. Stat. § 151.72, Subd. 5, as may be amended.

§ 121.14 ADDITIONAL REQUIREMENTS FOR EDIBLE CANNABINOID PRODUCTS.

In accordance with Minn. Stat. § 151.72, Subd. 5a, as may be amended:

Subd. 1. An edible cannabinoid product must not:

- (1) Bear the likeness or contain cartoon-like characteristics of a real or fictional person, animal, or fruit that appeals to children;
- (2) Be modeled after a brand of products primarily consumed by or marketed to children;
- (3) Be made by applying an extracted or concentrated hemp-derived cannabinoid to a commercially available candy or snack food item;
- (4) Contain an ingredient, other than a hemp-derived cannabinoid, that is not approved by the United States Food and Drug Administration for use in food;
- (5) Be packaged in a way that resembles the trademarked, characteristic, or product-specialized packaging of any commercially available food product; or
- (6) Be packaged in a container that includes a statement, artwork, or design that could reasonably mislead any person to believe that the package contains anything other than an edible cannabinoid product.

Subd. 2. An edible cannabinoid product must be prepackaged in packaging or a container that is child-resistant, tamper-evident, and opaque or placed in packaging or a container that is child-resistant, tamper-evident, and opaque at the final point of sale to a customer. The requirement that packaging be child-resistant does not apply to an edible cannabinoid product that is intended to be consumed as a beverage and which contains no more than a trace amount of any tetrahydrocannabinol.

Subd. 3. If an edible cannabinoid product is intended for more than a single use or contains multiple servings, each serving must be indicated by scoring, wrapping, or other indicators designating the individual serving size.

Subd. 4. A label containing at least the following information must be affixed to the packaging or container of all edible cannabinoid products sold to consumers:

- (1) The serving size;
- (2) The cannabinoid profile per serving and in total;
- (3) A list of ingredients, including identification of any major food allergens declared by name; and
- (4) The following statement: "Keep this product out of reach of children."

Subd. 5. An edible cannabinoid product must not contain more than five milligrams of any tetrahydrocannabinol in a single serving, or more than a total of 50 milligrams of any tetrahydrocannabinol per package.

Subd. 6. Where an edible cannabinoid product is pre-packaged with more than one single use or contains multiple servings, a single use or serving shall not be removed from the package and sold as a "loosie" as defined herein.

§ 121.15 ADULTERATED OR MISBRANDED PRODUCTS.

A cannabinoid product shall be considered adulterated or misbranded under the provisions set forth in Minn. Stat. § 151.72, Subd. 6, as may be amended.

§ 121.16. SIGNAGE.

At each location where cannabinoid products are sold, the licensee shall display a sign in plain view to provide public notice that selling any of these products to any person under the age of 21 is illegal and subject to penalties. The notice shall be placed in a conspicuous location in the licensed establishment and shall be readily visible to any person who is purchasing or attempting to purchase these products. The sign shall provide notice that all persons responsible for selling these products must verify, by means of photographic identification containing the bearer's date of birth, the age of any person under 30 years of age.

§ 121.17 AGE VERIFICATION.

At each location where edible cannabinoid products are sold, the licensee shall verify, by means of government-issued photographic identification containing the bearer's date of birth, that the purchaser or person attempting to make the purchase is at least 21 years of age. Verification is not required if the purchaser or person attempting to make the purchase is 30 years of age or older. It shall not constitute a defense to a violation of this Section that the person appeared to be 30 years of age or older.

§ 121.18 RESPONSIBILITY.

All licensees are responsible for the actions of their employees regarding the sale, offer to sell, and furnishing of cannabinoid products on the licensed premises. The sale, offer to sell, or furnishing of any cannabinoid product by an employee shall be considered an act of the licensee.

§ 121.19 HOURS OF SALES.

No sales of cannabinoid products will be allowed at the licensed premises after 10:00 p.m. and before 8:00 a.m. daily.

§121.20 COMPLIANCE CHECKS AND INSPECTIONS.

All licensed premises must be open to inspections by law enforcement or other authorized city officials during regular business hours. From time to time, but at least once per year, the City will conduct compliance checks. The City will conduct a compliance check that involves the participation of a person at least 17 years of age, but under the age of 21 to enter the licensed premises to attempt to purchase cannabinoid products. Prior written consent from a parent or guardian is required for any person under the age of 18 to participate in a compliance check. Persons used for the purpose of compliance checks will be supervised by law enforcement or other designated personnel.

§ 121.21 CIVIL PENALTY, SUSPENSION OR REVOCATION OF LICENSES.

Subd. 1. The City Council will follow the provisions of this section of the ordinance on the suspension, revocation or imposition of a civil penalty against any license granted under this ordinance.

Subd. 2. *Notice of Violation.* The Chief of Police will provide, in writing, to the licensee either personally or by mail, notice of any alleged violation of the provisions of this ordinance or Minnesota Statutes Chapter 151 or other applicable statute or ordinance committed in the operation of the licensee's business, and

provide notice to the City Attorney's Office. If the City Attorney's Office determines from the facts and circumstances reported, together with any other facts and circumstances known to it, that the violation may warrant a civil penalty, suspension or revocation of the license held by the licensee, it will notify the licensee, and set a time and place for a hearing sufficiently in advance to provide ten days written notice of the time, place and purpose of such hearing to the licensee.

Subd. 3. *Hearing on Alleged Violations.* The hearing will be held before the City Council or its designated hearing officer. At the time of the hearing, the licensee may appear and present any evidence which is material to the investigation. The hearing officer will make findings of fact as to whether a violation of the provisions of this ordinance or Minnesota Statutes Chapter 151 have been committed in the operation of the licensee's business and whether the violation was willful in nature. The hearing officer will also make a recommendation as to what penalty, if any, will be applied. The City Council will adopt the hearing officer's findings of fact that the licensee has violated any of the provisions of this ordinance or State law, and may impose a civil fine, suspend or revoke the license in accordance with the schedule in § 121.21 of this Ordinance.

Subd. 4. *Mandatory Revocation.* The Council will revoke the license of any licensee under this ordinance if the licensee willfully violates any provisions of this ordinance or Minnesota Statutes Chapter 151.

§ 121.22 PENALTIES FOR VIOLATIONS.

Upon a violation by a licensee holding a cannabinoid products license of any provision of this ordinance or any provision of state law regulating the sale of cannabinoid products, or failing to comply with any other requirements of Minn. Stat. § 151.72, the City Council may impose a civil fine, and suspend or revoke the license as provided in the following schedule:

First violation.....	fine up to \$300.00
Second violation within 36 months.....	fine up to \$600.00 and a 30-day license suspension
Third violation within 36 months.....	fine up to \$1,000.00 and a license revocation
Violation during period of suspension.....	license revocation

Subd. 1. Any civil fine assessed against a licensee pursuant to this section must be paid in full within 30 days from receipt of written notification of the City Council's imposition of the civil fine. Failure to pay the fine within that time period will result in a ten-day license suspension. Licensees whose licenses have been revoked may not be issued a new license within six months from the effective date of such revocation.

§ 121.23 MISDEMEANOR PROSECUTION.

A violation of this Chapter shall be a misdemeanor offense. Nothing in this section shall prohibit the City from seeking prosecution as a misdemeanor for any alleged violation of this Chapter. If the City elects to seek misdemeanor prosecution no administrative penalty shall be imposed; except that, the City Council may suspend or revoke a license in appropriate circumstances. Each violation and every day in which a violation occurs or continues, shall constitute a separate offence.

Section 2. Effective Date. This Ordinance shall be in full force and effect from and after its passage and publication.

Passed and adopted this _____ day of _____, 2023, with the following vote:
Aye __; No _____; Absent; _____.

Approved and signed this _____ day of _____, 2023.

Mayor

ATTEST:

City Clerk/Treasurer

Proposed Ordinance No. 23-04

ORDINANCE NO. _____

AN ORDINANCE AMENDING “APPENDIX A: FEE SCHEDULE”, OF CHAPTER 35, ENTITLED “FEES AND CHARGES” OF THE 2015 ORDINANCE CODE OF THE CITY OF OWATONNA, AS AMENDED, BY ADDING CERTAIN FEES AND CHARGES

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF OWATONNA, MINNESOTA DO ORDAIN.

Section 1. Chapter 35 entitled “Fees and Charges” of Title III entitled “Administration” of the 2015 Ordinance Code of the City of Owatonna is hereby amended by adding the following fees and charges:

<u>Code Section:</u>	<u>Type of License:</u>	<u>Conditions and Terms:</u>	<u>Amount:</u>
121.04, subd. 2	Sale of Cannabinoid Products	Initial Application and Transfer	\$1,000.00
		Investigation Fee	\$500 or the actual cost not to Exceed \$10,000 if the investigation is required outside of the state

Section 2. Effective date. This ordinance shall be in full force and effect from and after its passage and publication.

Passed and adopted this _____ day of _____, 2023 with the following vote: Aye _____; No _____; Absent _____.

