

**WORTHINGTON CITY COUNCIL  
REGULAR MEETING, JUNE 12, 2017**

The meeting was called to order at 7:00 p.m. in City Hall Council Chambers by Mayor Mike Kuhle with the following Council Members present: Larry Janssen, Alan Oberloh, Chad Cummings, Amy Ernst, Mike Harmon. Honorary Council Member: Josh Langseth.

Staff present: Steve Robinson, City Administrator; Dwayne Haffield, Director of Engineering; Janice Oberloh, City Clerk; Dan Wycoff, Liquor Store Manager.

Others present: Justine Wettschreck, KWOA; Karl Evers-Hallstrom, The Globe; Annette Fiedler, Southwest Regional Development Corporation; Neal Steffl, Southwest Minnesota Opportunity Council; and others.

The Pledge of Allegiance was recited.

**AGENDA CLOSED / APPROVED WITH CHANGE OF ORDER**

Staff was requesting the following changes to the agenda:

- Item F.1. *Public Meeting for Review of Storm Water Pollution Prevention Plan* be moved to immediately following the approval of the agenda.
- Pull Item E.6. *Position Guidelines Revision - Director of Community Development, Planning, Zoning, and Building Services*
- Addition of item E.3.a.12 - *Additional On-Sale Liquor License, Sunday On-Sale Liquor Licence Renewal*

The motion was made by Council Member Ernst, seconded by Council Member Oberloh and unanimously carried to close / approve the agenda with the requested changes.

**PUBLIC MEETING FOR REVIEW OF STORM WATER POLLUTION PREVENTION PLAN**

Pursuant to published notice this was the time and date set for a public meeting for review of the City's Storm Water Pollution Prevention Plan.

Dwayne Haffield, Director of Engineering, noted this is an annual meeting regarding our storm water pollution prevention plan. The City is regulated as a municipality for discharge of storm water to public waters as part of the regulations that resulted from the Clean Water Act. We are covered under the statewide NPDES permit, and have to meet certain requirements to have that coverage, including implementation of a Storm Water Pollution Prevention Plan, which includes six mandatory minimum control measures:

- Public Education and Outreach
- Public Involvement and Participation

- Illicit Discharge Detection and Elimination
- Construction Site Storm Water Runoff Control
- Post-Construction Storm Water Management
- Pollution Prevention / Good Housekeeping for Municipal Operations

Mr. Haffield said this meeting satisfies the Public Involvement and Participation control measure as it provides an opportunity for public comments to be offered from anyone in attendance. Input is to be considered in determining if the SWPPP requires revision.

Following a review of the plan, Mayor Kuhle asked if there was anyone in attendance who wished to provide comment on the plan. None were received.

### **CONSENT AGENDA APPROVED**

The motion was made by Council Member Oberloh, seconded by Council Member Janssen and unanimously carried to approve the consent agenda as follows:

- City Council Minutes of Regular Meeting May 22, 2017 and Special Meeting - Work Session May 24, 2017
- Minutes of Boards and Commissions - YMCA Board Minutes of March 24, 2017; Worthington Area Convention and Visitors Bureau Minutes of April 26, 2017; NEON Committee Minutes of May 11, 2017; Worthington Housing and Redevelopment Authority Board Minutes of April 18, 2017; Local Board of Appeals/Equalization Continuation Minutes of May 22, 2017; Center for Active Living Committee Minutes of May 8, 2017; Planning Commission Minutes of June 6, 2017
- Application for Exemption from Lawful Gambling Permit - Worthington Firefighter Relief Association
- Application for Parade/to Block Streets - Worthington Firefighter Relief Association
- Application for Temporary On-Sale Beer License - Worthington Firefighter Association
- Application for Parade Permit/to Block Streets - Worthington Area Chamber of Commerce Agribusiness Committee
- Application for Temporary On-Sale Liquor License - Worthington Area Chamber of Commerce Agribusiness Committee
- Application for Parade Permit/to Block Streets - Freedom Veteran's Memorial Committee
- Application for Parade Permit/Block Streets - Spirit of Worthington Trojan Marching Band
- Application for Parade Permit/to Block Streets - Worthington Area Chamber of Commerce Retail Committee
- Application for Parade Permit/to Block Streets - St. Mary's Church - Catholic/Hispanic Cultural Event
- Application for Temporary On-Sale Liquor License - BPOE Elk's Lodge #2287
- Application for Temporary On-Sale Liquor License - Lake Okabena Improvement

