

**WORTHINGTON CITY COUNCIL
REGULAR MEETING
JULY 14, 2025**

The meeting was called to order at 5:30 p.m., in City Hall Council Chambers by Mayor Rick Von Holdt with the following Council Members present: Chris Kielblock, Dennis Weber, Mike Kuhle, Amy Ernst.

Staff present: Steve Robinson, City Administrator; Matt Selof, Community Development Director; Nate Grimmus, Deputy Chief; Cristina Adame, Community Relations & Communication; Angela Thiner, Assistant City Clerk; Mindy Eggers, City Clerk.

Others Present: Sam Martin, *The Globe*; Ryan McGaughey, *Radio Works*; Randy Davis, Cable 3 TV; Kris Hohensee, Houston Coleman, Tim Coleman, Dillon Stutler, Jim Thomson; Kurt Thomson, Jason Gerdes, Brad Klassen.

The Pledge of Allegiance was recited.

AGENDA APPROVED WITH ADDITIONS/CHANGES

The Mayor stated additional *Bills Payable* would be added to the agenda under D.5.

A motion was made by Council Member Kielblock, seconded by Council Member Weber and unanimously carried to approve the agenda with the noted addition.

CONSENT AGENDA

A motion was made by Council Member Weber, seconded by Council Member Ernst and unanimously carried to approve the consent agenda as presented.

- Regular City Council Meeting Minutes of June 23, 2025
- Planning Commission Meeting Minutes of July 1, 2025
- Economic Development Authority Meeting Minutes of June 23, 2025
- Water & Light Commission Meeting Minutes of June 16, 2025
- Economic Development Authority Meeting Minutes of June 9, 2025
- Planning Commission Meeting Minutes of June 3, 2025
- E.O. Olson Meeting Minutes of April 29, 2025
- Application for Exemption from Lawful Gambling Permit - King Turkey Day
- General Fund Statement of Revenue and Expenditures for the Period of January 1, 2025 to June 30, 2025
- Municipal Liquor Store Income Statement for the Period of January 1, 2025 through June 30, 2025
- Olson Park Statement of Revenue and Expenditures - Budget and Actual for the Period of January 1, 2025 through June 30, 2025

- Field House Statement of Revenue and Expenditures - Budget and Actual for the Period of January 1, 2025 through June 30, 2025
- Bills Payable Totaling \$666,744.23

WORTHINGTON CITY COUNCIL WARD 1 VACANCY APPOINTMENT APPROVED - AMY WOITALEWICZ

Mindy Eggers, City Clerk said due to the resignation of our Worthington City Council Ward 1 representative Larry Janssen, a City Council Subcommittee was established to provide a recommendation for a new representative for Ward 1. Three eligible applicants were interviewed and the subcommittee brought forward their recommendation for City Council to appoint as the new representative for Ward 1 pursuant to Minnesota Statute §412.02, Subd. 2a and Worthington City Charter Section 2.07. The appointee will serve the remainder of Council Member Janssen's current term ending in 2026. Council Member Kielblock said the sub-committee is bringing forward Amy Woitalewicz as their choice to fill the Ward 1 vacancy.

The motion was made by Council Member Kielblock, seconded by Council Member Weber and unanimously carried to appoint Amy Woitalewicz to the unexpired term of Larry Janssen, term expiring December, 2026.

The City Clerk administered the Oath of Office to Council Member Woitalewicz.

APPLICATION FOR TAXI OPERATOR LICENSE APPROVED - YONAS DESSALEGNE FISSIHA

Ms. Eggers said the Nobles County Joint Powers Transit Authority authorized that non-exclusive taxi service operators may apply for a license to provide fare-based rides in Worthington upon approval by the Worthington City Council in accordance with City Ordinance Chapter 118. An application from Yonas Dessalegne Fissiha of My Taxi of Worthington to operate a taxi service in Worthington and the surrounding area has been received. The hours of operation would be a 24-hour service Monday - Sunday.

Mr. Fissiha has provided all of the required information.

The motion was made by Council Member Ernst, seconded by Council Member Kielblock and unanimously carried to approve the application for the taxi service.