Approved and signed this _____ day of _____, 2023.

Mayor

ATTEST:

City Clerk/Treasurer



Resolutions



Public Works Department

DATE: February 7, 2023
TO: Mayor and City Council
FROM: Sean Murphy, Assistant City Engineer
SUBJECT: Resolution 17-23: Approve Report & Set Public Hearing Date - 2023 Street & Utility Project

Purpose:

Requesting approval of the 2023 Street & Utility Feasibility Report and setting a date for the Preliminary Assessment Hearing.

Background:

On December 6, 2022, City Council approved resolution 93-22: Ordering Preparation of the 2023 Street & Utility Feasibility Report. The project involves reconstruction of:

- McKinley Street SW—Oak Avenue S to Lilac Avenue SW
- Butternut Avenue SW—McKinley Street SW to Riverview Place SW
- Riverview Place SW—Butternut Avenue SW to East cul-de-sac
- School Street E - Main Street to Partridge Avenue E

The existing street improvements have exceeded their useful life.

As noted in the Feasibility Study, the estimated cost greatly exceeds what was anticipated and planned for in the CIP. In order to mitigate the risk of over expenditures, staff recommends removing McKinley Street SW from the project to be completed in the near future when funds can be appropriately allocated.

A Preliminary Assessment Public Hearing date is requested for March 7, 2023.

Budget Impact:

The 2023 Street & Utility Project will be financed through a combination of City Funds and Special Assessments. The total cost is currently estimated at \$3,160,491.63, \$1,416,539 without McKinley Street SW; the total cost to be assessed is currently estimated at \$1,914,498, \$903,310 without McKinley Street SW. Approximately 64 property owners will be affected, 31 without McKinley Street SW.

Staff Recommendation:

Staff recommends approval.

Attachments:

1. Res 17-23 Approve Report - Set Date for PH 2023 Street & Utility

2. Feasibility Report - Street and Utility Project 2023

RESOLUTION NO. 17-23
A RESOLUTION RECEIVING FEASIBILITY REPORT AND SETTING
DATE FOR IMPROVEMENT HEARING

WHEREAS, pursuant to Resolution 93-22 of the council adopted, December 6th, 2022, a feasibility report has been prepared by Sean Murphy, Assistant City Engineer, with reference to proposed improvement for the 2023 Street and Utility Project and this report was received by the council on February 7th, 2023. The following areas are affected:

- McKinley Avenue SW—Oak Avenue S to Lilac Avenue SW
- Butternut Avenue SW—McKinley Avenue SW to Riverview Place SW
- Riverview Place SW—Butternut Avenue SW to East cul-de-sac
- School Street E – Main Street to Partridge Avenue

WHEREAS, the report provides information regarding whether the proposed improvement is necessary, cost-effective, and feasible; whether it should best be made as proposed or in connection with some other improvement; the estimated cost of the improvement as recommended; and a description of the methodology used to calculate individual assessments for affected parcels.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF OWATONNA, MINNESOTA:

1. The council will consider the improvement of such street in accordance with the report and the assessment of abutting property for all or a portion of the cost of the improvement pursuant to Minnesota Statutes, Chapter 429 at an estimated total cost of the improvement of \$3,160,491.63.
2. A public hearing shall be held on such proposed improvement on the 7th day of March 2023 in the council chambers of the city hall at 7:00 p.m. And the clerk shall give mailed and published notice of such hearing and improvement as required by law.

Passed and adopted this 7th day of February, 2023, with the following vote:

Aye ____; No ____; Absent ____.

Approved and signed this 7th day of February, 2023.

Thomas A. Kuntz, Mayor

ATTEST

Kris M. Busse, City Administrator/City Clerk

THE CITY OF



OWATONNA

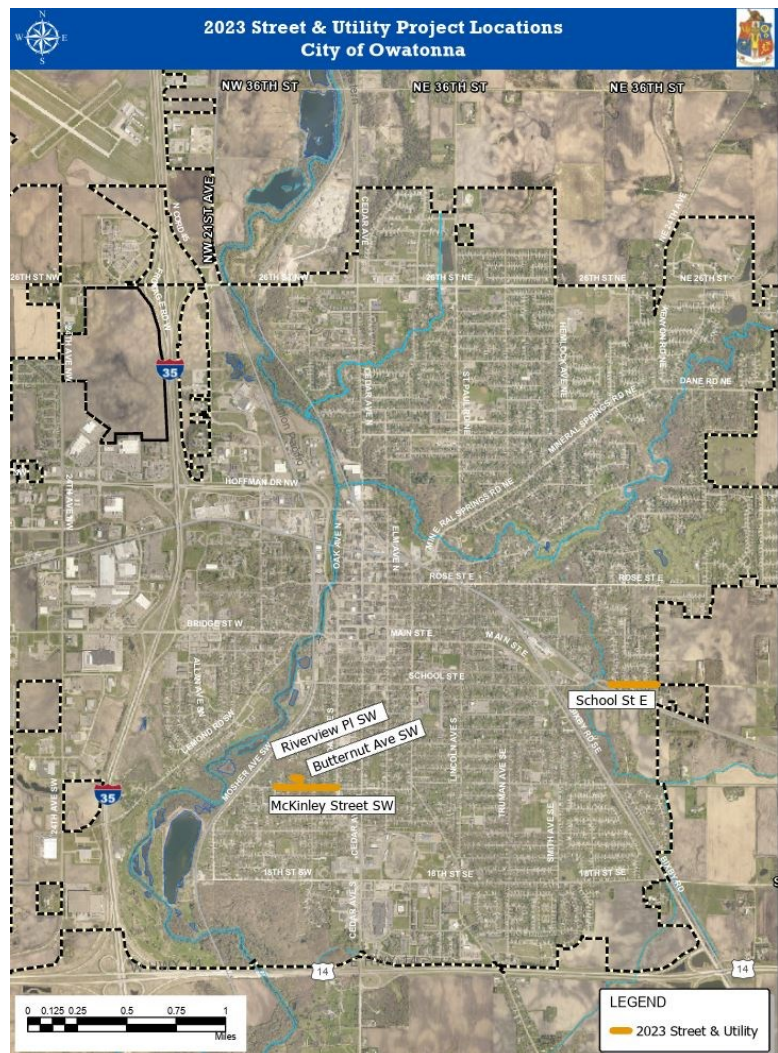
Office of the
Public Works Director/
City Engineer

540 West Hills Circle
Owatonna, MN 55060-4701
Ph. (507) 774-7306

Feasibility Report For the 2023 Street and Utility Improvement Project February 7, 2023

Streets included in the 2023 Street and Utility Improvement Project:

- McKinley Street SW
- Butternut Avenue SW
- Riverview Place SW
- School Street E



Feasibility Report

For the

2023 Street and Utility

Improvement Project

Bituminous Pavement Reconstruction

- McKinley Street SW
- Butternut Avenue SW
- Riverview Place SW
- School Street E

I hereby certify that this feasibility report was prepared by me or under my direct supervision and I am a duly Licensed Professional Engineer under the laws of the state of Minnesota



Sean Murphy, PE

License No. 56604

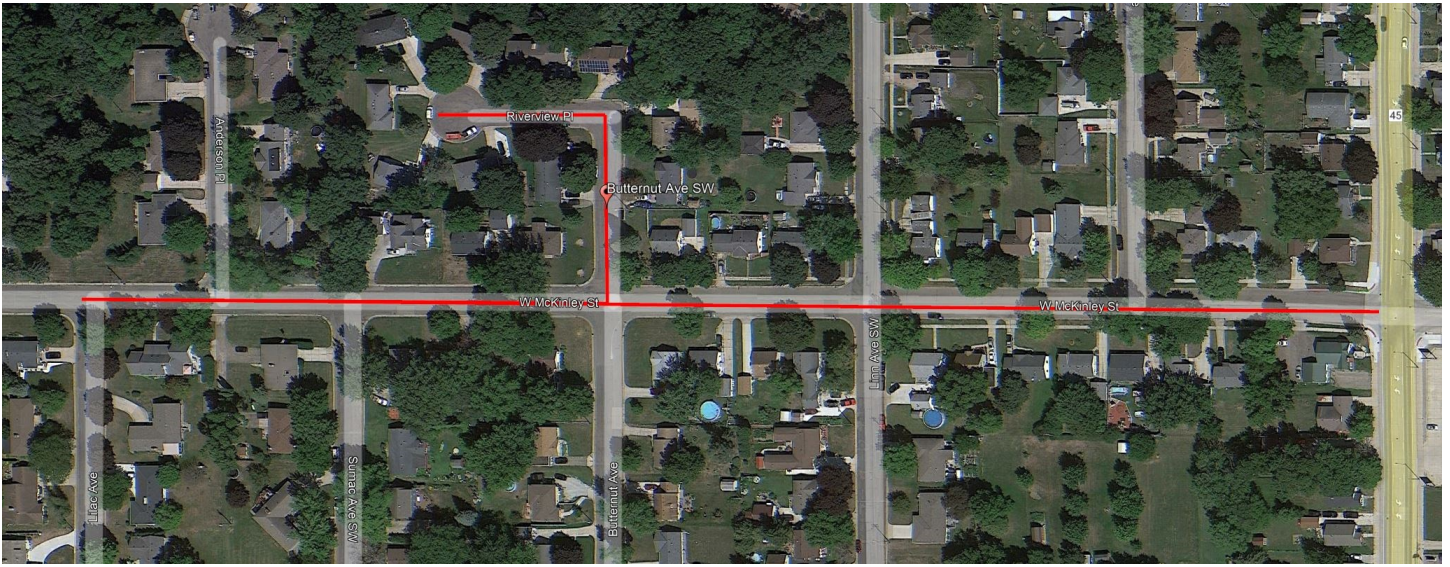
2/1/2023

Date

City of Owatonna
Office of the Director of Public Works
and City Engineer
540 West Hills Circle
Owatonna, MN 55060-4701
Ph. (507) 774-7306

