

**WORTHINGTON CITY COUNCIL
SPECIAL MEETING**

**6:30 a.m. Tuesday, November 21, 2017
City Hall Council Chambers**

A. CALL TO ORDER

B. CITY COUNCIL BUSINESS

1. Community Growth Sub-Committee Progress Report
2. Prairie View - Boy Scouts Progress Report
3. Memorial Auditorium Seat Replacement Project
4. Worthington Regional Economic Development Corporation 2018 Budget
5. Fairgrounds Road Improvements
6. Library - Community Education Collaborative Project Update
7. PBK Real Estate Purchase Agreement
8. Ag Lease Update
9. Council Update on Discussions with a Potential Restaurant Developer
10. Lake Amenities Group

C. ADJOURNMENT

ADMINISTRATIVE SERVICES MEMO

DATE: **NOVEMBER 17, 2017**

TO: **HONORABLE MAYOR AND CITY COUNCIL**

SUBJECT: **CITY COUNCIL WORK SESSION**

CASE ITEMS

1. COMMUNITY GROWTH SUB-COMMITTEE PROGRESS REPORT

Members of the community growth sub-committee will update the Council on their progress and proposed projects. Information regarding several of the projects is included in Exhibit 1.

2. PRAIRIE VIEW-BOY SCOUTS PROGRESS REPORT

Public Works Director, Todd Wietzema, will update the Council on the status of the land swap with Okabena Ocheda Watershed and a lease agreement with the Boy Scout troops for use of the clubhouse area.

3. MEMORIAL AUDITORIUM SEAT REPLACEMENT PROJECT

Director Tammy Makram will report on the schedule and budget of the seat replacement project. Included in Exhibit 2 is an example of the proposed new seat, budget and schedule.

**4. WORTHINGTON REGIONAL ECONOMIC DEVELOPMENT CORPORATION
2018 BUDGET**

Discussion regarding the City's 2018 budget for WREDC.

5. FAIRGROUNDS ROAD IMPROVEMENTS

Public Works Director, Todd Wietzema, will update the Council on recent discussions regarding improvements to the main Fairgrounds road.

6. LIBRARY-COMMUNITY EDUCATION COLLABORATIVE PROJECT UPDATE

Nobles County Administrator, Tom Johnson, will update the Council on the master planning objectives, conceptual site plans and preliminary cost estimates. Information prepared by the City/County/ISD 518 coalition's consultant, LHB, is included in Exhibit 3.

7. PBK REAL ESTATE PURCHASE AGREEMENT

City Council directed staff to prepare a purchase agreement to be entered into by PBK Real Estate for the City-owned parcel just north of the Comfort Suites Hotel. Staff initially consulted with Rebecca Kurtz of Ehlers for an opinion as to the legality of offering a rebate on a portion of the purchase price upon completion of the project. Ms. Kurtz issued an opinion that the proposed arrangement did not conflict with business subsidy statutes.

City Attorney, Mark Shepherd, prepared a purchase agreement in accordance to the directives agreed upon by the Council at their October 23, 2017 meeting. A copy of the purchase agreement is included as Exhibit 4. The purchase agreement was forwarded to PBK Real Estate on November 6, 2017. As of this date, we have not had a response from the Buyer.

8. AG LEASE UPDATE

City Staff will provide an update on the status of the unpaid lease of city-owned agriculture lands.

9. COUNCIL UPDATE ON DISCUSSIONS WITH A POTENTIAL RESTAURANT DEVELOPER

Staff will update Council on discussions that have taken place with a developer of a potential sports bar/restaurant.

10. LAKE AMENITIES GROUP

Mayor Kuhle is requesting the formation of a group that will identify potential amenity projects for Lake Okabena.

Okabena is a Sioux word meaning "Nesting Place of the Herons".

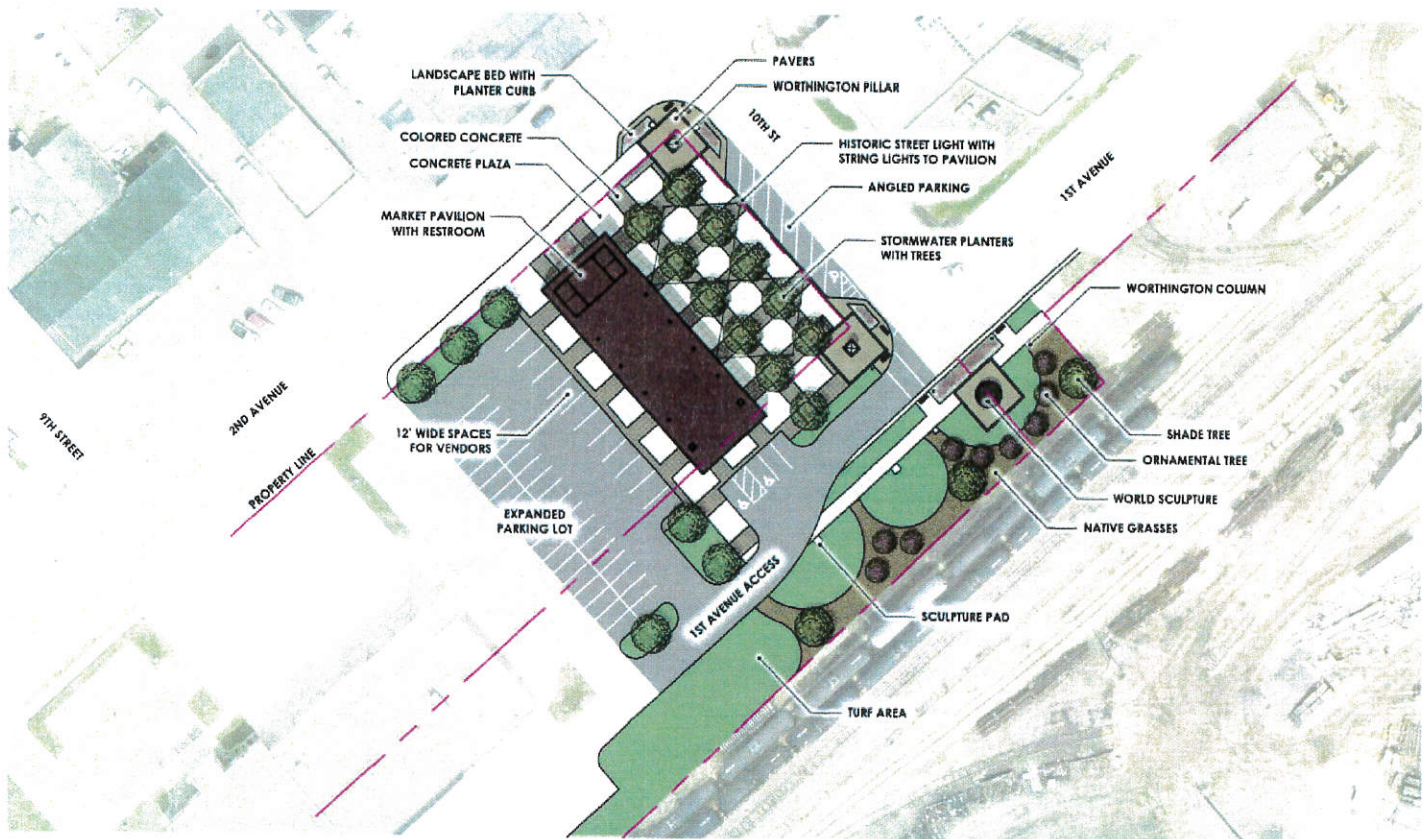


10th Street Plaza Master Plan - Perspective
Worthington, MN

SERVO 17186
11/02/2017

STOCKWELL

City of
Worthington



10th Street Plaza Master Plan
Worthington, MN

SEE NO. 1718A
11/02/2017

STOCKWELL

City of
Worthington

Project Cost Estimate

10th Street Plaza
Worthington, MN
SEI No. 17186



November 3, 2017

	Item Total
General Items	\$95,480.00
Removals	\$18,225.90
Grading & Soils	\$63,140.00
Utilities	\$105,336.00
Erosion Control	\$8,945.06
Surfacing	\$407,114.40
Site Miscellaneous	\$268,822.40
Building Items	\$724,416.00
Site Furnishings & Sculpture Allowance (no fees)	\$60,000.00
Total Project Costs	\$1,751,479.76

* All Costs include 10% Contingencies & Design Fees

** Costs do not include soil remediation (if necessary)



Centennial Park Beach Bathhouse Concept Plan - Perspective
Worthington, MN

SERVO. 17185
11/02/2017

STOCKWELL

City of
Worthington



Centennial Park Beach Bathhouse Concept Plan
 Worthington, MN

SEI NO. 17185
 11/22/2017



Project Cost Estimate

Centennial Park - Beach House & Site Improvements
Worthington, MN
SEI No. 17185



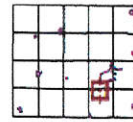
November 3, 2017

	Item Total
General Items	\$56,672.00
Removals	\$38,869.60
Grading	\$20,697.60
Utilities	\$40,052.32
Erosion Control	\$9,663.81
Surfacing	\$101,196.48
Site Miscellaneous	\$71,024.80
Building Items	\$467,544.00
Site Furnishings Allowance (no fees)	\$24,500.00
Total Project Costs	\$830,220.61