SECOND READING PROPOSED ORDINANCE TO AMEND CITY CODE CHAPTER 117- CANNABIS BUSINESS BUFFER

Pursuant to published notice this is the time and date set for the second reading of a proposed

ordinance to amend City Code Chapter 117 - Cannabis Business Buffer.

A complete copy of the ordinance was provided in your June 23, 2025 Council Agenda.

A motion was made by Council Member Weber, seconded by Council Member Kuhle and unanimously carried to give a second reading to the proposed ordinance.

RESOLUTION NO. 2025-07-46 ADOPTED ACCEPTING A DONATION OF FUNDS

Nate Grimmus, Deputy Chief, said the New City Buffet generously donated \$500 to the Worthington Police Department to benefit public safety programs. The contribution will be utilized as part of a future public safety equipment purchase.

A motion was made by Council Member Ernst, seconded by Council Member Woitalewicz and unanimously carried to approve the following resolution:

RESOLUTION NO. 2025-07-46

A RESOLUTION ACCEPTING A DONATION OF FUNDS

(Refer to Resolution File for complete copy of Resolution)

CONDITIONAL USE PERMIT - DISPENSARY, 1300 HUMISTON AVENUE APPROVED

Matt Selof, Community Development Director, said Freedom Paradise Holdings, LLC requested a conditional use permit to allow for the operation of a cannabis retail dispensary (cannabis retail store) at 1300 Humiston Avenue. The applicant plans to combine the vacant middle unit with the adjoining unit on the west side of the building. Pursuant to City Code Chapter 155, Appendix E: Table 5, cannabis retail facilities are permitted by conditional use only in the 'B-3' district, the zoning designation of the subject property.

The Planning Commission met on July 1, 2025 and voted unanimously to recommend approval of the requested conditional use permit with the following conditions:

1. The business shall have no signage with flashing or blinking lights and brightness shall be consistent with surrounding signage.
2. The business must be in substantial conformance with the floor plan as submitted.

The Commission's recommendation was based on the following:

1. The applicant, Freedom Paradise Holdings, is requesting a conditional use permit to allow for the operation of a cannabis dispensary at 1300 Humiston Avenue. The applicant plans to combine the vacant middle unit with the unit currently occupied by Jimmy John's.

2. The applicant has received pre-approval status from the State Office of Cannabis Management (OCM) for a microbusiness license. A microbusiness may cultivate cannabis and manufacture cannabis products and hemp products, and package them for sale to customers or another licensed cannabis business, and may operate a single retail location. The applicant is not proposing on-site cultivation or manufacturing at this time.

Mr. Selof explained the structure of the State licensing system allows for an unlimited number of microbusiness licenses as opposed to other business types such as mezzobusinesses or retailers that have a limited allowance statewide. The primary license type the City is expecting to see are microbusinesses.

3. The subject property is currently zoned 'B-3' General Business. City Code Chapter 155, Appendix E: Table 5 permits cannabis retail facilities in the 'B-3' district by conditional use permit only .

4. Worthington City Code has a few specific requirements pertaining to cannabis businesses. They must be located a minimum of 200' feet away from schools and attractions within public parks regularly used by minors including playgrounds and athletic fields. The applicant's proposed location exceeds these buffers. City Code further limits the hours of operation beyond the restrictions in State Statute. Cannabis businesses may only be open between the hours of 10 a.m. and 9 p.m. seven days a week.

On June 23rd, City Council passed a first reading of an ordinance to require a minimum of a 1000 foot buffer between cannabis retail businesses. That ordinance will be final upon passage of the 3rd reading at the July 28, 2025 meeting. The application from Freedom Paradise Holdings is the first request in Worthington and meets this parameter.

5. With any land use requests, the surrounding zoning and land uses should be considered to reduce land use conflicts and ensure the safety and well-being of the surrounding neighborhood. The surrounding zoning and land uses are as follows:

North: 'B-3' General Business. A gas station is located directly north with a restaurant to the northwest and automotive sales/repair to the northeast.

East: 'B-3' General Business and 'R-3' Low Density Preservation Residential. In the same building as the proposed location is a restaurant, adjacent to the east side of the property is parking for a nearby automotive sales/repair center, with low density residential beyond that.