Introduction Job 23001—2023 Street and Utility Improvement Project

The City Council has designated streets for reconstruction and bituminous rehabilitation to be completed under the 2023 Street and Utility Improvement Project. McKinley Street SW from Oak Ave to Lilac Ave, Butternut Avenue SW from McKinley St to Riverview Place, Riverview Place SW from Butternut to the East cul-de-sac, and School Street E from Main St to Partridge Ave. The streets proposed for bituminous reconstruction in the 2023 Street and Utility Improvement Project have deteriorating bituminous pavements and are past being overlaid.



McKinley Street SW from Oak Ave (CSAH 45) to Lilac Ave SW

Butternut Avenue SW from McKinley Ave SW to Riverview Pl SW

Riverview Place SW from Butternut Ave SW to cul-de-sac (West)



School Street E from Main St (CR 180) to Partridge Ave SE

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Appendix A Letter Announcing February 14, 2023 Information Meeting

Appendix B Project Cost Summary

Appendix C Assessment Breakdown Examples

Purpose

The City Council has designated 4 streets for reconstruction in the 2023 Street and Utility Improvement Project. On December 6th, 2022 the City Council adopted Resolution No. 93-22 ordering preparation of this feasibility report.

The streets proposed for bituminous reconstruction included in the 2023 Street and Utility Improvement Project as shown in Exhibit 1 are:

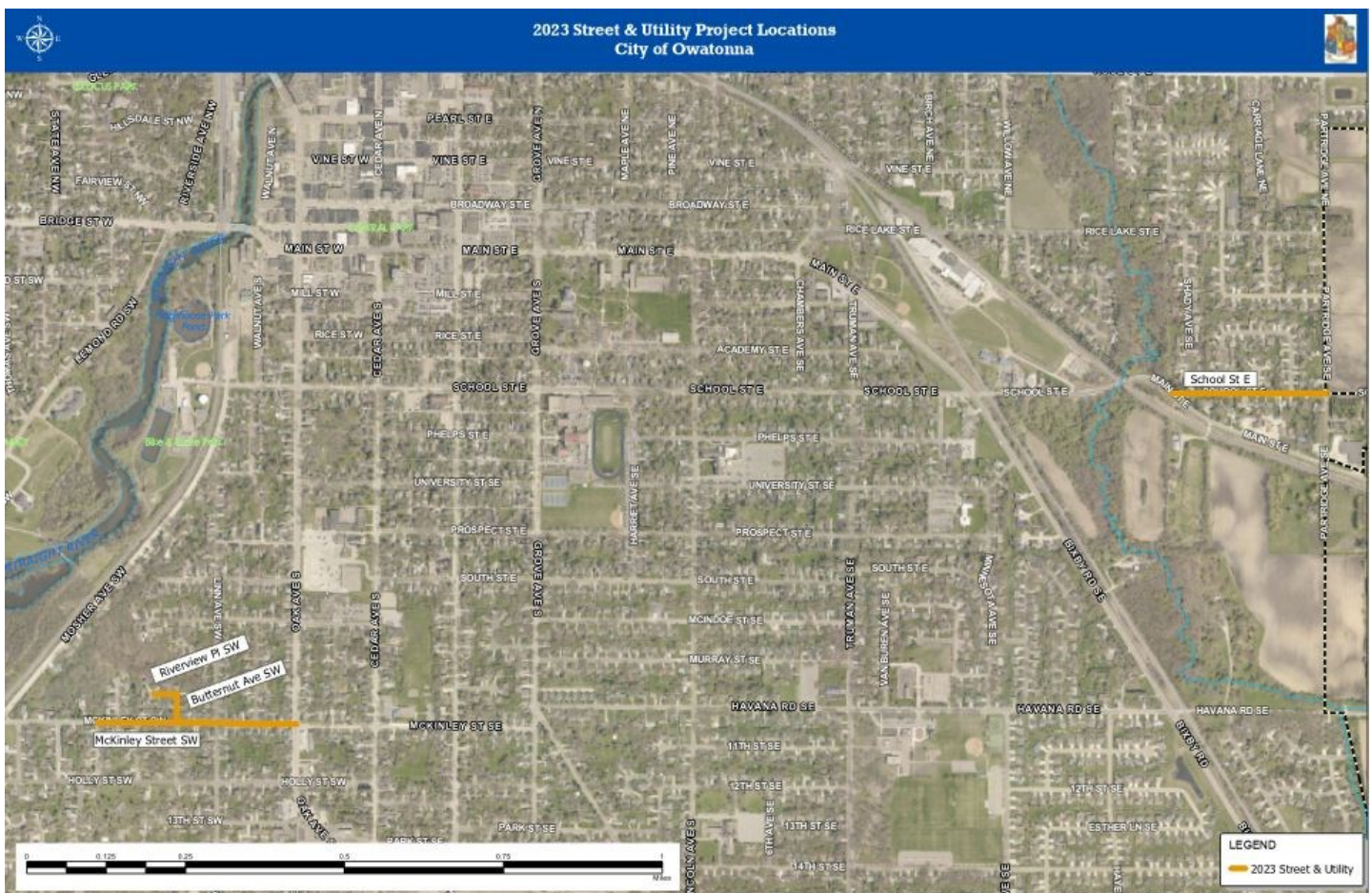
- McKinley Street SW—Oak Avenue S to Lilac Avenue SW
- Butternut Avenue SW—McKinley Street SW to Riverview Place SW
- Riverview Place SW—Butternut Avenue SW to East cul-de-sac
- School Street E—Main Street (CR 180) to Partridge Avenue SE

Project Scope

The scope of this report is to analyze the proposed streets indicated above and to determine the engineering and fiscal feasibility of providing the necessary improvements. In addition, existing sanitary sewer, watermain, and storm sewer systems are evaluated and necessary improvements proposed. The study will discuss the existing conditions, proposed improvements, estimated construction costs, and overhead costs (i.e. administration, engineering, fiscal, and legal expenses). Current public improvement policies adopted by the Owatonna City Council will be used as a guideline to discuss financing methods for the proposed improvements.

The proposed project will potentially affect approximately **64** property owners.

Exhibit 1



Existing Conditions and Proposed Improvements

The streets included in the proposed 2023 Street and Utility Improvement Project are deteriorating and in need of both pavement rehabilitation as well as utility (water, sanitary sewer and storm sewer) upgrades.

The current condition of the infrastructure is outlined as follows:

Watermain

Owatonna Public Utilities has been contacted.

- McKinley Street SW—The watermain between Cedar and 3rd Avenue was installed in 1952 and has a history of breaks. The watermain is proposed for replacement between Oak Ave & Lilac Ave SW.
- Butternut Avenue & Riverview Place SW—The watermain has a history of breaks and needs to be replaced.
- School Street E—The watermain is of a significant age and is in need of replacement as well.

Sanitary Sewer

The sanitary sewer mains in the proposed project area have been televised to determine condition. The following conditions were found:

- McKinley Street SW—Sections of this clay pipe sanitary sewer were placed between 1948 and 1952. One section, between Butternut and Sumac Avenues, has been lined. Conditions were found to be poor to fair with segments of lateral cracking, broken pipe, and several sags are present. The worst segments were in either side of Linn where pipe separations and significant joint offsets were discovered
- Butternut Avenue & Riverview Place SW—The existing sanitary sewer North from McKinley and then West to the cul-de-sac are in need of replacement. Multiple spots of broken pipe and two significant sized sags with pooling were found.
- School Street E—The condition is overall good and replacement is not necessary. The main is largely clay, with a segment already PVC, and may benefit from a lining. The sanitary manhole castings will be replaced along with installation of chimney seals.

Storm Sewer

The storm sewer system has been evaluated for deficiency. The following conditions were found with proposed improvements:

- McKinley Street SW—The storm system is generally in fair to poor condition with known structures & pipe sections in need of replacement. The entire storm sewer system will need to be re-evaluated for sufficient capacity.
- Butternut Avenue & Riverview Place SW—The storm sewer system is in need of replacement. There is an issue on Riverview Pl. with regular pooling within a low spot in the gutter that will need further evaluation of a potential storm sewer extension.
- School Street E—The storm sewer system is in good to fair condition and of sufficient capacity.

