

Owatonna City Council Minutes

June 20, 2023

Tuesday, June 20, 2023 at 1:00 p.m. Council President Schultz called the regular session of the Owatonna City Council to order in the Gainey Room at the Owatonna Public Library. Present were Council Members Raney, Voss, Burbank, Boeke, Dotson, Svenby and Schultz; Mayor Kuntz; Community Development Manager Kruschke; Planning Specialist Stroeing; Public Works Director Murphy; Finance Director Moen; Communications Manager Sheely, IT System Administrator O'Connor; City Attorney Walbran; City Administrator Busse and Administrative Specialist Clawson.

Following the Pledge of Allegiance, Council President Schultz welcomed everyone to the meeting. Council Member Dotson made a motion to approve the agenda as presented, Council Member Svenby 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 – June 6, 2023

Minutes - Airport Commission Meeting - May 11, 2023

Building Inspection Report - May 2023

Event Permit - July Downtown Thursday - July 6, 2023

Event Permit - Gem Days - Owatonna Business Partnership - July 20-22, 2023

Event Permit - Reggie's Parking Lot Dance with Exception to City's Noise Ordinance
on August 5, 2023

Event Permit - 2023 Steele County Free Fair - August 15-20, 2023

Event Permit - Orphanage Museum Fall Celebration - September 16, 2023

Exempt Permit - Steele County Agricultural Society - Raffle - August 16-20., 2023

Temporary Liquor License - KC Hall at TraLo Driver Appreciation - August 12, 2023

Temporary Liquor License - Steele County Free Fair - August 13-20, 2023

Renew Annual Liquor Licenses

Stormwater Facility Maintenance Easement Agreement at 1225 Kilworth Drive NW, site of the new Thomson Sanitation Recycling Center, with Frank Thompson. The City requires on-site stormwater management be maintained by the property owner to meet the requirements of the MS4 permit held by the City.

Limited Use Agreement at 203 Cedar Avenue N with Owatonna Hospitality 1, LLC. to use a portion of City right-of-way to access their property for construction of frost-footed stoops for outswing doors. One stoop will be located on Cedar Avenue N and one at the corner of Cedar Avenue N and Vine Street.

Certificate of Substantially Completed Project for the Framed Fabric Structure, a portion of the Wastewater Treatment Facility Expansion Project by Rice Lake Construction Group. This portion of the project has been completed in accordance with the design specifications.

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

Finance Report

Council Member Raney recapped payments made for amounts greater than \$20,000 during this period. The total amount of bills presented was \$2,177,333.89. Council Member Voss made a motion to approve payment of all bills presented, Council Member Boeke seconded the motion, all members present voted aye in approval.

Second/Final Reading Proposed Ordinance 23-08: Vacate Portion of Right-of-Way on Walnut Avenue and Ted Ringhofer Drive

Community Development Manager Kruschke requested approval of Proposed Ordinance 23-08. Redline Development requests a portion of N Walnut Avenue and Ted Ringhofer Drive be vacated as they plan redevelopment of this area including construction of a bank and a multi-use facility. The Council approved the first reading of this proposed ordinance during the May 2nd City Council Meeting and there have been no changes since. Council Member Burbank asked if another street would be named in honor of Ted Ringhofer. Owatonna Chamber President Brad Meier commented staff has met with the Ringhofer family and plan future request to the Council to rename the portion of Walnut Avenue north of Bridge Street. Approval of this proposed ordinance includes two conditions:

- 1) An easement shall be dedicated to accommodate all needed utilities.
- 2) Vacation is contingent upon approval of Redline Addition.

Council Member Raney made a motion for approval, Council Member Boeke seconded the motion. With a roll call vote, voting aye were Council Members Boeke, Raney, Svenby, Voss, Dotson, Burbank, and Schultz; no nay votes cast, the motion carried. This will be known as Ordinance 1647 upon publication.

Second/Final Reading Proposed Ordinance 23-09: Vacate Portion of Utility Easement in the Redline Addition

Community Development Manager Kruschke requested approval of Proposed Ordinance 23-09 to also vacate a portion of the sanitary sewer easement in the Redline Addition for this redevelopment project. The Council approved the first reading of this proposed ordinance during the May 2nd City Council 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 Council Members Boeke, Raney, Svenby, Voss, Dotson, Burbank, and Schultz; no nay votes cast, the motion carried. This will be known as Ordinance 1648 upon publication.