* All Costs include 10% Contingencies & Design Fees



Overview



Legend

-  Municipalities
-  Quarter Quarters
-  Sections
-  Townships

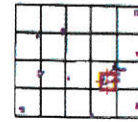
Date created: 10/30/2017
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Developed by
The Schneider Corporation



Overview



Legend

-  Municipalities
-  QuarterQuarters
-  Sections
-  Townships

Date created: 10/30/2017
Last Data Uploaded: 10/31/2016 8:16:51 PM



Developed by
The Schneider Corporation

Memorial Auditorium Seat Replacement Project

Budget of Estimated Costs:

- Rialto Seats, furnish and install – 625 new chairs @ \$350/chair = **\$218,750.00**
This is an estimated reduction from the current capacity of 735. The slightly larger chairs and wider leg spacing will result in a loss of 80 chairs on the lower level and 30 chairs in the balcony.
- Removal of existing chairs and floor repairs: **\$12,000.00**
- Floor tile removal and disposal (asbestos): **\$12,000.00**
- Construction of wheel chair platforms at the rear of the main level: **\$5,000.00**
- New carpeting on the main level: **\$25,000.00**
- Plans, specifications, bid documents and construction administration: **\$26,000.00**

Total estimated cost: **\$298,750.00**

Schedule:

Advertise for bids: February 15, 2018

Award Bid: March 15, 2018

Start Construction: June 4, 2018

Completion: August 1, 2018

Timeline:

Chair production – 8 weeks if US company

Old Chair Removal, Disposal, Grind Floor Bolts, Seal Bolt Holes – 4 days

Removal of Asbestos Tiles – 3 days (In between old chair demo)

Move Wheelchair Seats to Back of Main Floor and Build Platform – 3 days

Put in New Flooring and Paint Flooring – 5 days

New Seat Installation – 5 days

ENTIRE PROJECT DEMO & INSTALL TIME: 20 working days/4 weeks

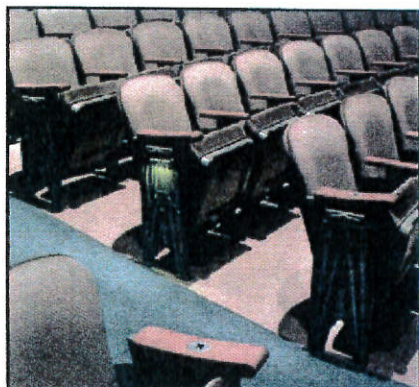
RIALTO, EMPIRE & PARADISE

Designed to resemble seating from the great movie palaces built during the rise of Hollywood, these backs are available with wood veneer or laminate surfaced rear panels attached with exposed, tamper resistant hardware. Rialto, Empire and Paradise backs are available for use on most chair platforms.

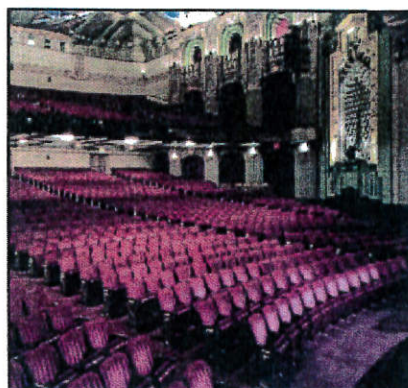


29.6.166.8 Rialto

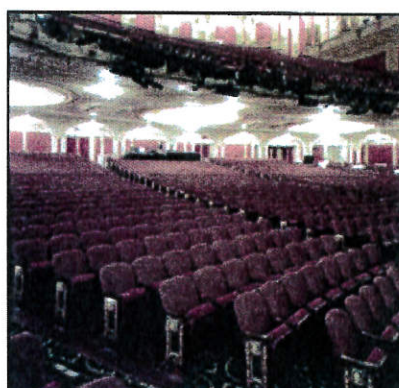
- 31" high back surfaced with wood veneer and attached with exposed fasteners
- No. 6 seat with steel foundation and number plates
- No. 166 Skyline cast aisle standard
- No. 8 chair platform with scrolled solid hardwood armrests



*Martin Woldson Theatre at the Fox
Spokane, Washington*



*Pantages Theater
Los Angeles, California*



*Boston Opera House
Boston, Massachusetts*

Campbell's Soup/Civic Center Site Master Plan



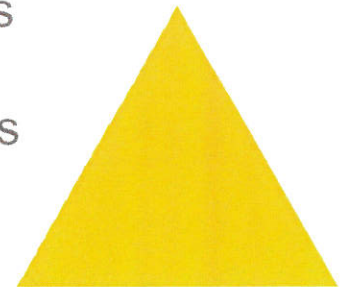
**A Collaborative Effort:
Nobles County, the City of Worthington, School District 518**

November 7, 2017



AGENDA for this afternoon...

1. Master Planning Objectives
2. Overview of Prior Site Visits
3. Context
4. Site Assessment
 - a. Easements
 - b. Property ownership
 - c. Soil conditions
 - d. Contamination
 - e. Potential roadway changes
 - f. Existing Buildings
5. Space Program Analysis
 - a. Community Education
 - b. Library
 - c. Welcome/Wellness Center
 - d. The Commons
6. Site and Building Diagrams
7. Preliminary Cost Estimates
8. Collaboration Opportunities



Objectives of the Study



1. Determine the potential occupants for a multi-functional facility
2. Analyze the opportunities and challenges of the Campbell's Soup site
3. Develop a conceptual space program for each potential partner
4. Determine if the program and required parking can fit on the site
5. Determine potential costs
6. Determine potential savings of working in collaboration

Prior Site Visits



May 9, 2017

Site Analysis and Structural Review of Buildings

August 23, 2017

Project Oversight Committee (POC)

Nobles County Stakeholder Meeting

Dwayne Haffield, City Engineer

Nobles County Library Stakeholder Meeting

August 24, 2017

Chamber of Commerce Meeting

Community Education Stakeholder Meeting

POC Re-Cap Meeting

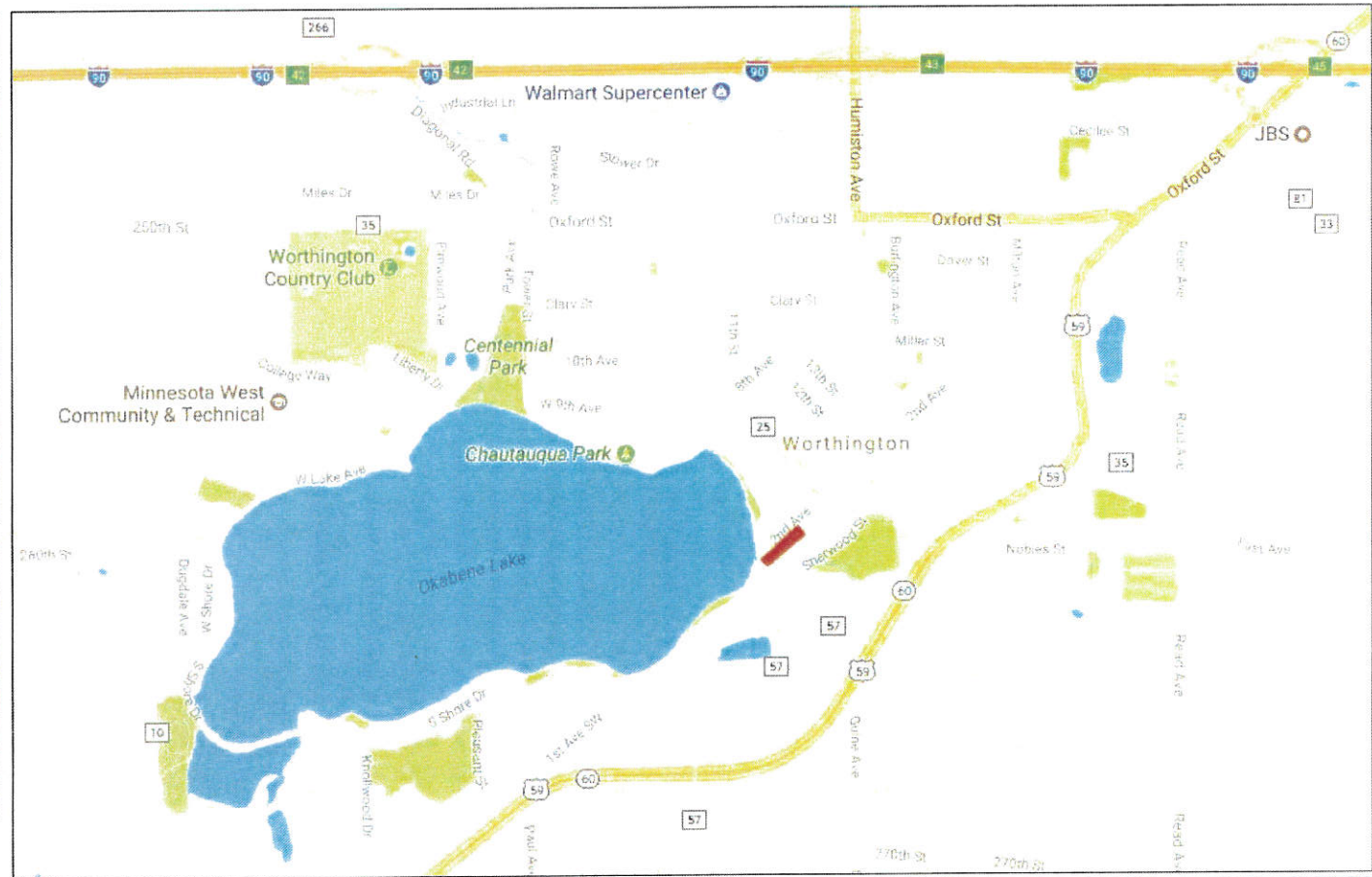
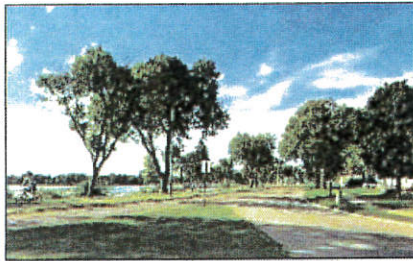
Site Analysis/Existing Building Investigation