Presence of sump pump service lines will be verified in areas being improved.

Street Pavements and Concrete Curb – Bituminous Pavement Reconstruction

The bituminous pavements planned for replacement were constructed in the following years:

- McKinley Street SW: Overlay: 1993, 1998, 2000; Construction: 1948, 1950, 1952
- Butternut Avenue SW: Overlay: 1992; Construction: 1962
- Riverview Place SW: Overlay: 1992; Construction: 1962
- School Street E: Reconstruction (Initial pavement): 1992

The pavements are now near the end of their useful life. The proposed project includes the following pavement repairs to each street:

- McKinley Street SW: Full reconstruction of street. With the replacement of the sanitary sewer, storm structures & some sewer, and water main & services. The curb will be completely replaced and the overall width of the street will be reduced from 40 feet to 36 feet.
- Butternut Avenue SW & Riverview Place SW: Full reconstruction of street. With the replacement of the sanitary sewer, storm structures & some sewer, and water main & services. The curb will be completely replaced and the overall width of Butternut Avenue will be reduced from 40 feet to 36 feet. Riverview will remain at 36 feet wide.
- School Street E: Full reconstruction of street. The curb will remain except as needed for water service replacement. Water main & services will be replaced. Sanitary sewer will be lined in a future project, and storm sewer will not need replacement.

Sidewalk & Trail Improvements

All pedestrian ramps encountered by the project will be evaluated for ADA compliance and will be upgraded as necessary. Sidewalks not being replaced will be evaluated for trip hazards, and will be repaired as necessary. Existing sidewalk on the north side of McKinley St SW will be replaced and new sidewalk will be added on along the North side of McKinley St SW from Butternut Ave to Lilac Ave. The sidewalk along the South side of McKinley from Oak to Linn will be removed.

Private Driveways

If the concrete curb is removed next to the driveway and the driveway is in need of repair it will be replaced to the existing width. This will include all driveways along McKinley St SW, Butternut Ave SW and Riverview Pl SW.

Private Utility Improvements

Private Utilities are not affected by this construction. A utility coordination meeting will be held in conjunction with Steele County where the proposed improvements will be discussed.

Public Utility Improvements

Owatonna Public Utilities has been shown the location of the proposed improvements and has indicated areas of concern.

Permits

A NPDES permit through the MPCA will be necessary for this project. The Engineering Department will ensure all necessary permits are obtained.

Public Informational Meeting

A public informational meeting will be held prior to the improvement hearing at the City Council.

A copy of the proposed letter sent to residents and the presentation to be made is included in Appendix A.

Estimated Project Costs

The estimated costs for the proposed improvements are summarized in Table 1. The estimated total project improvement cost is **\$3,160,492**. Based on past experiences on similar projects in the City, the overhead costs have been estimated at 25% of the total construction cost. The overhead costs include engineering, project administration, fiscal and legal costs and contingencies. Normal inflation has been accounted for, however, the current construction market and costs are volatile and we will not know current prices until the projects are bid. The project will be financed through a combination of City funds and special assessments to the benefited properties.

Table 1

Project Costs by Street	Street	Sanitary	Storm	Watermain	Total	Assessable
McKinley Street SW	\$993,386.13	\$230,064.63	\$216,804.00	\$303,697.50	\$1,743,952.25	\$1,011,187.75
Butternut Avenue SW	\$148,279.00	\$44,917.13	\$42,159.38	\$51,536.25	\$286,891.75	\$150,697.88
Riverview Place SW	\$157,755.50	\$40,041.63	\$65,877.88	\$58,408.75	\$322,083.75	\$194,225.13
School Street E	\$512,944.75	\$10,737.75	\$56,609.50	\$218,301.88	\$798,593.88	\$549,417.25
Total	\$1,812,365.38	\$332,488.64	\$383,693.26	\$631,944.38	\$3,160,491.63	\$1,914,498.01
Total w/ McKinley Street SW	\$818,979.25	\$102,424.01	\$166,889.26	\$328,246.88	\$1,416,539.38	\$903,310.26

Assessment Costs by Street	Actual	Proposed
McKinley Street SW	\$226.26/ft	\$52.00/ft
Butternut Avenue SW	\$186.35/ft	\$52.00/ft
Riverview Place SW	\$120.88/ft	\$52.00/ft
School Street E	\$175.65/ft	\$52.00/ft

Financing and Assessments

The improvements discussed in this report for the 2023 Street and Utility Improvement Project are proposed to be financed through a combination of special assessments to benefited properties (according to the City's Assessment Policy), City utility funds and street reconstruction funds. A summary of the total project cost is provided in Appendix C with a spreadsheet indicating how the total costs could be allocated through both city funds and special assessments. The proposed cost allocation by item is as follows:

The improvements to the existing watermain will be funded by Owatonna Public Utilities.

The improvements to the sanitary sewer mains will be funded by the City Sewer Fund

The street reconstruction improvements and storm sewer facilities will be funded by a combination of the City General Fund and special assessment to property owners. Preliminary opinion of probable cost for the proposed assessments per assessable foot (plus applicable cost of sanitary sewer and water services) are as follows:

All of the property owners who would receive benefits from the proposed improvements and who would be assessed for all or a portion of the improvements are listed on the Proposed Assessment Roll on file with the Office of the City Clerk. The assessment spreadsheets indicate the parcel identification number (PIN), owner, the address of the property, the assessable footage of the

property and the amount of the proposed assessment.

The City's assessment policy for public improvements allows for the distribution of the proposed assessment for residential properties over a 10 year period. A sample breakdown of the annual payments on assessment for several assessment amounts based on an interest rate of **3 percent is included** in Appendix C.

The City's assessment policy also allows for deferred payment of special assessments for qualified property owners. A copy of the deferment policy is available at the Cities website www.ci.owatonna.mn.us and in file with the Office of the City Clerk.

Project Schedule

The proposed project schedule is as follows:

City Council Orders Feasibility Report	December 6, 2022
City Council receives Feasibility Report	February 7, 2023
Neighborhood Meeting held to discuss project plans and answer questions	March 1, 2023
City Council holds public Improvement Hearing	March 7, 2023
City Council Approves Plans and Specifications	March 21, 2023
Bids Opened	April 13, 2023
City Council awards bids	April 18, 2023
Begin Construction	May 2023
Construction Substantially Complete	October 2023
City Council Sets date for Assessment Hearing	November 2023
City Council holds Assessment Hearing	December 2023
Final Completion	December 2023

Feasibility, Necessity and Cost-Effectiveness

The proposed improvements included in the 2023 Street and Utility Improvement Project consisting of watermain, sanitary sewer, storm sewer, street and sidewalk reconstruction are feasible from an engineering standpoint, necessary, and cost effective if constructed under a single project as proposed. These improvements would greatly improve the level of public service to the residents of the areas, enhance the safety and appearance of the neighborhoods. The improvements can most effectively and economically be constructed if undertaken through a coordinated contract that would cause the improvements to be installed in the proper sequence.

Although the study states the improvements are needed for all four streets, the overall cost of the project and what was budgeted for are not in alignment. With the project as is, the expected cost to be levied is approaching nearly 50% more than what was planned. The overage on this project would put the department at a higher risk of not meeting a balanced budget. **Removing McKinley Street SW** from the project is the best solution. McKinley's high cost is derived from total length and full curb replacement. It also has the highest probability of contingent costs. We plan on incorporating minor fixes to degraded infrastructure in the project or on a maintenance basis until a new project can be funded and completed in the near future.

Recommendation

Our recommendation to the City Council is to accept the feasibility report and order improvements to be constructed to all streets except McKinley Street SW, that the watermain, sanitary sewer, storm sewer, streets and sidewalks be installed as proposed in this feasibility report. The estimated cost of these improvements, including the proposed assessments, is reasonable and comparable with similar improvements being constructed in other cities.

Next Steps

1. If the City Council approves the project, then staff will complete the design of the project, including the preparation of construction plans and specifications.
2. The City Council will be asked to authorize the project for bids, receive and review bids and award a contract to the lowest responsive and responsible bidder.

Appendix A

*Letter Announcing March 1, 2023 Neighborhood Meeting and
March 7, 2023 Improvement Hearing*



Public Works Department

February 7, 2023

Owner
Mailing Address
City State Zip

Dear Property Owner:

Your property located at Property Address in Owatonna, MN is included in the 2023 Street & Utility Project. The 2023 Street & Utility Project limits are shown in the attached map. This improvement will be subject to assessments.

A Neighborhood Meeting is planned for March 1, 2023, beginning at 5:30 pm. This informal meeting will be held in City Council Chambers at 540 West Hills Circle. Staff will present project plans and then answer questions.