First Reading Proposed Ordinance 23-12: RZ-3 Zone Change R-1 to R-3 - Majestic Oaks

Community Development Manager Kruschke requested approval of the first reading of Proposed Ordinance 23-12. Application No. RZ-3, a request by REO Development Group to rezone property from R1, Single-Family Residential District to R-3, Single- & Two-Family District for the property located along the south side of White Oak Lane. The proposed rezoning allows the patio home area to continue to add a few more lots that are not as desirable as single-family lots. The Planning Commission held a public hearing on this request and recommend Council approval. Council Member Boeke commented that the Planning Commission Minutes include comments from neighboring property owners with comments about future drainage concerns. Kruschke commented that this matter will be addressed on the Final Plat. Council Member Burbank made a motion for approval, Council Member Boeke seconded the motion. With a roll call vote, voting aye were Council Members Boeke, Raney, Svenby, Voss, Dotson, Burbank, and Schultz; no nay votes cast, the motion carried. The second/final reading of this proposed ordinance will be heard during the July 5, 2023 City Council Meeting.

Resolution 52-23 - Sale of Property to Block 300 Owatonna, LLC

Community Development Manager Kruschke requested approval of Resolution 52-23 authorizing the sale of the property to Block 300 Owatonna, LLC. The property will be included in the Redline Development Project which lies west of North Oak Avenue and north of West Vine Street, (including the former Chamber site and Centro Campesino Building and other adjacent property). Council Member Dotson made a motion for approval, Council Member Voss seconded the motion, all members voted aye in approval.

Resolution 53-23: Final Plat of the Redline Addition

Community Development Manager Kruschke requested approval of Resolution 53-23 approving the Final Plat of the Redline Addition as recommended by the Planning Commission. This recommendation includes the following conditions:

- a) The Final Plat shall be recorded within 60 days of this approval.
- b) The Title Opinion shall be approved by the City Attorney prior to recording of the Final Plat.
- c) The plat shall be contingent upon the vacation requests.
- d) A Development Agreement on the public improvements will be required prior to the Final Plat being recorded.
- e) A FEMA Elevation Certificate will need to be provided for both structures that are located within the flood fringe area.

Council Member Svenby commented a previous discussion included addition of an access easement to these lots. Council Member Burbank added this would help with future drainage issues in the northwest area. Kruschke commented this could be added as an additional condition of this resolution. Council Member Svenby made a motion to approve this resolution with the condition that an access easement be recorded and referenced on the Final Plat of the Redline Addition. Council Member Dotson seconded the motion, all members voted aye for approval.

Resolution 54-23: CUP-6 Taproom and Food Trucks for Mineral Springs Brewery, LLC

Community Development Manager Kruschke presented Resolution 54-23 for approval. Darrin Stadheim, Redline Development, on behalf of Mineral Springs Brewery, LLC, requested a conditional use permit to allow the brewery space for two food trucks at 111 N Walnut Avenue. Construction of a new brewery and taproom is within the Ascend Project. Current State Statue does not allow food to be served within a brewery operating under a taproom license so they will offer food options from food trucks or local restaurants. Planning Commission recommends approval with two conditions:

- a) All signs shall have a sign permit prior to being erected.
- b) All signs shall not be internally illuminated.

Council Member Dotson made a motion for approval as recommended by the Planning Commission, Council Member Boeke seconded the motions, and all members voted aye in approval.

Resolution 55-23: Preliminary Plat of Majestic Oaks No. 3 Addition

Community Development Manager Kruschke requested approval of Resolution 55-23 to approve the Preliminary Plat of Majestic Oaks No. 3 Addition. This is a seven-lot residential replat to reconfigure the 1.78-acre area with addition of one lot to allow construction of three patio homes. Water and sewer will be needed on the new lot. The City plans to take over the retaining pond after the development is completed and will need adequate access to this pond; Steele County has confirmed there will not be access to the retaining pond from 26th Street so an easement must be given for access from the north side. Also, this spring the Council approved easements be vacated on the west side of West Oak and an emergency drainage overflow be constructed. The developer (the same developer of this project) has not completed the overflow and staff requests a condition be included in this resolution for completion prior to consideration of the Final Plat of this addition. Adding this condition will allow the developer to stay within his proposed timeline for this development. Council Member Schultz and Raney commented they were disappointed the developer has not completed construction of this drainage overflow. Council Member Boeke commented that the property owner currently building a home is unable to obtain a Certificate of Occupancy until this drainage overflow is completed. Kruschke commented the current request is for approval of the Preliminary Plat and adding this condition will hold the developer accountable. Council Member Burbank commented he prefers to table action on this Preliminary Plat until the easement is completed. Kruschke cautioned that tabling this

would appear that Council is opposed to addition of the patio homes, and he doubts anyone is opposed to this, so he recommended approval with these conditions:

- a) Final Plat approval shall be contingent upon the rezoning.
- b) The Final Plat shall be recorded within sixty days of the date of approval of the Final Plat.
- c) The Title Opinion shall be approved by the City Attorney prior to recording of the Final Plat.
- d) The applicant shall amend the declarations and covenants for the lots to adjust for the new legal descriptions and design of the patio homes.
- e) Adequate access, as approved by the City Engineer, shall be provided to the pond prior to the City taking it over as previously agreed upon.
- f) The emergency overflow through the Timber Ridge Drive NE area shall be constructed prior to the City signing the final plat for recording.