- Association
- 2017/2018 On-Sale Liquor, Wine, and Club On-Sale Liquor License Renewals, and Sunday On-Sale Liquor License Renewals as presented
- Parking Restriction on Polar Road
- Bills Payable and totaling \$1,343,270.45 be ordered paid

A discussion was held at the request of Council Member Oberloh on information in the June 6, 2017 Planning Commission Minutes.

### **BIDS REJECTED FOR MUNICIPAL LIQUOR STORE REMODEL PROJECT**

The following bids were received May 18, 2017 for the Municipal Liquor Store Remodel Project:

#### General Construction

	<u>Beck &amp; Hover</u>	<u>Peska Construction</u>	<u>Sussner Construction</u>	<u>Visions Construction</u>
Base Bid	\$1,480,000.00	\$1,496,000.00	\$1,396,000.00	\$1,750,000.00
Alt #1 (Deduct)	\$ 15,000.00	\$ 70,000.00	\$ 22,000.00	\$ 86,000.00
Alt #2 (Add)	\$ 54,700.00	\$ 45,500.00	\$ 53,430.00	\$ 39,000.00

#### Walk-In Coolers

	<u>Carlson &amp; Stewart</u>	<u>Stan Morgan</u>	<u>Trimark</u>	<u>Elite Mech.</u>
Base Bid	\$ 195,425.00	\$ 214,653.36	\$ 190,250.00	\$ 230,748.45

Consideration of the bids was pulled from the May 22<sup>nd</sup> Council Meeting to allow staff additional time for discussion and review of the plans with the architects to identify potential cost saving modifications. Steve Robinson, City Administrator, told Council that because the bids were significantly over the estimate - by more than \$350,000- it was Staff's recommendation to reject all bids, address the identified changes and rebid the project later this summer, with a construction schedule to be determined at that time. Dan Wycoff, Liquor Store Manager, said he has already stated he is not interested in moving to the new store in November or December, but would be hopeful for a spring move.

The motion was made by Council Member Harmon, seconded by Council Member Oberloh and unanimously carried to reject the bids and rebid the project at the earliest convenience with consideration of potential modifications.

### **LIQUOR STORE SUNDAY HOURS**

Council discussed the option of Sunday Off-Sale Liquor sales, which goes into effect July 1, 2017, with Dan Wycoff, Liquor Store Manager, and City Administrator Steve Robinson. Mr. Robinson presented information obtained from the City's Finance Director that, using the 2016 average of \$958 / hour for sales, projected an estimated net profit of \$20,000 annually from Sunday sales.

The motion was made by Council Member Oberloh and seconded by Council Member Janssen to leave the hours for the Liquor Store as is until the new store is open, with Council Member Janssen requesting the addition that it be properly advertised. Council Member Cummings disagreed with the motion stating that we should be open for Sunday sales with that July 1<sup>st</sup> start date to get a true bench mark of sales. Council Member Oberloh said he was fine with that. Mr. Wycoff said he was of the understanding when this first came up that we would not be open on Sundays with that first Sunday in July, however, the representative from the Minnesota Beverage Association had indicated to him that most of the stores in Minnesota would open as permitted, and he encouraged Worthington to do so. Mr. Wycoff said he would not be ready for it July 1<sup>st</sup>. Council Member Janssen responded that it had been coming for some time now, and if someone needed to fill in it should be Mr. Wycoff. The following Council Members voted in favor of the motion: Oberloh; and the following Council Members voted against the motion: Janssen, Cummings, Ernst, Harmon. Motion failed.

The motion was made by Council Member Oberloh to set the Liquor Store hours for Sunday as 12:00 p.m. to 6:00 p.m. beginning August 1, 2017. The motion died for lack of a second.