A Public Hearing for this improvement project will be held on March 7, 2023, during the City Council Meeting beginning at 7:00 p.m. Council Meetings are held in the City Council Chambers at 540 West Hills Circle. Such persons as desire to be heard with reference to the proposed improvement will be heard at this meeting. Public Hearing Notice will be given and a copy is enclosed for you. The estimated cost of this improvement is \$3,160,491.63. The total assessable cost is \$1,914,498.01.

A reasonable estimate of the impact of an assessment for Parcel ID# PIN located at Property Address for this project will be:

Assessable Footage Length: Front Footage Rate: \$52/foot Preliminary Assessment Amount: \$

If this repair is approved by Council, there will be another public hearing when the project is completed. During that hearing, Council will consider the Proposed Assessment amount to charge to your property. The Proposed Assessment amount could be lower than the Preliminary Assessment Amount shown above if project costs are less than currently estimated. The Proposed Assessment cannot be more than this Preliminary Assessment Amount. Terms of payment will be set following the public hearing this fall when the project is finished.

Sincerely,

Sean Murphy, PE
Assistant City Engineer
City of Owatonna
O: (507) 774-7306

SPM/amn

Appendix B

Project Cost Summary

	STREET	SANITARY	STORM	WATERMAIN	TOTAL	ASSESSABLE	ASSESSABLE FOOTAGE	TOTAL ASSESSMENTS	COST PER FOOT
McKINLEY ST SW	\$993,386.13	\$230,064.63	\$216,804.00	\$303,697.50	\$1,743,952.25	\$1,011,187.75	1,787.67	\$92,958.84	\$226.26
BUTTERNUT AVE SW	\$148,279.00	\$44,917.13	\$42,159.38	\$51,536.25	\$286,891.75	\$150,697.88	323.48	\$16,820.96	\$186.35
RIVERVIEW PL SW	\$157,755.50	\$40,041.63	\$65,877.88	\$58,408.75	\$322,083.75	\$194,225.13	642.69	\$33,419.88	\$120.88
SCHOOL ST E	\$512,944.75	\$17,465.25	\$58,852.00	\$218,301.88	\$807,563.88	\$558,387.25	1,271.62	\$66,124.24	\$175.65
	\$1,812,365.38	\$332,488.64	\$383,693.26	\$631,944.38	\$3,160,491.63	\$1,914,498.01	4,025.46	\$209,323.92	

Appendix C

Sample Assessment Breakdown

Interest

3.00%

Year	Principal	Payment
1	2500	\$325.00
2	2250	\$317.50
3	2000	\$310.00
4	1750	\$302.50
5	1500	\$295.00
6	1250	\$287.50
7	1000	\$280.00
8	750	\$272.50
9	500	\$265.00
10	250	\$257.50

Year	Principal	Payment
1	5000	\$650.00
2	4500	\$635.00
3	4000	\$620.00
4	3500	\$605.00
5	3000	\$590.00
6	2500	\$575.00
7	2000	\$560.00
8	1500	\$545.00
9	1000	\$530.00
10	500	\$515.00

Year	Principal	Payment
1	7500	\$975.00
2	6750	\$952.50
3	6000	\$930.00
4	5250	\$907.50
5	4500	\$885.00
6	3750	\$862.50
7	3000	\$840.00
8	2250	\$817.50
9	1500	\$795.00
10	750	\$772.50

Year	Principal	Payment
1	10000	\$1,300.00
2	9000	\$1,270.00
3	8000	\$1,240.00
4	7000	\$1,210.00
5	6000	\$1,180.00
6	5000	\$1,150.00
7	4000	\$1,120.00
8	3000	\$1,090.00
9	2000	\$1,060.00
10	1000	\$1,030.00



Miscellaneous



Administration Department

DATE: February 7, 2023
TO: Mayor and City Council
FROM: Jeanette Clawson, Administrative Specialist
SUBJECT: Tobacco License - DS Store LLC dba Owatonna Fuel & Food

Purpose:

Council approval of the Tobacco License application received from Deepak Subedi for his company DS Store LLC dba Owatonna Fuel & Food at 401 N Cedar Avenue.

Background:

DS Store, LLC recently purchased the property at 401 N Cedar Avenue. Operations will be using the previous business name, Owatonna Fuel & Food. Tobacco Licenses do not transfer from the previous owner, the new owner is required to apply for a license and approval is dependent on background verification of the new owner. Background verification was completed for corporate officer, Deepak Subedi; Chief Mundale has no objection to the issuance of this Tobacco License.

Budget Impact:

Tobacco License Application Fee	\$ 50.00
Background Fee - License Applicant	100.00
Licensing fee (11 months at \$12.50/month) Effective during February 2023 to expire on December 31, 2023.	<u>137.50</u>
	\$287.50

Staff Recommendation:

Staff recommends approval of this new Tobacco License.

Attachments:

None



Parks, Trails, Recreation & Facilities Department

DATE: February 7, 2023
TO: Mayor and City Council
FROM: Jenna Tuma, Director
Aaron Fitzloff
Facilities Manager
SUBJECT: Council Chambers Project Change Order #1 - Ebert, Inc.

Purpose:

Accept Change Order #1 for the Council Chambers project.

Background:

Change Order #1 includes:

- \$6,779.04 deduction for a projector screen which will be covered in the Audio Video & Information Technology (AV/IT) contract.
- \$10,605.65 deduction for the removal of the ceiling tile in Information Technology room
- \$280.00 increase for restroom floor tile upgrade

Budget Impact:

Change Order #1 will reduce the Ebert contract by \$17,282.69 and the projector screen cost will be expensed in the AV/IT contract.

Staff Recommendation:

Staff recommends approval.

Attachments:

1. G701-2017 - Change Order 1 - Final - Ebert Signed
2. Change Proposal PR002 PR002 ACT-2 and Floor Tile Changes (002)
3. Change Proposal PR001 PR001 Omit Projection Screen

**AIA**[®]**Document G701[®] – 2017****Change Order**

PROJECT: *(Name and address)*
 Owatonna City Hall
 Owatonna, Minnesota

CONTRACT INFORMATION:
 Contract For: General Construction
 Date: December 14, 2022

CHANGE ORDER INFORMATION:
 Change Order Number: 001
 Date: February 7, 2023

OWNER: *(Name and address)*
 City of Owatonna
 540 West Hills Circle
 Owatonna, Minnesota 55060
 Kris Busse, City Administrator

ARCHITECT: *(Name and address)*
 CRW architecture + design group
 211 11th Ave NW
 Rochester, MN 55901
 Teresa Thoreson McCormack, AIA

CONTRACTOR: *(Name and address)*
 Ebert, Inc. (DBA Ebert Construction)
 23350 County Road 10
 Corcoran, MN 55375
 Josh Busse, Project Manager

THE CONTRACT IS CHANGED AS FOLLOWS:

(Insert a detailed description of the change and, if applicable, attach or reference specific exhibits. Also include agreed upon adjustments attributable to executed Construction Change Directives.)

Credit to omit supply and installation of the projection screen in Council 102. This screen to be supplied and installed by owners AV contractor - Fully described in PR #1

Material change in floor tile at restroom and ceiling tile in AV room - Fully described in PR #2

The original Contract Sum was	\$	1,626,400.00
The net change by previously authorized Change Orders	\$	0.00
The Contract Sum prior to this Change Order was	\$	1,626,400.00
The Contract Sum will be decreased by this Change Order in the amount of	\$	17,282.69
The new Contract Sum including this Change Order will be	\$	1,609,117.31

The Contract Time will be increased by Zero (0) days.

The new date of Substantial Completion will be Sept. 01, 2023

NOTE: This Change Order does not include adjustments to the Contract Sum or Guaranteed Maximum Price, or the Contract Time, that have been authorized by Construction Change Directive until the cost and time have been agreed upon by both the Owner and Contractor, in which case a Change Order is executed to supersede the Construction Change Directive.

NOT VALID UNTIL SIGNED BY THE ARCHITECT, CONTRACTOR AND OWNER.

CRW architecture + design group

ARCHITECT *(Firm name)*

Teresa Thoreson McCormack

SIGNATURE

Teresa Thoreson McCormack, AIA

PRINTED NAME AND TITLE

2/1/2023

DATE

Ebert, Inc. (DBA Ebert Construction)

CONTRACTOR *(Firm name)*

Josh Busse

SIGNATURE

Josh Busse, Project Manager

PRINTED NAME AND TITLE

2/1/2023

DATE

City of Owatonna

OWNER *(Firm name)*

Kris Busse

SIGNATURE

Kris Busse, City Administrator

PRINTED NAME AND TITLE

2/1/2023

DATE



23350 County Road 10
Corcoran, MN 55357
Ph : 763-498-7844

Change Proposal

To: City of Owatonna
540 West Hill Circle
Owatonna, MN 55060
Ph: (507)444-4370 Fax: (507)444-4351

Number: PR002
Date: 1/31/23
Job: 6595 Owatonna City Hall Remodel
Phone:

Description: PR002 ACT-2 and Floor Tile Changes

Proposed are the following changes:

Cost changes associated with material finish changes as outlined in PR 002. No other work other than what is specified in the PR is included.