Council Member Burbank made a motion to table action on this resolution, Council Member Raney seconded the motion. With a vote of five members opposed and two in favor, this motion failed. Council Member Dotson made a motion to approve this resolution with these six conditions, Council Member Voss seconded the motion which was approved by a vote of five to two.

Development Agreement - Redline Addition

Community Development Manager Kruschke commented the City requires a development agreement on any project that requires construction of public infrastructure and requested approval of the Development Agreement with the developer, 300 Block Owatonna, LLC for the Redline Addition. City Staff, the City Attorney, as well as the developer have agreed to the proposed agreement pending City Council approval. The agreement defines the roles and the responsibilities of all parties involved to complete the public improvements that are required for this development. The developer will be responsible for constructing all of the public infrastructure associated with this project as defined within the agreement. The City requires a 1% fee be paid to the City for Engineering Oversight on this project. The developer is also required to reimburse Owatonna Public Utilities for gas main work and streetlighting as defined within the agreement. Council Member Svenby made a motion for approval provided the agreement includes all ag along the river and trail is dedicated to the City, Council Member Burbank seconded the motion, all members voted aye in approval.

Construction Testing Services Proposal - American Engineering Testing

Public Works Director Murphy requested approval of the Proposal for Construction Testing Services for the 2023 Havana Road Project received from American Engineering Testing (AET). The proposed estimated cost is \$18,477.00; however, the proposal is based on a test per trip basis and staff may find efficiencies by combining multiple tests on a single trip to reduce the overall costs. Staff will utilize MnDOT's District 6 Lab to perform the lab tests, which is often at a lower cost and provides quicker test results. This project is time sensitive as the plan is to be completed prior to the start of the new school year. Council Member Raney made a motion for approval, Council Member Boeke seconded the motion and all members voted aye for approval.

Vine Street Parking Lot Proposal - WHKS

Public Works Director Murphy requested approval of the WHKS Proposal for design and bidding engineering services related to the Vine Street Parking Lot. This year, the City will complete reconstruction of the parking lot in the 100 block of West Vine Street. Requests for proposals were sent to multiple consultants to ensure compliance with the City's Purchasing Policy. The proposal received from WHKS to assist with the design and bidding phase of this project for \$48,000 was the lowest quote. City Administrator Busse commented that this is a conceptual

design and final details will be needed as the project progresses. Council Member Voss made a motion for approval, Council Member Svenby seconded the motion and all members voted aye in approval.

5-Year Capital Improvement Plan 2023-2027

Finance Director Moen requested City Council approval of the 5-year capital improvement plan, years 2023-2027. Staff updated the detailed 5 Year Capital Improvement Plan for 2023-2027 as part of the budget process and then again as part of the strategic planning process. This plan is designed to create, support, maintain, and finance the City's present and future infrastructure and equipment needs. The first year of the plan has already been appropriated by council through the 2023 budget process. The remaining four years serve as a guide for planning purposes and will be subject to review on an annual basis. No project is guaranteed to occur in the year planned. Annually, the Council appropriates the future year's projects and adopts a 5-year CIP as part of their long-term planning. Council Member Beke made a motion for approval, Council Member Voss seconded the motion, all members voted aye for approval.

Staff Comments

Finance Director Moen commented that her staff is busy preparing for next year's budget. She encouraged anyone with budget concerns to reach out to their Council Members to express their concerns.

Public Works Director Murphy commented that progress continues on construction of the new Wastewater Treatment Facility. The precast elements were just completed on the MBR Building. The Fine Screens Building is up and standing two stories high. Lab services and membrane bio reactors will be in this building and there will be a tunnel system connecting these buildings. Crews have been busy repairing street potholes, hot mix plants opened late May and we will continue making repairs as best we can within the available budget. He thanked Council for approving the design and bidding engineering services the Vine Street Parking Lot so this project can be completed this year.

Community Development Manager Kruschke commented groundbreaking events were held for the Home2Suites hotel and the Kamp Automation facility. He then introduced the City's new Planning Specialist Syndee Stroeing who began duties mid-April.

Public Comments

None heard.

Mayor and Council Comments:

Council Member Raney requested the naming of the new Regional Park be placed on the next Council during July; he believes this process has been on-going and should be completed.

Council Member Dotson commented he recently spoke with County Commissioner Abbe, Public Works Director Murphy, and City Administrator Busse to prepare a Council comment regarding access into the neighborhood of a forthcoming project which will require future council discussion.

Council Member Burbank commented he liked meeting during the afternoon.

Council President Schultz commented it appears everything has been covered.

Adjournment

At 1:51 p.m., Council Member Raney made a motion to adjourn, Council Member Svenby seconded the motion, with no objection heard the meeting ended.

Respectfully submitted,

Jeanette Clawson, Administrative Specialist