South: 'R-3' Low Density Preservation Residential. Low Density housing is located to the south of the subject property.

West: 'B-3' General Business District and 'R-3' Low Density Preservation Residential. Low Density housing is located to the west of the subject property with a restaurant to the northwest.

6. The City's 2045 Comprehensive Plan identifies the subject property as future neighborhood commercial suitable for businesses serving the immediate community. The primary reason for this designation is the sites proximity to residential although this location also provides easy access to high traffic commercial corridors that bring traffic to the site. The Plan supports new businesses but also discusses the need for neighborhood commercial areas to be designed and planned in a manner that is sensitive to the surrounding neighborhood.

The conditional use request involves no new construction, just renovation of existing space in a building that has housed retail and restaurants over the years. The property meets parking requirements for the change in business.

Council Member Ernst asked if the City would face any legal recourse should the request be denied. Mr. Selof said certain parameters need to be considered in the approval and explained that it could not be denied based on the fact that we do not want the business within the city. He said the city has no control over leases between an owner and tenant so it should not be taken into consideration when making the decision.

Council Member Kuhle reminded Council that a few years ago a conditional use permit was denied and had to be overturned because of legality issues. He suggested adding a condition that would require cameras that cover the whole parking lot. Council Member Ernst said the City would not be able to monitor the activity. Mr. Selof said that it would be a private camera but would be a reasonable condition.

Council Member Woitalewicz said another condition to add would be to make sure each business has it's own entrance. Also, adding another that verifies no on-site consumption or cultivation could take place at the proposed location.

Council Member Woitalewicz asked what if the business would be sold to new ownership. Mr. Selof said the state has already given pre-approval status.

Mr. Selof noted any Council member voting against the application must state their reasons for doing so for the record.

The motion was made by Council Member Kuhle, seconded by Council Member Weber and unanimously carried to approve the conditional use permit for 1300 Humiston Avenue adding the following conditions:

1. Security cameras should cover the entire parking lot area.
2. No on-site consumption or cultivation.
3. Non-shared public entrances between businesses.

CONDITIONAL USE PERMIT - 1000 SHERWOOD STREET APPROVED

Mr. Selof said David Bosma requested a conditional use permit to allow for the establishment of 'Old Home Automotive', a new auto repair business at 1000 Sherwood Street. Pursuant to City Code Chapter 155, Appendix E: Table 5, automotive repair services are permitted by conditional use only in the 'B-3' district, the zoning designation of the subject property.

The Planing Commission voted unanimously to recommend approval of the requested conditional permit at the July 1, 20205 meeting with the following conditions:

1. Excess aggregate and concrete materials be removed from the site.
2. Parking of inoperable vehicles be located adjacent to the rear of the site, furthest from Sherwood Street or screened.

Their recommendation was based on the following:

1. The City of Worthington Economic Development Authority acquired 1000 Sherwood Street, a little over 7 acres consisting of two parcels, in 2021 to facilitate the relocation of the concrete plant on the site.

Mr. Selof explained earlier this year, the EDA released a request for proposals seeking individuals, businesses, or developers interested in acquiring the property. The EDA elected to proceed with a proposal submitted by David Bosma who intends to utilize the property for automotive and diesel repair services.

2. The applicant plans to renovate the larger existing building for his business. The three large bays will receive minor updates for usability and the 4th small bay (with a sliding door currently) will be turned into reception, office, and a restroom. The existing small office space and surrounding storage will eventually be demolished. The steel building in the middle of the site will remain as storage or the applicant is considering renting it out for storage if it's not needed for his business.

Parking will be expanded in front of the building and the old concrete and aggregate piles will be removed. The southwest half of the property will be green space.

3. The subject property is currently zoned 'B-3' General Business. Automotive repair services are permitted in this zoning district by conditional use permit only.

4. With any land use requests, the surrounding zoning and land uses should be considered to reduce land use conflicts and ensure the safety and well-being of the surrounding neighborhood. The surrounding zoning and land uses are as follows:

North: Railroad tracks border the site to the north with a fire station and downtown plaza across the tracks. To the northeast is a soon to be automotive repair facility and residential.