The motion was made by Council Member Cummings and seconded by Council Member Harmon that the Municipal Liquor Store will be open on Sundays after State approval goes in to effect, with the starting date based on recommendation of the Manager and City staff, and that hours will not start before noon, with the following Council Members voting in favor of the motion: Oberloh, Cummings, Ernst, Harmon; and the following Council Members voting against the motion: Janssen. Motion carried.

#### **BIOTECHNOLOGY ADVANCEMENT CENTER LABORATORY PROPOSAL APPROVED**

The City has reserved approximately \$220,000 for the build out of a laboratory at the Biotechnology Advancement Center (BAC) in the space that has been reserved since completion of the building. Dr. Randy Simonson has proposed exploring a laboratory facility focused on animal health and added value research, and has communicated with members of the University of Minnesota's College of Veterinary Medicine to be a participant in this potential collaboration. Dr. Simonson and Tracy Oleson were requesting assistance from the City to prepare a business plan to define the purpose of the lab, its market, amount of investment need to complete a viable lab, and sources of potential investment from both the public and private sectors. Estimated cost of the business plan was \$1,250.

The motion was made by Council Member Oberloh, seconded by Council Member Cummings and unanimously carried to approve the proposal and authorize up to \$1,250 for preparation of the business plan.

### **REAL ESTATE ESTIMATED MARKET VALUE APPRAISAL PROPOSALS**

Staff had solicited fee estimates related to simple market value appraisals of six separate parcels in and around the City of Worthington. The following proposals were received:

Nagell Appraisal	\$6,700.00
Jensen Management	\$16,500.00
Chadwick Appraisals	\$22,100.00

Steve Robinson, City Administrator, noted that he had contacted an independent assessor/appraiser regarding the disparity in the proposals, and received confidence from him regarding the Nagell proposal. Mr. Robinson said he was requesting that Property No. 5 be taken out of the list of properties for appraisal as conversation with the owner showed that an appraisal would probably not matter.

Staff was recommending that Council retain Nagell Appraisal, with the deletion of Property No. 5. Mr. Robinson and noted that Nagell did indicate that he would adjust his fee with the removal of the parcel.

The motion was made by Council Member Oberloh, seconded by Council Member Harmon and unanimously carried to retain Nagell Appraisal for the appraisals, with staff's recommendation to delete Property No. 5.

### **CONDITIONAL USE PERMIT - LOT 1, BLOCK 2, FAREWAY FIRST ADDITION**

At their May 8, 2017 meeting, Council considered a request submitted by Neal Steffl, Executive Director of Southwest Minnesota Opportunity Council, for approval of a conditional use permit to operate a child care facility on the subject property. A motion was made and seconded for approval of the conditional use permit, but failed on a three to two vote as several members felt it was not a good fit for that retail area. Conditional use permits require approval by 2/3 of the members, which is four of the five City Council members.

Mr. Steffl was now requesting that Council reconsider SMOC'S request. Several letters of support were provided to Council, along with support from some of those in attendance at the meeting. Council Member Janssen stated he is still opposed to the Conditional Use Permit for that location, asking what Council should tell their constituents about letting that property come off the tax rolls. He has an issue with having it in a retail area. Council Member Oberloh agreed, and Council

Member Cummings said Council has nothing against the kids the facility would serve, and felt that was the unfair sentiment that was being promoted. Council Members Harmon and Ernst said they would support the request. Steve Robinson, City Administrator, said that Council would be meeting next Wednesday, June 21<sup>st</sup>, at a time to be determined, on some other issues - if Council wished to table this item until then it would allow time to gather additional information. Darlene Macklin, Worthington Area Chamber of Commerce Executive Director, volunteered to visit with the businesses in the subject area for their feelings on the project.

The motion was made by Council Member Oberloh, seconded by Council Member Harmon and unanimously carried to table this item until the special meeting next Wednesday, June 21<sup>st</sup>, with the time to be determined.