The total amount to provide this work is \$-10,303.65
(Please refer to attached sheet for details.)

If you have any questions, please contact me at 763-498-7844.

Pricing subject to review/change if not approved within 14 days of receipt.

Submitted by: Josh Busse
Ebert

Approved by: _____
Date: _____



Change Proposal PR002 Price Breakdown Continuation Sheet

Description: PR002 ACT-2 and Floor Tile Changes

Description	Labor	Material	Equipment	Subcontract	Other	Price
Change CFT-1 to Florida Tile Urban Foundry Alumina in lieu of Ceramic Tile Works True Light Beige.				\$280.00		\$280.00
Change ACT-2 to Armstrong Ultima Lay-In Tegular, Beveled Tegular 15/16 Prelude WH in lieu of Armstrong Metalworks for Design flex Tegular smooth texture 6646 M15, WH.				\$-10,605.00		\$-10,605.00
Subtotal:						\$-10,325.00
Self-Performed OH&P						\$0.00
Sub-Performed OH&P				\$280.00	5.00%	\$14.00
Bond, Insurance				\$294.00	2.50%	\$7.35
Total:						\$-10,303.65

q

Brooklyn Park, MN 55428

Request For Change Number (1)

Page 111 of 132

CONTRACTORS PROPOSAL

Contractor Proposal No. PR 2

Date : January 31, 2023

Project : Council Chamber Remodel (Owatonna,MN)

A change in scope of the work is requested as indicated below :

1. It is requested the completion date be () extended, () decreased, () unchanged by _____ calendar days
2. Description of the change : (Refer to drawings, specifications, addenda, if applicable).

Item 1

3. Basis of payment : (Check one)

(x) Firm price for performing this change is
Adequate supporting details and information
must be attached to allow owner to evaluate

\$ 10,605.00 Deduct

() Time and material per contract, but not to exceed \$

() Actual cost at completion of work \$

3. Submitted by : Dan Plaisance

Contractor : Palmer Soderberg, Inc.

Contractor Signature : 

BREAKDOWN SHEET

LABOR, MATERIAL & EQUIPMENT CONTRACTOR'S PROPOSAL

DIRECT EMPLOYEE LABOR	2 HRS	\$ 143.00	
MATERIALS & EQUIPMENT INCORPORATED		\$ 10,462.00	
TOTAL LABOR, MATERIAL & EQUIPMENT		\$ 10,605.00	
0 % FEE		\$ NA	
TOTAL LABOR, MATERIAL, EQUIPMENT & FEE			\$ 10,605.00
SUBCONTRACTORS		\$	
5% FEE		\$	
TOTAL SUBCONTRACTORS & FEE			\$ NA
OTHER COSTS			
TRAVEL & SUBSISTENCE		\$	
MATERIALS AND EQUIPMENT NOT INCORPORATED		\$	
RENTALS		\$	
TAXES		\$	
PERMITS AND LICENSE FEES		\$	
UTILITIES, FUEL AND FACILITIES AT SITE		\$	
INCIDENTAL EXPENSES		\$	
BOND AND INSURANCE PROVISIONS		\$	
TOTAL OTHER COSTS			\$ NA
TOTAL CHANGE OF PROPOSAL			\$ 10,605.00



23350 County Road 10
Corcoran, MN 55357
Ph : 763-498-7844

Change Proposal

To: City of Owatonna
540 West Hill Circle
Owatonna, MN 55060
Ph: (507)444-4370 Fax: (507)444-4351

Number: PR001
Date: 1/24/23
Job: 6595 Owatonna City Hall Remodel
Phone:

Description: PR001 Omit Projection Screen

Proposed are the following changes:

Credit to omit supply and installation of the projection screen in Council 102. This screen is to be supplied and installed by the owner.

The total amount to provide this work is \$-6,979.04
(Please refer to attached sheet for details.)

If you have any questions, please contact me at 763-498-7844.

Pricing subject to review/change if not approved within 14 days of receipt.

Submitted by: Josh Busse
Ebert

Approved by: _____
Date: _____



23350 County Road 10
Corcoran, MN 55357
Ph : 763-498-7844

Change Proposal PR001 Price Breakdown Continuation Sheet

Description: PR001 Omit Projection Screen

Description	Labor	Material	Equipment	Subcontract	Other	Price
Credit for not installing the projection screen.				\$-1,020.00		\$-1,020.00
Deduct for omitting the supply of the projection screen.		\$-5,959.04				\$-5,959.04
Subtotal:						\$-6,979.04
Total:						\$-6,979.04



EBERT CONSTRUCTION

COST ISSUE

DATE: 1/23/2023

TO: Josh Busse
Ebert Construction
23350 County Road 10
Corcoran, MN 55357

PROJECT: 6595 Owatonna City Hall
RE: PR #001
DATE: 1/17/2023
TIME EXTENSION REQUESTED:

DESCRIPTION:

Credit for not installing Projection Screen.

MATERIAL/LABOR BREAK-DOWN						AMOUNT
Carpenter	-12	Hrs	@	\$85.00	/Hr =	(\$1,020.00)

APPROVAL

SIGN:

DATE:

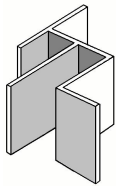
TOTAL ADDITIONAL COST:

(\$1,020.00)

DISTRIBUTION**EBERT CONSTRUCTION**

Prepared By:

Kevin Roehl



Construction Supply Inc

2410 5th Avenue North, Fargo, ND 58102

Phone: 701-235-6605

Fax: 701-235-9632

Web Site: www.csi-fargo.com

Bid Date: 1/19/2023

Estimate #: 68517

Estimate

To: **Ebert Construction, Inc.**
23350 County Road 10
Loretto, MN 55357

Estimator Brandon Hettwer

Email Address Brandon@csi-fargo.com

Project Name: **Owatonna City Hall Remodel**
Owatonna, MN

Addendums: none

Phone: 763-498-7844

Fax: 763-498-9951

MATERIAL CONTRACTS ONLY - SUBCONTRACTS ONLY IF WE ARE INSTALLING

Acceptance of listed pricing is also acceptance of terms stated on this estimate.

Terms: NET 30 days, subject to credit approval. NO RETAINAGE ALLOWED. Past due amounts are subject to finance charges of 1-1/2% per month or 18% APR. We propose to furnish MATERIALS ONLY - One Shipment Only Per Section.

Delivery must be made within 30 Days from date above or the price may be subject to review.

Section:	Quantity/Description	Total
Projection Screens	Deduct for Projection Screen Per PR001	0.00T

Total Deduct \$5542.00 + 7.525% sales tax = **\$5,959.04** total material credit

No Sales Tax Unless Otherwise Noted On Last Page.	Sales Tax (7.875%)	\$0.00
	Total	\$0.00

Proposal subject to revision after 15 days. All prices are FOB factory - freight allowed to jobsite. Unloading and sales tax are not included. All claims for damage against carriers must be made by consignee. Replacement of lost material will be charged to purchaser. Concealed reinforcing and guaranteed field measurements are the responsibility of the contractor. Materials bid are manufacturer's standard unless otherwise stated. Quantities are proposed, not guaranteed - General Contractor to verify quantities listed above. Not responsible for code compliance. These terms supersede any future Purchase Order.

NOTE: If delivery appointments are required there is a \$40.00 delivery notification charge per shipment. This charge is not included in the prices above. If Payment is to be made by Credit Card, there will be a 3% fee. If a Lift Gate is required there will be a Lift Gate Fee added to your total.



Parks, Trails, Recreation & Facilities Department

DATE: February 7, 2023
TO: Mayor and City Council
FROM: Jenna Tuma, Director
Aaron Fitzloff
SUBJECT: Council Chambers Project Change Order #2 - Professional Services

Purpose:

Accept Council Chambers project Change Order #2 for Professional Services.

Background:

The additional services are in two areas; addressing the additional architectural work to address the State Historic Preservation Commission (SHPO) and bidding through commissioning of the Information and technology equipment serving the council chamber space. Design of the Information Technology Systems for the City Council Chamber was included in the initial fee. The scope of the specification, coordination of bidding, and final equipment commissioning was not understood to be a part of that scope.

Change Order #2 includes:

- \$5,000 For the final SHPO review of the design, the team and City staff spent more than three (3) months and significant time accommodating the SHPO requests for information and design modifications.
- \$13,300 bid review of qualified AV contractor, AV construction phase support services, and AV Commissioning with AV contractor on site post construction to assure AV/IT is performing to the set standards with the results we want and staff are trained.

Budget Impact:

Change Order #2 will increase CRW architecture + design group's contract by \$18,300 for professional services for a total of \$112,650. This increase will be managed within the current project budget.

Staff Recommendation:

Staff recommends approval.