October 10, 2017

Community Education Program Re-cap

POC Preliminary Concept Presentation

City Context



Campbell's Soup/Civic Center Site Master Planning Project



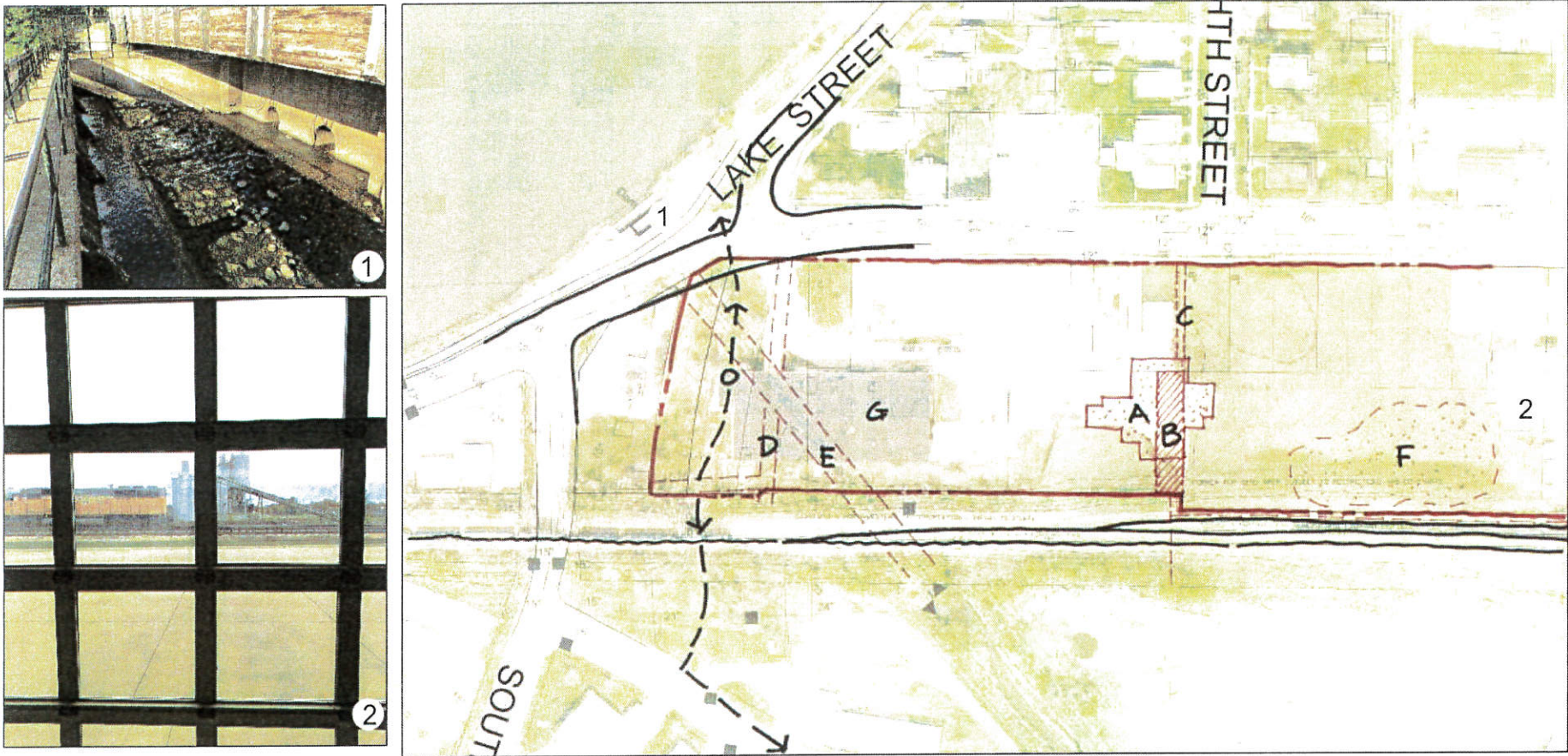
Site Context



Campbell's Soup/Civic Center Site Master Planning Project



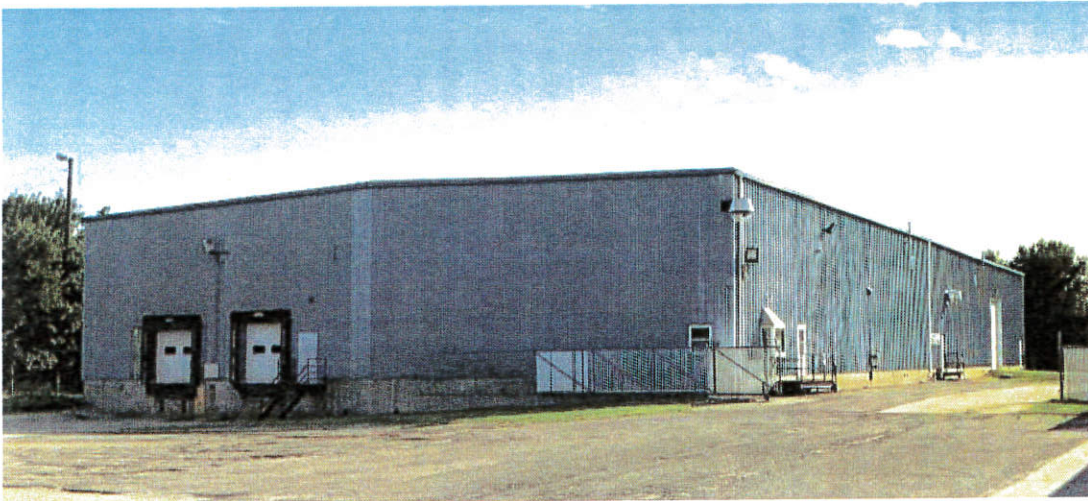
Site Analysis Diagram



Campbell's Soup/Civic Center Site Master Planning Project





Existing Building Evaluation



Campbell's Soup/Civic Center Site Master Planning Project



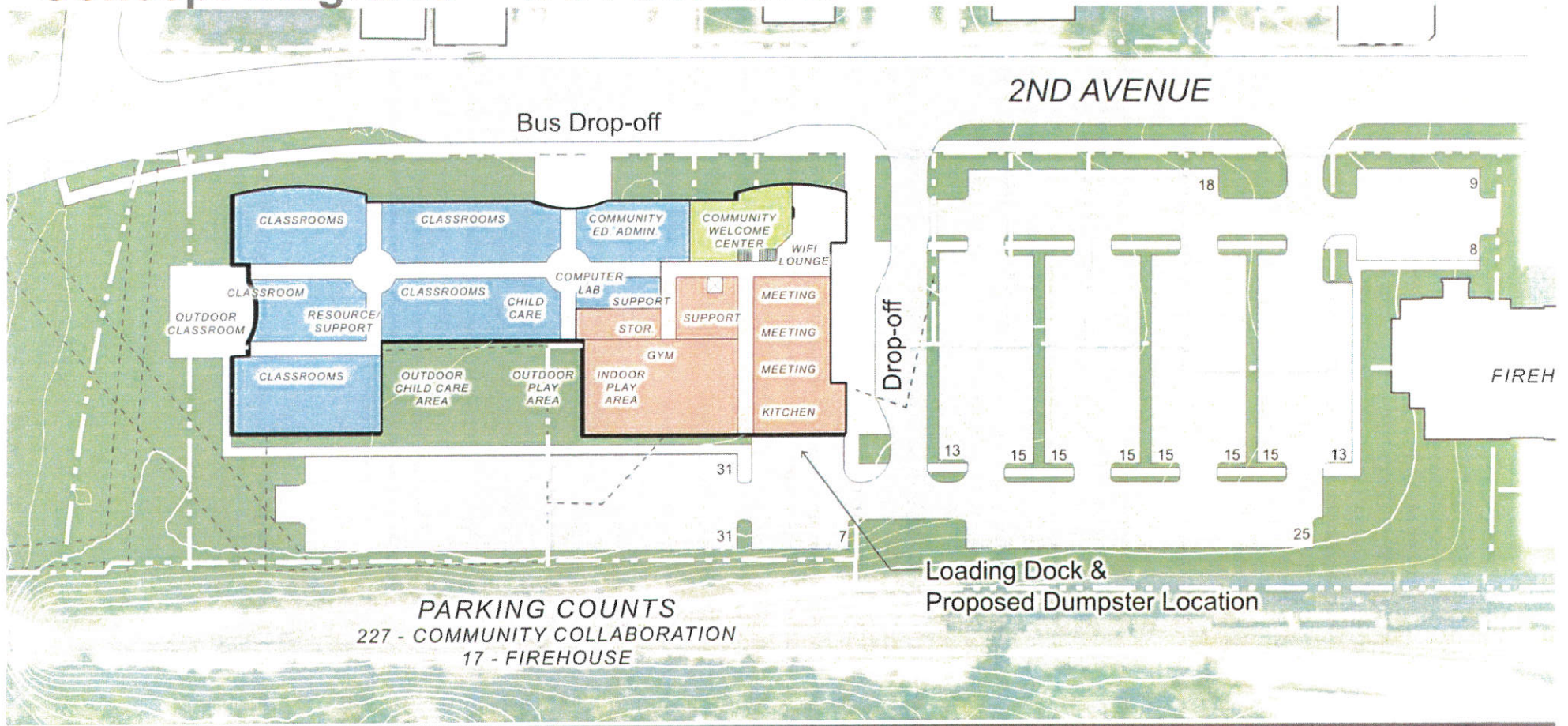
Program Evaluation

Program	Independent	Collaboration	Savings
Community Education -Adult Basic Education -Enrichment Programs -ECFE -Administration	46,875 GSF	26,742 GSF	 <p>Space Savings from Collaboration:</p> 