East: To the east is Buss Fields, the City's soccer complex.

South: To the southwest is a shop/office for a natural gas company and the City's water treatment plant.

West: To the west is railroad tracks with a steep drop to the JBS Fieldhouse.

5. The City's 2045 Comprehensive Plan designates the subject property as future light industrial. This was designated primarily based off of the condition and anticipated uses of the property. The proposed use of the property is compatible with the future land use plan.

Mr. Selof noted the Plan also identifies strong support for new businesses, redevelopment and reuse of properties, all of which are applicable to this request.

He reminded Council that any member voting against the application must state their reasons for doing so for the record.

Council Member Woitalewicz said she had spoken with Steve Robinson about this project and for transparency purposes wants it acknowledged she works for the non-profit business that is one of the lenders on the loan, but she will not receive any personal gain from the project.

The motion was made by Council Member Kuhle, seconded by Council Member Ernst and unanimously carried to approve the Conditional Use Permit for 1000 Sherwood Street.

RESOLUTION NO. 2025-07-47 TO TRANSFER FUNDS FROM THE SPENDING PLAN TO TAX INCREMENT DISTRICT NO. 7: DARLINGS 3RD ADDITION AND APPROVE THE WORKFORCE HOUSING APPLICATION LOAN AGREEMENT - HABTAMU EWNETU

Mr. Selof said Habtamu Ewnetu has applied for a forgivable loan through the City's Workforce Housing Program for the eligible developer installed infrastructure improvements installed for the

newly constructed house they are purchasing at 2115 Castlewood Drive. The program which was adopted in 2008, was created to encourage the construction of affordable housing units within the boundaries of TIF District #7 by offering forgivable loans to qualified home buyers for the following purposes:

1. To pay any outstanding assessments for public infrastructure levied against existing properties on which the new single-family dwelling has been constructed or purchased by an eligible person.
2. To pay any outstanding assessments for public infrastructure levied against any lot within a new subdivision on which the new single-family dwelling will be constructed or purchased by an eligible person.
3. To pay costs of the public infrastructure for a lot within a residential subdivision where the new single-family dwelling has been constructed or purchased by an eligible person. The said infrastructure must have been completed by the developer and constructed in accordance with City specifications.

The public infrastructure within this area was developer installed. Upon review of the infrastructure costs, staff has determined the value of the eligible expenditures to be \$24,701.19 for this lot.

Based on the program guidelines, the forgivable loan would be structured for five years and at an interest rate of 5%. For each year the applicant owns and resides in the home, the annual mortgage payment would be forgiven. After five years, the loan is fully forgiven. Should the applicant move or sell the housing during the loan period, they would be responsible for the outstanding loan balance.

Staff has reviewed the application and determined that the applicant meets the eligibility criteria (i.e. income qualifications, loan-value ratio, debt-income ratio) and are eligible for the forgivable loan.

The motion was made by Council Member Weber, seconded by Council Member Kielblock and unanimously carried to adopt the following resolution:

RESOLUTION NO. 2025-07-47

A RESOLUTION TO TRANSFER FUNDS FROM THE SPENDING PLAN TO TAX INCREMENT DISTRICT NO. 7: DARLINGS 3RD ADDITION

(Refer to Resolution File for complete copy of Resolution)

The motion was made by Council Member Woitalewicz, seconded by Council Member Ernst and unanimously carried to approve the loan agreement for the five-year forgivable loan in the amount

of \$24,701.19 with an interest rate of 5%.

COUNCIL COMMITTEE REPORTS

Mayor Rick Von Holdt - Gave welcome at the International Festival.

Council Member Ernst - Welcomed Amy Woitalewicz to the Council.

Council Member Weber - No report.

Council Member Woitalewicz - Said she looked forward to serving on the Council.

Council Member Kuhle - No report.

Council Member Kielblock - Attended the KTD BBQ competition. Thanked the Planning Commission for their hard work. Welcomed Amy Woitalewicz to the Council.

ADJOURNMENT

The motion was made by Council Member Kuhle, seconded by Council Member Kielblock and unanimously carried to adjourn the meeting at 6:03 p.m.

Mindy Eggers, MCMC
City Clerk