Attachments:

1. 1 31 21 Council Chamber Project Professional Services

January 31, 2023



Kris M. Busse,

**RE: Proposal for Additional Professional Design Services
Owatonna City Hall Council Chambers
Owatonna, Minnesota**

Dear Kris:

On behalf of CRW architecture + design group, I would like to thank you for the continued opportunity to provide professional design services for the Owatonna City Council Chamber. The additional services are in two areas; addressing the additional architectural work to address the State Historic Preservation Commission and bidding through commissioning of the Information and technology equipment serving the council chamber space. I am providing this proposal for the additional design, construction documents, construction administration, and post construction services which is summarized as follows:

PROJECT POSITION

As we understand it, the city of Owatonna assumed ownership of the West Hills Campus, agreeing to maintain the historic property with the understanding that it would be updated to accommodate the needs of a City Hall and associated functions not requiring extensive oversight by State Historic Preservations Offices (SHPO). In the final review of the design the team and City staff spent more than three (3) months and significant time accommodating the SHPO requests for information and design modifications. The amount requested for Architecture is about 25% (\$5,000) of the \$20,000+ in costs CRW incurred in the SHPO responses and primarily design modifications.

Design of the Information Technology Systems for the City Council Chamber were included in the initial fee. The scope of the specification, coordination of bidding, and final equipment commissioning was not understood to be a part of that scope. At your direction we are adding IMEG engineering services to be more extensive.

SCOPE OF SERVICES - AV

CRW architecture + design group is prepared to provide the following professional design services necessary to complete the project. Within this proposal for Additional Professional Fees:

IMEG fees and scope for additional services as discussed in the previous meeting are as follows:

Bid Review, Limited Construction Administration and Final Commissioning Services:

1. Provide a bid review of qualified AV contractor response to owner with comments, including:
 - Review of AV proposals and bidding material list with recommendation for award.
 - One meeting with owner (virtual) to review bids

\$3,800

2. Provide AV construction phase support services:
 - Answer written RFI and question from contractors.
 - Provide a submittal and shop drawings review of AV contractor preinstallation documents

\$5,150
3. AV Commissioning with AV contractor on site (post construction):
 - Review contractors' submission for preparatory testing before travel.
 - Provide (1 day) test & final completion/report with AV contractor

\$4,350

*All travel is prepaid and added with 1.1 markup (IMEG)

PROPOSED ADDITIONAL FEES

CRW architecture + design group proposes to perform the work described under the project description on a lump sum basis as follows:

ADDITIONAL SCOPE	Fee
ARCHITECTURAL (Adjustment for design modifications)	\$5,000
IMEG AV DESIGN/ CONSTRUCTION	\$8,950
TOTAL:	\$13,950
CONTRACTED FEE: (including \$1,000 expenses)	\$94,350
ADJUSTED TOTAL:	108,300
 COMMITIONING FEES:	
IMEG AV (POST CONSTRUCTION)	\$ 4,350
 ADJUSTED TOTAL FEES:	 \$112,650

PROPOSAL CONDITIONS

- Additional services above and beyond the scope of work described in this proposal will be billed on an hourly basis at \$130/hr.
- Services will be billed monthly as the work progresses.
- Hazardous materials testing and identification is not a part of this proposal, and the owner will handle any required testing through a separate consultant.

ACCEPTANCE

The attached Terms and Conditions shall be considered a part of this proposal. This proposal is being submitted electronically. If you accept this proposal and would like us to proceed with the work, please sign the Authorization block of the proposal, retain a copy for your records and return an authorized proposal to CRW architecture + design group. Your signed authorization will initiate the described services and we can schedule our kick-off meeting and building/site walk-through.

Please do not hesitate to contact me at 507.206.6201 if you have any questions.

Sincerely,

CRW architecture + design group, Inc.



Teresa McCormack, AIA
Partner

Attachments: CRW Terms and Conditions

AUTHORIZATION

I have reviewed the proposal and agree with its terms. I hereby authorize CRW architecture + design group to proceed with the work described.

Authorized Signature

Date



Parks, Trails, Recreation & Facilities Department

DATE: February 7, 2023
TO: Mayor and City Council
FROM: Jenna Tuma, Director
Aaron Fitzloff Facilities Manager
SUBJECT: Council Chambers Project - Advanced Audio & Lighting

Purpose:

Accept the recommended quote from Advance Audio & Lighting (AAL) for the Council Chambers audio and visual (AV) work and the temporary technology setup in the Library and enter into agreement with them to complete the work.

Background:

In December 2021 CRW architecture + design group (CRW) was selected to lead the Council Chamber renovation project. A construction contract for the project renovations and updates was awarded to Ebert Inc. in December of 2022.

One of the primary goals of the Council Chamber project was to improve the overall operations of the AV system including the visual, audio, and broadcasting. Although the AV upgrades are incorporated into the construction documents, it was determined for best results to manage the AV equipment selection (new and reuse) and install would be best managed through a vendor who specializes in this work. This approach delivers the work, warranty and training directly to the city.

In addition to the Council Chamber AV work, a temporary location is needed to host the public meetings of City Council, Commissions and Boards. The City Library's Gainey Room is reserved for these meetings. A temporary AV system is needed to support these meetings. It was determined the most cost effective and timely approach to coordinate the transition was to use the same AV company for the Council Chamber and the temporary library location using rental equipment.

As noted in Change Order #1, the large, motorized screen was removed from the construction Ebert contract as a deduct and is included in this AV agreement.

The agreement with AAL includes the following:

1. Technology equipment and installation as stated in their bid.
2. Temporary AV equipment setup in the Library during Council Chambers construction.

3. Large, motorized screen (Change Order #1 reflects this change).

Note: Change Order #2 for the Professional Services Agreement with CRW (a separate purpose memo) is for the commissioning, testing and final training.

The City received two quotes / proposals for the AV project:

- Advanced Audio & Lighting \$157,300.00
- AVI \$157,173.74

The CRW team is recommending Advanced Audio Lighting due to equipment specifications and details that are deemed beneficial to the equipment owner, (attached is IMEG's full description of justification for this selection).

Budget Impact:

This work is identified in the project budget and is within the allotment. Below is the project budget as estimated in late 2022 and now in 2023.

Description of Work	12/2022 Budget	2/2023 Budget
Base Project Bid + Alternate No. 2	\$ 1,626,400	\$1,609,117
AV/IT - Commissioning and Equipment	\$ 158,000	*152,800
Temp Library setup		\$4,500
Temp. PEG Channel		~\$5,000
Soft Costs: permits, furniture & smallware's	\$ 60,000	~\$60,000
Door Card Access	\$ 35,000	~\$35,000
Professional Services	\$ 108,850	\$112,650
Contingency 10% construction	\$ 162,640	\$162,640
Project Total	\$ 2,150,890	2,141,707

* Includes cost of motorized screen

~ Estimate of anticipated cost

Staff Recommendation:

Staff recommends approval of the Advanced Audio & Lighting quote for \$157,300.

Attachments:

1. AA&L Owatonna City Hall AV Systems - R1
2. Proposal AV Evaluation and Recommendation



ADVANCED AUDIO & LIGHTING

6707 N. Sheridan Rd.
Peoria, IL 61614
309.691.7105
309.691.7181 fax
www.advaudio.com

Owatonna City Council, Owatonna, MN – Chamber Audio/Visual Systems

Prepared by: Graeme S. Brown – President / Senior Engineer AA&L

Thank you for the opportunity to assist with your Audio/Visual system updates.

Project Scope

The goals for the new systems are to provide clear audio and video coverage for archival, live streaming and for the live “In Person” audience with a flexible, yet user friendly control interface.

According to the provided documentation, there are several items that are scheduled to be re-integrated with the new systems. In keeping with efficient use of time and resources, this project would best be served by having these items removed from the facility and thoroughly tested offsite. This will allow the entire system to be programmed and tested for functionality prior to installation. If necessary, a simplified portable system can be made available for the interim.

Existing Items intended for re-integration

The following items will be tested, cleaned, and verified for suitability before reintroduced into the AV systems. A status report will be issued upon final testing with notes pertaining to any item failures.

It is assumed that all video switching, streaming, and recording is to be reused.

Legacy Video

1	APC		UPS Battery backup
1	Black Magic	12x12 Clean Switch	Video Switcher
1	CableCast	LIVE	Video Server
1	CableCast	VODLite	Video Server



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1	CableCast	CBL-CG330	Carousel Player for Broadcast
1	CableCast	CBL-Flexlite	Video Server
1	Extron	DTP HD DA8	Distribution Amplifier
1	Extron	DTP2	Video Transmitter
1	Extron	DTP Crosspoint 4K	Video Matrix Switcher
1	Matrox Radiant		Audio Recorder
1	Communications	VividEdge	MultiChannel Encoder
2	Vaddio	System Lot	PTZ Camera

Legacy Audio

12	Audio Technica	Gooseneck Microphones
1	Shure	Wireless Handheld Microphone
1	Unknown	Gooseneck Microphone

New Equipment

These are the primary new items that will be ordered immediately upon award of contract. This list does not show all included supporting equipment (mounts, patch cables, miscellaneous hardware) that are necessary for a complete, fully functional system. A more complete list is available upon request.