Library -Shared Children's Creative Play Space	28,000 GSF	23,514 GSF	
Nobles County Integration Collaborative	2,500 GSF	IN COMMUNITY ED.	
Welcome/Wellness Center -Income Maintenance Program -WIC Offices & Exam Room -Social Service Intake Office -Statewide Health Improvement Office (SHIP) -Community Connectors	3,500 GSF	2,789 GSF	
The Commons -Break Room -Meeting Rooms -The "Living Room" -Kitchen -Gymnasium/Indoor Play Area -Storage -Laundry	-----	16,116 GSF	
	80,875 GSF	69,161 GSF	

Campbell's Soup/Civic Center Site Master Planning Project



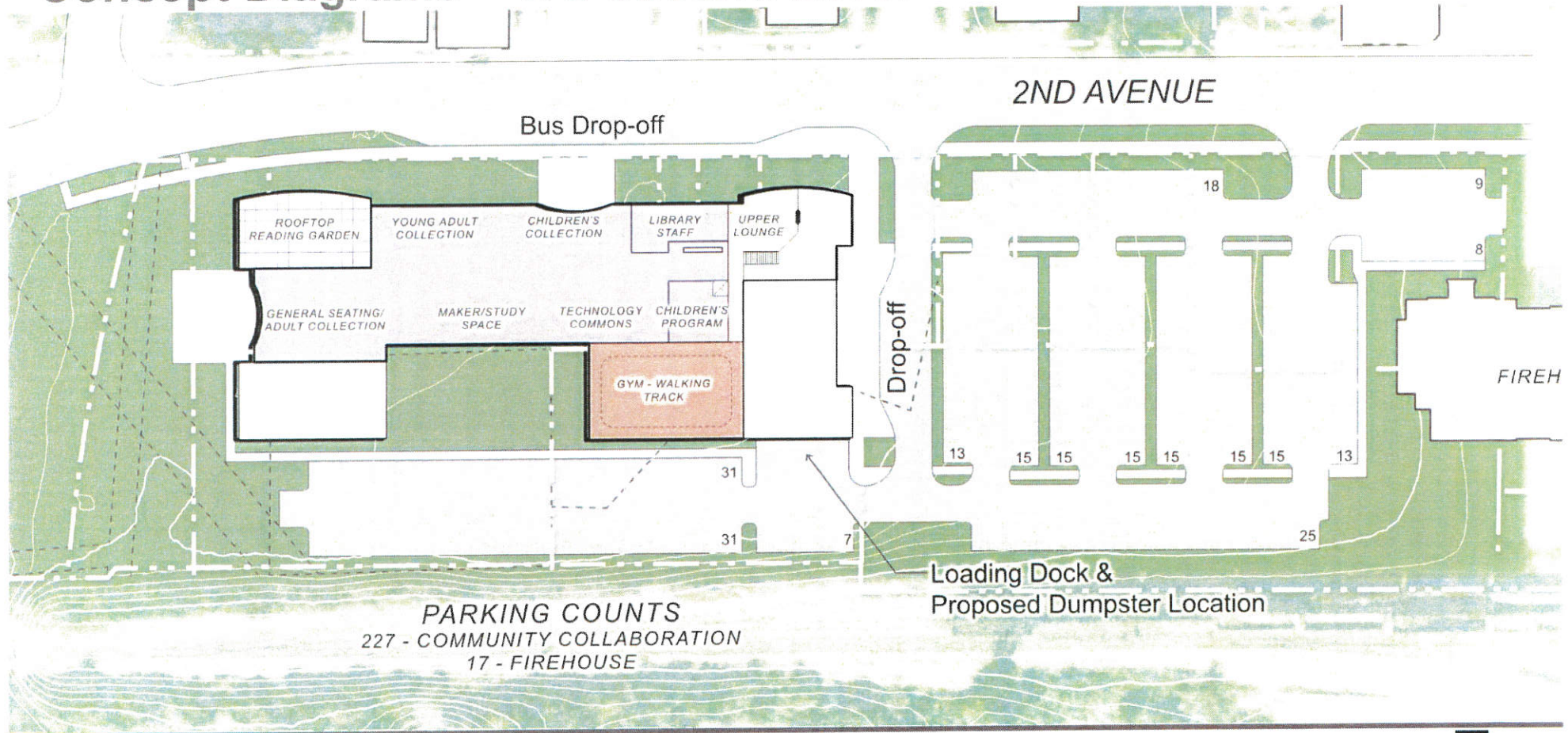
Concept Diagrams – 1A: First Level



Campbell's Soup/Civic Center Site Master Planning Project



Concept Diagrams – 1A: Second Level



Campbell's Soup/Civic Center Site Master Planning Project



Precedent Imagery – The “Living Room”