**CONDITIONAL USE PERMIT APPROVED - SOUTH LAKE DEVELOPMENT, LLC - 1<sup>ST</sup> AVENUE SOUTHWEST**

Al Drost was seeking the issuance of a conditional use permit on Parcel 31-4003-400. If approved, the conditional use permit would supercede the previously issued conditional use permit, and would allow 21 town homes / condominiums in an R1 District. The property is legally described as:

That part of the Northwest Quarter of the Northeast Quarter of Section 34, Township 102 North, Range 40 West, Nobles County, Minnesota described as follows:

Commencing at the North Quarter corner of said Section 34; thence on an assumed bearing of North 85 degrees 31 minutes 44 seconds East, along the north line of said section, a distance of 231.00 feet to an iron monument, said iron monument being the point of beginning of the tract to be described; thence South 0 degrees 54 minutes 01 seconds East a distance of 212.00 feet; thence North 85 degrees 31 minutes 44 seconds East a distance of 132.00 feet; thence North 50 degrees 08 minutes 05 seconds East a distance of 74.45 feet; thence North 0 degrees 54 minutes 01 West a distance of 168.79 feet to the north line of said section; thence North 85 degrees 31 minutes 44 seconds East, along said north line, a distance of 20.04 feet; thence South 0 degrees 54 minutes 01 seconds East a distance of 162.97 feet; thence South 39 degrees 51 minutes 55 seconds East a distance of 137.99 feet to the northwesterly right of way line of a railroad; thence South 50 degrees 08 minutes 05 seconds West, along said northwesterly right of way line, a distance of 677.73 feet to the north-south quarter line of said section; thence North 0 degrees 54 minutes 01 seconds West, along said north-south quarter line, a distance of 635.90 feet to the southerly right of way line of First Avenue Southwest; thence North 69 degrees 46 minutes 58 seconds East, along said southerly right of way line, a distance of 121.62 feet to the north line of said section; thence North 85 degrees 31 minutes 44 seconds East, along said north line, a distance of 116.00 feet to the point of beginning.

The Planning Commission considered the request at their June 6, 2017 meeting, and after holding a public hearing, voted unanimously to recommend Council approval of the Conditional Use Permit subject to the following conditions:

1. The development of the subject property is completed as outlined in the submitted site plan;
2. Completion of an approved storm water pollution prevention plan and obtaining coverage under the statewide storm water NPDES permit for construction; and
3. The applicant's site plan include a drive on the east side end that provides a connection with 1<sup>st</sup> Avenue

In addition, that the new Conditional Use Permit include language that indicates it replaces the Original Conditional Use Permit approved by the Council on October 10, 2016.

The motion was made by Council Member Oberloh, seconded by Council Member Ernst and unanimously carried to approve the Conditional Use Permit for South Lake Development, LLC for their property identified as Parcel #31-4003-400, subject to the conditions set forth by the Planning Commission, and that the additional ingress/egress be completed when the development starts in the added phase of the project.

### **COUNCIL COMMITTEE REPORTS**

Mayor Kuhle - attended the "Bike-able Communities event last week - it was a good event.

Council Member Janssen - Nothing to report.

Council Member Oberloh - Nothing to report.

Honorary Council Member Langseth - asked if there had been any conversation regarding the road out by the South Lake Development with the extra traffic the development project will generate.

Council Member Cummings - Nothing to report but hats off to the Regatta Committee.

Council Member Ernst - Attended a Planning and Zoning meeting - they started their review of the transitional zone between County Roads 33 and 35. The Committee is requesting an updated zoning map - and they want to review the comp plan.

Council Member Harmon - attended the Lewis and Clark annual meeting. Last Friday he and some staff members met with a resident regarding a loose dog issue. Had a Center for Active Living Committee meeting this morning - the new Director is doing a fine job.

### **CITY ADMINISTRATOR'S REPORT**

Steve Robinson, City Administrator, reminded Council that there is a work session meeting scheduled for next Wednesday - topics so far include the revised job description for the Community Development Building Planning Services, and the Head Start issue. Council Member Oberloh requested that a discussion on Prairie View be added. Mr. Robinson said they could add it but he

was not sure they would have any additional information as the Public Works Director was out for a few days. Work on the picnic shelter at Olson Park was supposed to start today but he wasn't sure it did due to the weather - and they started soccer at Buss Field over the weekend - it was full, and they've started work on the storage building there.

**ADJOURNMENT**

The motion was made by Council Member Cummings, seconded by Council Member Ernst and unanimously carried to adjourn the meeting at 9:21 p.m.

Janice Oberloh, MCMC  
City Clerk