An entirely new control and audio processing system will be provided.

New Video - Main Projector & Screen

1	Panasonic	PT-FRZ50BU	5,200 Lumens, 1DLP, WUXGA Projector
1	Da-Lite	14764L	Recessed Ceiling tensioned video screen
1	Extron	HD 4K 101 Plus	HDMI Extender

New Video - Council Video Monitor

1	Samsung	DM65E	65" 24/7 with three year in place warranty
1	Extron	HD 4K 101 Plus	HDMI Extender

New Audio - Main System

1	BiAmp	Tesira Server I/O	Modular Audio DSP - 20 Analog In, 4 Analog Out, Dante
2	LEA	Connect 354D	DSP Amplifier with Dante
18	Martin	C6.8T	Ceiling Loudspeaker



ADVANCED AUDIO & LIGHTING

6707 N. Sheridan Rd.
Peoria, IL 61614
309.691.7105
309.691.7181 fax
www.advaudio.com

1	Araknis	AN-310-SW-R-24-POE	310 Series L2 Managed Gigabit Switch with Full PoE+
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New Audio - Hearing Assist

1	Williams	C7-2D	C-Series Multiloop Driver 10A Networked with Dante
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New Control

1	Crestron	CP4N	4-Series™ Control System
1	Crestron	C2N-IO	Control Port Expansion Module
2	Crestron	TS-1070-B-S	10.1 in. Tabletop Touch Screen, Black Smooth
1	Crestron	TST-902	8.7" Wireless Touch Screen with table dock
1	Araknis	AN-310-SW-R-24-POE	310 Series L2 Managed Gigabit Switch with Full PoE+

General

13	Extron	Cable Cubby 100 US AC	Cable Access Enclosures for AV Connectivity and Power
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Project Schedule

Upon award of contract:

- An initial site trip to inspect the facility and retrieve equipment to be reused will be scheduled
- Submittal documentation to be provided
 - New product data sheets
 - Scope of electrical work pertaining to AV systems
- “Build To” documentation will begin
- New equipment ordered

Once equipment is in hand:

- Items to be re-integrated are tested and a status report will be generated
- Equipment rack is loaded will tested and new hardware
- System testing and control system programming is performed
- “Build To” documentation is completed



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309.691.7105
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Primary Installation:

- Pre-assembled equipment rack will be returned to new location
- Ceiling loudspeakers mounted
- Video projector & screen, flat panel video displays will be mounted
 - Recessed ceiling video screen enclosure can be sent separately from the screen surface and motor for installation with the ceiling grid.
- Cable Cubbies get cut into council tables
- Low voltage cable is installed, terminated, and tested

System Commissioning:

- Final room tuning of audio system
- Onsite testing of control system functionality
- “As Built” documentation is updated
- End user training is performed
- AV System Consultant (**IMEG**) representative takes part in final testing

Post Commissioning:

- AA&L representative will be onsite for initial system use
- Final documentation package provided
 - Wiring diagrams & shop drawings
 - Chart of serial numbers & IP addresses
 - Product operational manuals
 - System notes
- A follow up visit will be scheduled as needed for any non-warranty system changes/updates found necessary, typically 90 – 180 days after commissioning.

Project Start & Completion: TBD



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Temporary A/V System Rental April – August 2023

A portable A/V system shall be provided in a remote location during the project construction (April – August 2023). This includes initial system setup and 2 hours of end user training. **Please have an iPad available for remote control of the audio mixer.** Additional rental fees/credits will be pro-rated based on time required.

Audio System

1	Yamaha	TF-Rack	or equivalent w/ WiFi router (remote iPad by others) active 2-way monitor w/ 3" voice coil HF driver and 12"
2	RCF	HD32-a	woofer - stands included
2	Shure	QLXD	dual Channel Wireless System w/ handheld transmitter. and podium microphone
2	Whirlwind		12 sub snake box

Video

1	Panasonic	TH-65	(or equivalent) display w/ rolling cart - includes 20' and 50' HDMI cables
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System Costs & Payment Schedule

Payment requests will be made monthly based upon project progress for work completed and items stored or installed.

TOTAL SYSTEM COST: \$152,800.00

TEMPORARY A/V SYSTEM RENTAL: \$4,500

TOTAL PROJECT COST: \$157,300.00



ADVANCED AUDIO & LIGHTING

6707 N. Sheridan Rd.
Peoria, IL 61614
309.691.7105
309.691.7181 fax
www.advaudio.com

Final Notes

- These estimates include equipment, standard shipping, installation, and all low voltage connectivity.
- We are still in a time of severe supply chain issues. Some items have extremely long lead times. It may become necessary to make system design changes and/or item substitutions to keep the project on schedule. Any of these changes will be submitted in writing for client approval prior to implementation.
- Items to be tested for reuse are assumed to be in fully functional condition. Repair or replacement of broken, damaged, or otherwise non-functioning items is not included in this proposal. Any repairs or replacement will be subject to client approval.
- All high voltage work should be completed by a qualified electrical contractor.
- Low voltage cable access (conduit, cable raceways, etc.) to be provided by others.
 - AA&L will be providing Wiremold cable chase(s) for wall mounted PTZ cameras and flat panel video displays.
- I have not included the cost of lift or scaffolding rental in these numbers.
- See attached product literature for additional information



February 2, 2023

Theresa Thoreson McCormick, AIA
Partner
CRW Architecture
211 11th Avenue NW
Rochester, Minnesota 55901

Jenna L. Tuma
Council Chair
City of Owatonna

RE: Proposal Evaluation and Recommendations
AV Technology Refurbishment and Reinstallation
Owatonna City Hall Council Chambers Renovation
Owatonna, MN

Dear Theresa and Jenna:

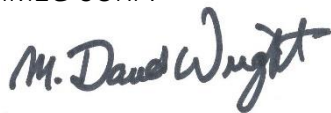
Thank for the follow up questions on our AV Technology Proposals. Our independent due diligence has produced the following recommendations.

1. It is our professional opinion that Advanced Audio & Lighting (AAL) should be approved for the following material reasons:
 - a. Material facts: AAL (Advanced) bid document responses favor AAL over AVI Systems because they offer more equipment with better detail and precision for evaluation on a direct 1:1 basis of comparison for their proposals.
 - a. AAL (Advanced) has included a new AV control system (Crestron). AVI has only included a refurbished owner system (Extron). This would attribute several thousand dollars to the benefit of the owner in new vs. re-used electronics. AAL (Advanced) provides this benefit.
 - b. Generally, AAL (Advanced) includes more new electronics and extends longer warranty protection. No warranty coverage exists on a refurbished system if installed by AVI (Extron).
 - c. AAL (Advanced) has included more software control in their bid materials list. See items noted as "DSP" and "LEA" with model/part numbers. This improves performance over current owner "concerns" for more performance that is needed and appears to be offered by AAL.
 - d. AAL (Advanced) has more physical loudspeakers included. This alone would justify the cost issues and is material.

- e. AAL (Advanced) has detailed by model number their proposal electronics. AVI has NO detailed product materials and does not have known models, this is important because AVI Systems grade and quality may vary more at their own discretion, or even arbitrarily. This may not be to the owner's benefit. AVI models proposed are simply unknown, although they do include intent and functions similarly without as much clarification.
 - f. AAL (Advanced) has more amplifiers (2 qty) and they are new and not refurbished. This means higher performance and longer warranty with those electronics. AVI Systems has a new amplifier plus 1 refurbished unit only.
 - g. AAL (Advanced) has a longer warranty on their new 65 inch Samsung #DM65E video display stated, with "3 years in place" warranty. AVI hasn't indicated model number, warranty, type or grade of video display, therefore is unknown and cannot be assessed.
 - h. Video performance is noted by each for one factor called brightness. We believe the Advanced Audio and Lighting is appropriate and both video systems quoted as appropriate. The architect has also added blackout shades and Council lighting dimming, which improves the contrast for any AV presentation. We consider contrast the most important factor that will improve video presentation quality in the room environment, even over brightness factors. Both are higher resolution than current capability in our opinion.
2. We conclude the very small bid \$ difference between Advanced Audio & Lighting compared to AVI Systems is not relevant and immaterial in light of these comments. Material differences are clear that the slightly higher bid (+ \$126.24) offered by AAL is not relevant, not material. AAL appears to offer more services, more equipment, better performance and better warranty with more details for evaluation in a material fashion.
3. In our professional opinion we recommend Advanced Audio and Lighting over AVI Systems in this case, for material reasons that benefit the owner and while we can state both proposals are good, one has more material advantages on paper that can be assessed.
- a. Advanced: \$157,300.00 (Recommended)
 - b. AVI Systems: \$157,173.74

Sincerely,

IMEG CORP.



M. David Wright
Associate Principal- Acoustics, AV and Technology
M.D.Wright@imegcorp.com

MDW/km

\\files\\Active\\Projects\\2021\\21008595.01\\Correspondence\\20230202 Memo_Proposal Evaluation and Recommendation_Owatonna Council Chamber Reno.docx