Campbell's Soup/Civic Center Site Master Planning Project



Precedent Imagery - Library



Campbell's Soup/Civic Center Site Master Planning Project



Precedent Imagery – Adult Learning



Campbell's Soup/Civic Center Site Master Planning Project



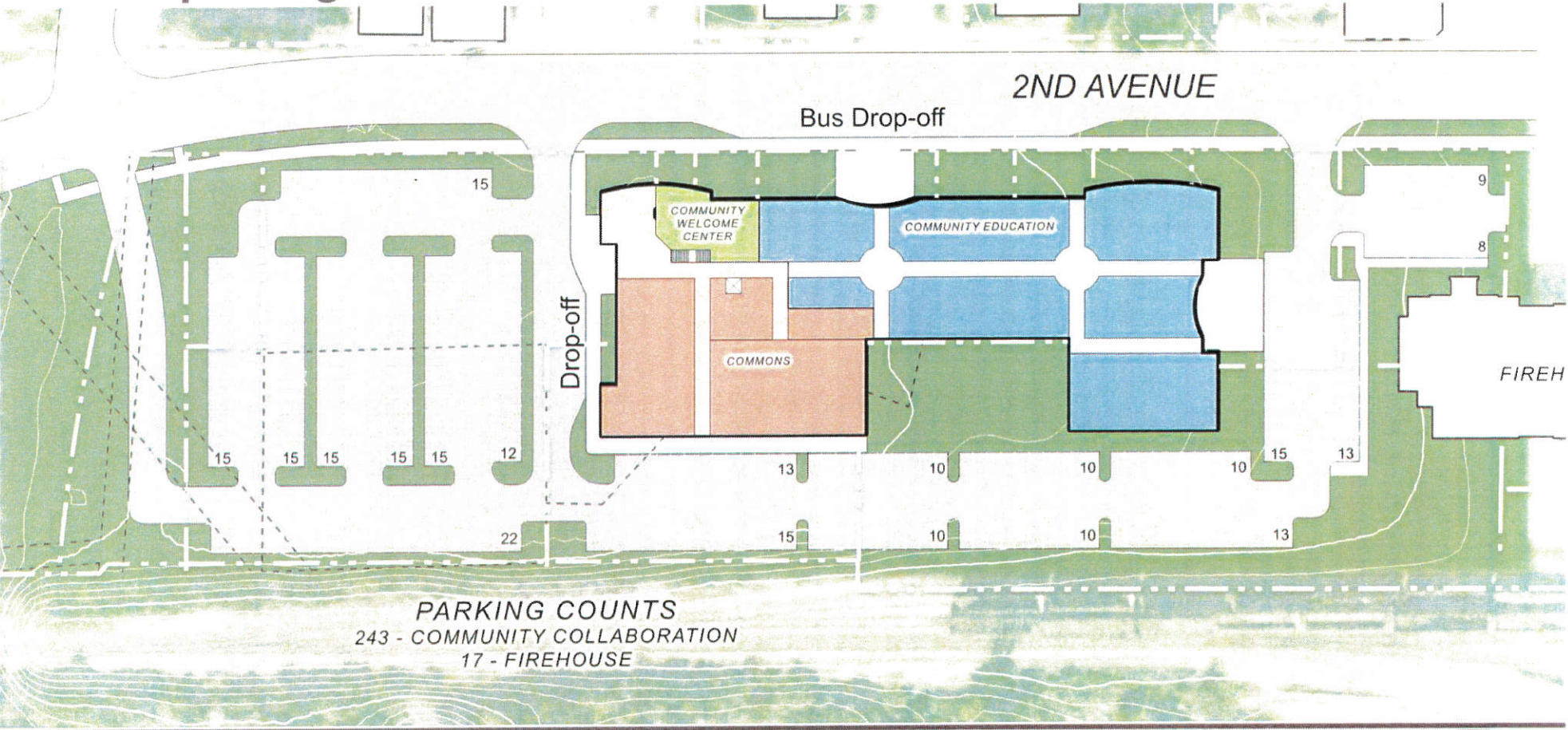
Precedent Imagery – Children Learning



Campbell's Soup/Civic Center Site Master Planning Project



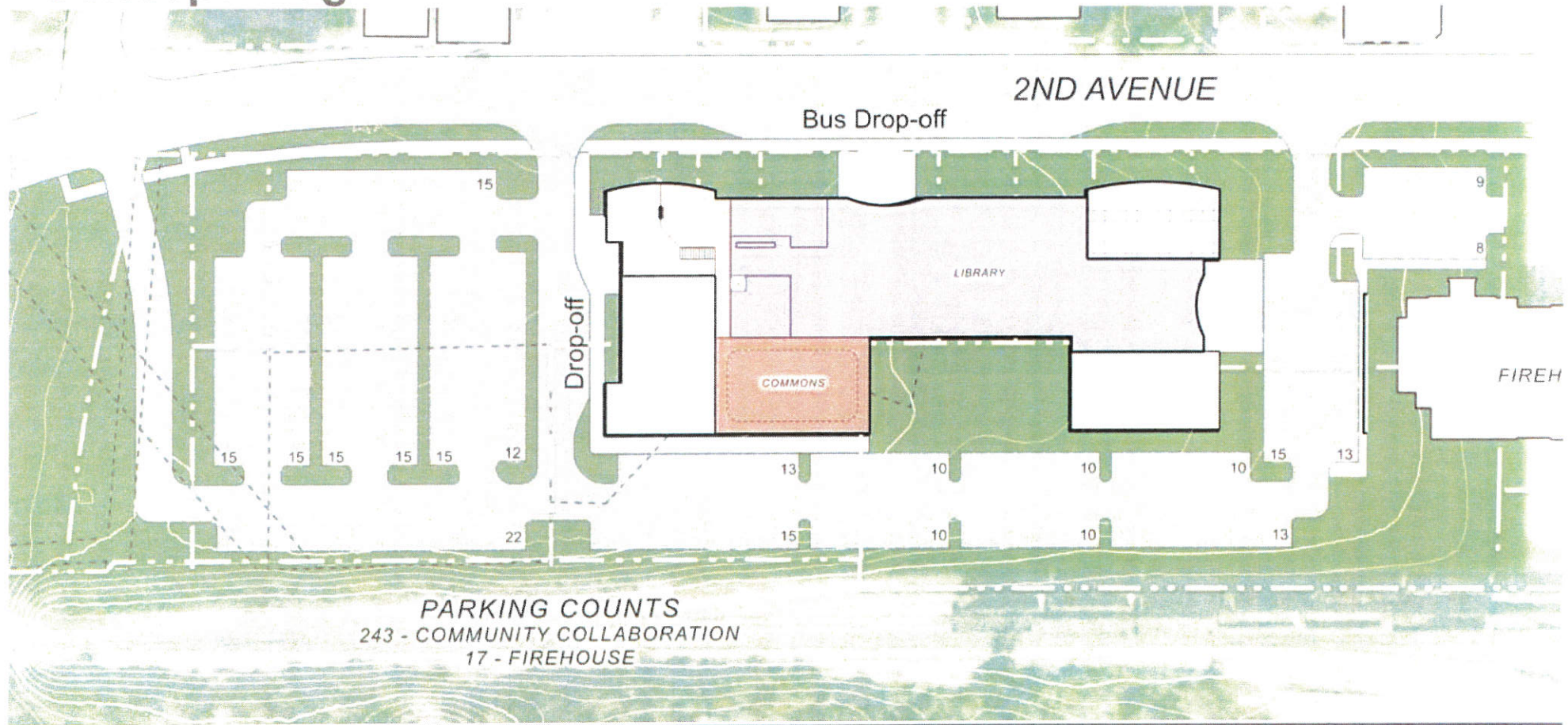
Concept Diagrams – 1B: First Level



Campbell's Soup/Civic Center Site Master Planning Project



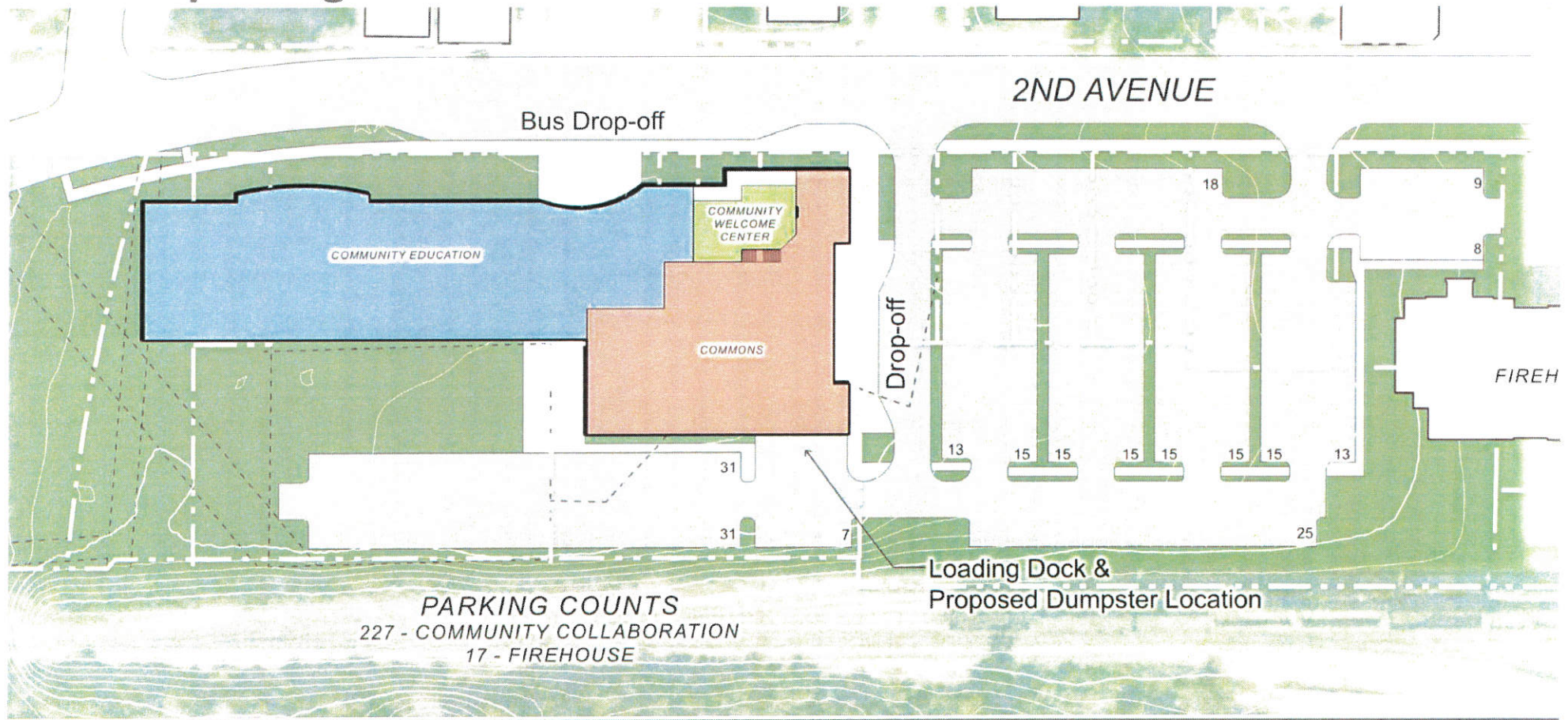
Concept Diagrams – 1B: Second Level



Campbell's Soup/Civic Center Site Master Planning Project



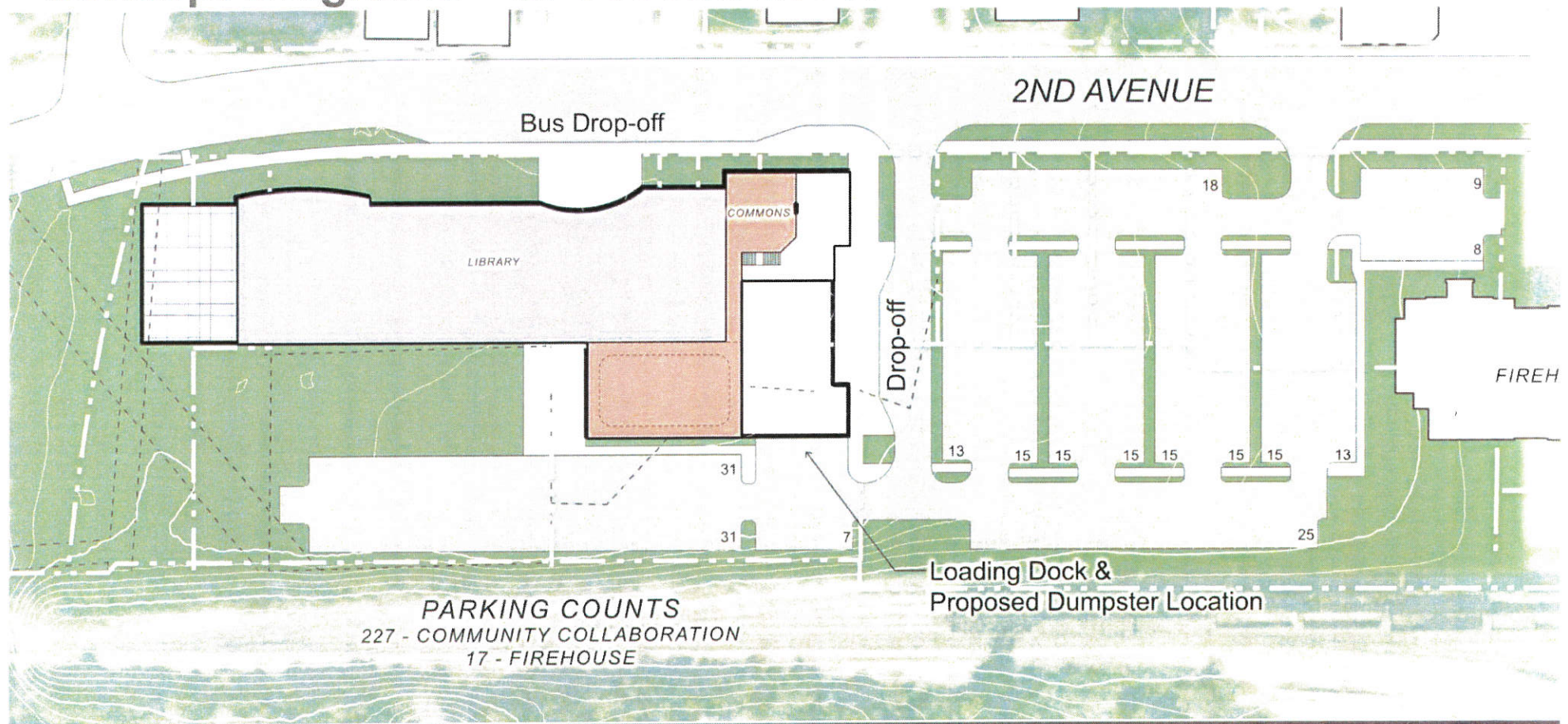
Concept Diagrams – 2: First Level



Campbell's Soup/Civic Center Site Master Planning Project



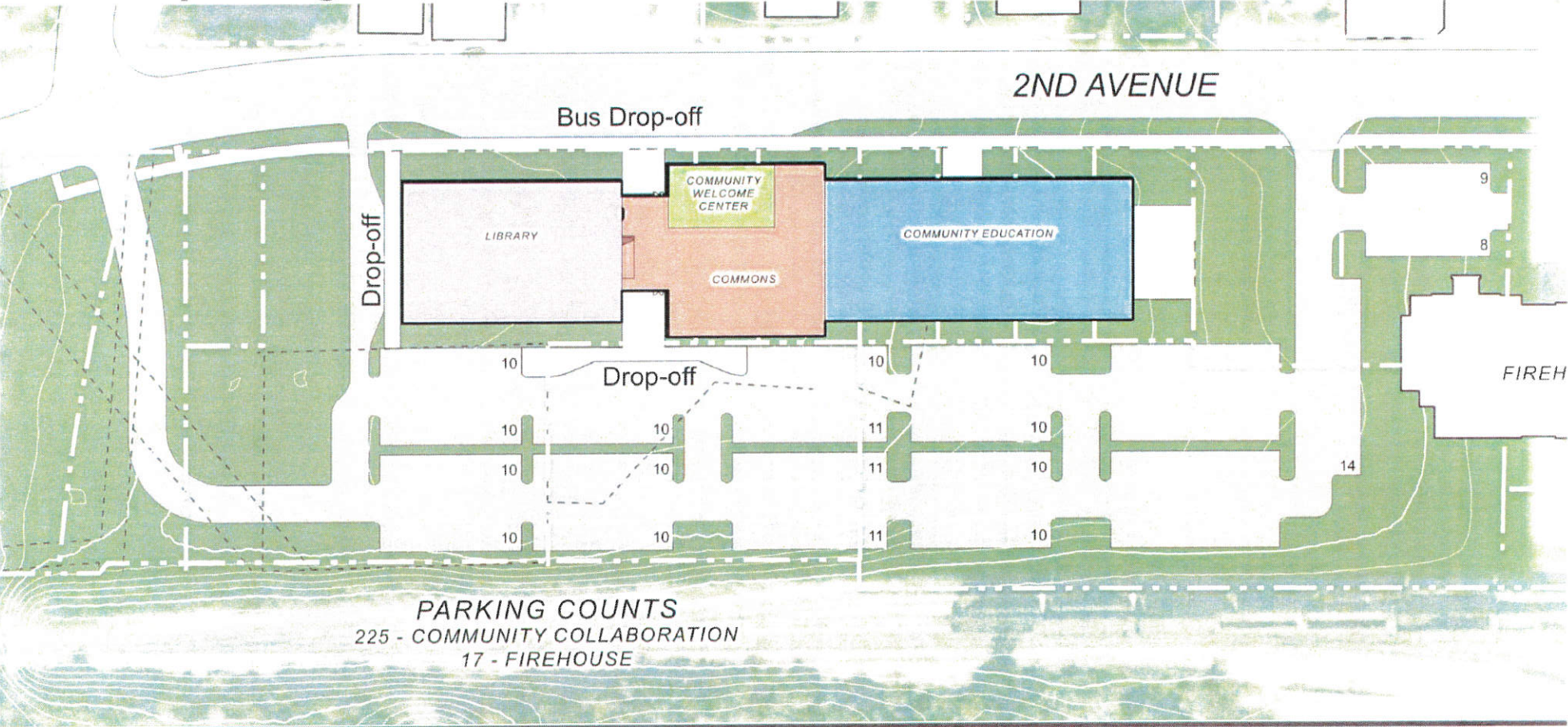
Concept Diagrams – 2: Second Level



Campbell's Soup/Civic Center Site Master Planning Project



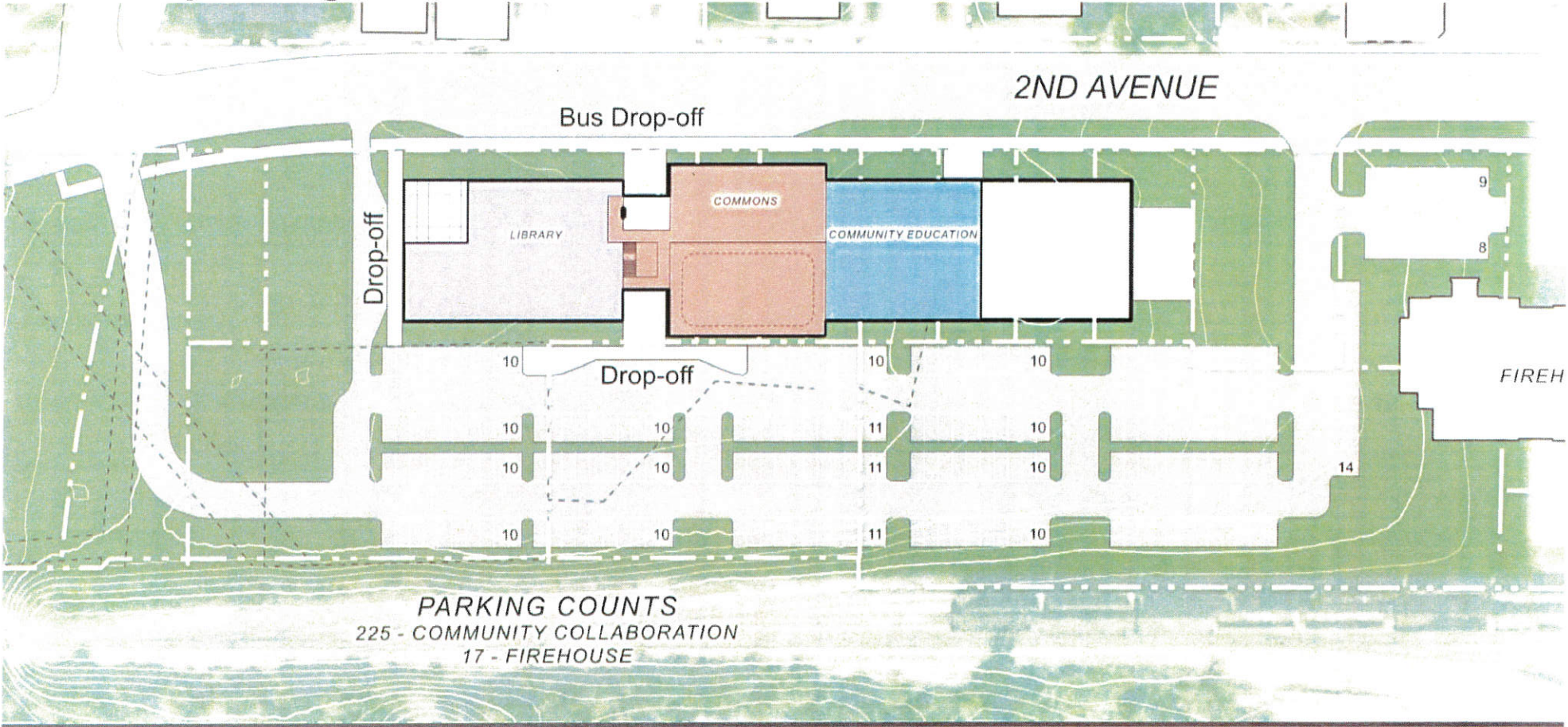
Concept Diagrams – 3A: First Level



Campbell's Soup/Civic Center Site Master Planning Project



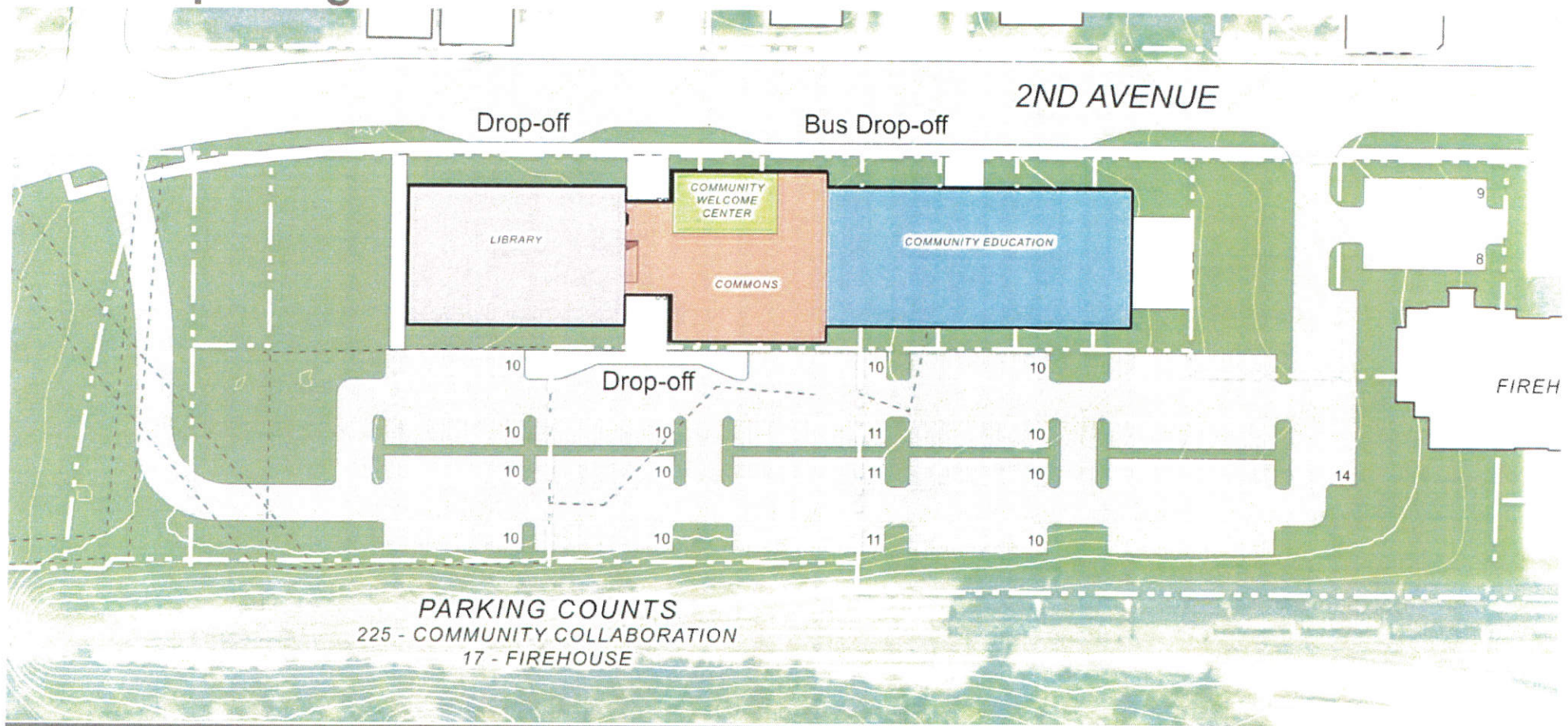
Concept Diagrams – 3A: Second Level



Campbell's Soup/Civic Center Site Master Planning Project



Concept Diagrams – 3B: First Level



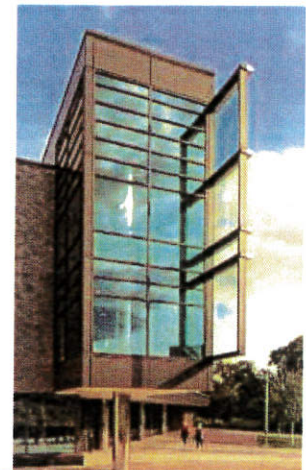
Campbell's Soup/Civic Center Site Master Planning Project



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LHB
PERFORMANCE
EXTENSION DESIGN

Precedent Imagery – Exterior Elements



Campbell's Soup/Civic Center Site Master Planning Project



Cost Summary

Program	Independent	Collaboration	Savings
Community Education	\$13,125,000	\$7,487,760	
Library	\$ 7,840,000	\$6,583,920	
Nobles County Integration Collaborative	\$ 537,500	\$ 0	
Welcome/Wellness Center	\$ 752,500	\$ 599,635	
The Commons	\$ 0	\$4,0029,000	
Subtotal Construction	\$22,255,000	\$18,700,315	
Subtotal Site	\$ 1,613,163	\$ 1,613,163	
Subtotal Remediation	\$ 2,000,000		
Total	\$23,868,163	\$20,313,478	
Soft Costs			
-General Conditions	\$ 1,909,453	\$ 1,625,078	
-Design/Construction Contingency	\$ 2,386,816	\$ 2,031,348	
-Construction Management Services	\$ 656,374	\$ 558,621	
-Architectural/Engineering Services	\$ 2,148,135	\$ 1,828,213	
Subtotal Soft Costs	\$ 7,100,778	\$ 6,043,260	
FFE – Furniture, Fixtures, & Equipment	\$ 0	\$ 0	
Land – Land Acquisition	\$ 0	\$ 0	
Total Site, Construction, Soft Costs, & FFE	\$30,968,641	\$26,356,738	

Cost Savings from Collaboration:



Collaboration Opportunities

- Space Savings
- Cost Savings
- Great Story.....Funding Potential

Appendix Items

Campbell's Soup/Civic Center Site Master Planning Project



BUILDING COMPONENT	COLLABORATION	UNIT	UNIT COST	SUB TOTAL
Community Education	26,742	SF	\$280	\$7,487,760
Library	23,514	SF	\$280	\$6,583,920
Nobles County Integration Collaborative (NCIC)	in Community Education	SF	\$215	\$0
Welcome Center	2,789	SF	\$215	\$599,635
The Commons	16,116	SF	\$250	\$4,029,000
Sub Total Construction	69,161	SF		\$18,700,315
Subtotal Site				\$1,613,163
Subtotal Site Remediation			\$2,000,000	
TOTAL				\$20,313,478

STAND ALONE	UNIT	UNIT COST	SUB TOTAL
46,875	SF	\$280	\$13,125,000
28,000	SF	\$280	\$7,840,000
2,500	SF	\$215	\$537,500
3,500	SF	\$215	\$752,500
-			\$0
80,875	SF		\$22,255,000
			\$1,613,163
			\$23,868,163

SOFT COSTS				
General Conditions	8%			\$1,625,078
Design/Construction Contingency	10%			\$2,031,348
Construction Management Services	2.75%			\$558,621
Architectural/ Engineering Services	7-9%			\$1,828,213
Sub Total Soft Costs				\$6,043,260

			\$1,909,453
			\$2,386,816
			\$656,374
			\$2,148,135
			\$7,100,778

FFE				
Furniture, Fixtures & Equipment	0.00			\$0

			\$0
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LAND				
Land Acquisition	0.00			\$0

			\$0
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TOTAL SITE, CONSTRUCTION, SOFT COSTS & FFE	\$2,000,000	\$26,356,738	\$30,968,941
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DELTA (\$4,612,203.79)

PURCHASE AGREEMENT

Worthington, Minnesota

Dated: November ___, 2017

City of Worthington, a municipal corporation organized under the laws of the State of Minnesota, PO Box 279, Worthington, Minnesota 56187, Seller, hereby acknowledges receipt from PBK Real Estate, LLC, a limited liability company organized under the laws of the State of Minnesota, 6133 Blue Circle Drive, #150, Minnetonka, Minnesota 55343, Buyer, the sum of Five Thousand and No/100 Dollars (\$5,000.00) as earnest money and in part payment for the purchase of property situated in the County of Nobles, State of Minnesota, and legally described as follows, to wit:

SEE EXHIBIT 'A' ATTACHED HERETO

The total purchase price for the above described property is the sum of One Hundred Four Thousand Seven Hundred Ninety and 40/100 Dollars (\$104,790.40), which Buyer agrees to pay at closing.

This sale is subject to the following terms and conditions:

1. REAL ESTATE TAXES

The Seller shall pay the real estate taxes and any assessments and special assessments due and payable in 2017 and in prior years. Buyer shall pay such real estate taxes and assessments and special assessments due and payable thereafter.

2. DATE OF POSSESSION

Seller agrees to deliver possession of the premises on the date of closing provided that all of the terms and conditions of this sale shall have been met. The closing shall take place on or before December 29, 2017.

3. RISK OF LOSS AND INSURANCE

Risk of loss of the property shall remain with the Seller until the date of closing. In the event this property is substantially damaged or destroyed by fire or any other cause before the risk of loss passes from Seller to Buyer, this Agreement shall become null and void and all monies paid hereunder shall be refunded to the Buyer. Risk of loss of the property shall pass to the Buyer on the date of closing.

4. CONVEYANCE OF TITLE

Subject to the performance by the Buyer, Seller agrees to deliver to Buyer a Warranty Deed conveying marketable title subject to the following exceptions:

- A. Building and zoning laws, ordinances, State and Federal regulations.
- B. Restrictions relating to the use or improvement of the premises without effective forfeiture provisions.
- C. Reservation of any minerals or mineral rights to the State of Minnesota.
- D. Utility or drainage easements which do not interfere with present improvements.
- E. Any other easements of record.

5. WARRANTIES OF SELLER

In addition to the warranties, if any, contained in the Deed of conveyance, Seller covenants that the buildings, if any, are entirely within the boundary lines of the property. Seller represents that there are no known hazardous waste or other known hazardous substances located upon the premises as they are defined by environmental laws.

6. ABSTRACT OF TITLE AND OBJECTIONS TO TITLE

The Seller shall, within a reasonable time after the date of this Agreement, furnish an Abstract of Title or a Certificate of Title certified to date to include proper searches covering bankruptcies, and State and Federal liens and judgments. The Buyer shall be allowed 10 days after receipt thereof for examination of said title and the making of any objections to title. Said objections shall be in writing and, if not in writing, shall be deemed to be waived. If any objections are made, the Seller shall be allowed 120 days to make title marketable. Pending correction of title, the payments hereunder shall be postponed, but upon correction of title and within 10 days after written notice to Buyer, the parties shall perform this Agreement according to its terms.

If the title is not marketable and is not made so within 120 days from the date of written objections thereto as provided above, this Agreement shall be, at the option of the Buyer, null and void and neither party shall be liable for damages to the other party. All money theretofore paid by Buyer shall be refunded.

7. DEFAULT

Provided that Seller has complied with the terms and conditions of this Agreement and Buyer defaults, Seller may terminate this Agreement and retain all the payments made upon this Agreement. This provision shall not deprive either party of the right of enforcing the specific performance of this Agreement provided that the Agreement has not been terminated as aforesaid and further provided that the action to enforce such specific performance is commenced within six months after the right of action arises.

8. REPRESENTATIONS OF PARTIES

This Agreement contains the entire agreement between the parties, and neither party has relied upon any verbal or written representations, agreements, or understandings not set forth herein, whether made by an agent or a party hereto. Buyer states that he has relied on his own inspection of the premises.

9. ECONOMIC DEVELOPMENT ASSISTANCE

The City Council for the City of Worthington has determined that a movie theater is a desired amenity which is lacking in the City. Accordingly, the City is willing to provide a rebate of a portion of the purchase price to Buyer upon the following conditions:

- a. If the Buyer builds and opens a movie theater on or before December 31, 2020, the City shall rebate the sum of \$26,866.40 to Buyers no later than thirty (30) days following the opening of the theater to the general public.
- b. If the Buyer fails to build and open a movie theater on or before December 29, 2020, there shall be no rebate.
- c. The provisions of this Paragraph No. 9 shall survive the closing and transfer of the subject real estate by the Seller to the Buyer and shall be enforceable by the Seller.

10. PRIOR PURCHASE AGREEMENTS

All prior Purchase Agreements executed by the parties as to the premises which are the subject of this Agreement are hereby revoked except that the earnest money previously paid shall be transferred to this transaction and be considered paid hereunder.

IN WITNESS WHEREOF, the parties hereto have set their hands the day and year first written above.

CITY OF WORTHINGTON, SELLER

PBK REAL ESTATE, LLC, BUYER

BY: MIKE KUHLE, ITS MAYOR

BY: BRIAN PELLOWSKI
ITS CHIEF MANAGER

BY: JANICE OBERLOH, ITS CLERK

ACKNOWLEDGEMENT

STATE OF MINNESOTA }
COUNTY OF NOBLES } ss.

On this _____ day of November, 2017, before me appeared Mike Kuhle and Janice Oberloh, to me personally known, who did say that they are the Mayor and Clerk of the City of Worthington, Seller, and that they executed the foregoing instrument on behalf and by the authority of the City Council of the City of Worthington.

Notary Public
My Commission Expires _____

BUYER: PBK REAL ESTATE, LLC

By:

Brian Pellowski, Its Chief Manager

ACKNOWLEDGEMENT

STATE OF MINNESOTA }
COUNTY OF HENNEPIN } ss.

On this _____ day of November, 2017, before me appeared Brian Pellowski, to me personally known, who did say that he is the Chief Manager of PBK Real Estate, LLC, Buyer, and that he executed the foregoing instrument on behalf and by the authority of said corporation.

Notary Public
My Commission Expires _____

THIS INSTRUMENT WAS DRAFTED BY:
Mark W. Shepherd
Malters, Shepherd & Von Holtum
727 Oxford Street, PO Box 517
Worthington, Minnesota 56187-0517
(507) 376-4166
Attorney Registration No. 0100146