



## CITY COUNCIL AGENDA

**COUNCIL CHAMBERS**

**TUESDAY, FEBRUARY 26, 2019**

**6:00 PM**

### **Call to Order/Roll Call/Pledge of Allegiance**

The meeting was called to order by Mayor Kevin Voracek at 6:00 pm. Councilors Elizabeth Cap, Royal Ross, Peter van Sluis, Tom Spooner, Janna Viscomi and Jon Wood were in attendance. Also in attendance were City Administrator Tim Murray, Assistant to the City Administrator Heather Slechta, Public Works Director Travis Block, City Engineer Mark Duchene, Human Resources Manager Kevin Bushard, Park and Recreation Director Paul Peanasky, Community and Economic Development Director Deanna Kuennen, Interim Finance Director Ann Remold, Police Chief Andy Bohlen and Fire Chief Dustin Dienst.

### **Presentations/Introductions**

#### School Bus Driver Appreciation Day Proclamation

Mayor Voracek proclaimed February 27, 2019, as School Bus Drivers Appreciation Day in the city of Faribault. The Proclamation was given to Garrett Regan, Faribault Transportation Company Manager. Mr. Regan thanked the City of Faribault for the positive recognition and stated that the drivers are very dedicated and highly trained individuals that put a lot of effort into the safe transportation of the students in the community and they deserve to be recognized for their efforts.

### **Approve minutes of February 12, 2019 Regular Council Meeting and February 19, 2019 Special Council Meeting**

Motion by Cap, seconded by van Sluis to Approve minutes of February 12, 2019 Regular Council Meeting and February 19, 2019 Special Council Meeting and carried unanimously.

### **Consent Agenda:**

- A. List of bills to be paid
- B. Resolution 2019-023 Approving City Council Recommendations for City Charter Commission Appointments
- C. Accept Donation Made to the K-9 Program
- D. Approve 2019 CIP Purchase - Truck Utility Box
- E. Resolution 2019-032 Approve Hiring Light Equipment Operator
- F. Approve Proposal for Professional Services for the Fire Station Roof Replacement Project
- G. Approve Quote for Community Center Duct Work
- H. Resolution 2019-036 MN Trail Legacy Grant Program

Motion by Ross, seconded by Cap to approve consent agenda items A-H and carried unanimously.

### **Requests to be Heard – None**

### **Public Hearings – None**

### **Items for Discussion**

Resolution 2019-038 Appealing the Heritage Preservation Commission's Denial of Certificates of Appropriateness for the Demolition of Buildings at 27 3rd Street NW and 223/225 1st Avenue NW

City Engineer Mark DuChene explained that the City acquired the properties at 27 3rd Street NW and 223/225 1st Avenue NW with the intention of redeveloping the sites for additional surface parking. The City requested certificates of appropriateness from the Heritage Preservation Commission (HPC) on February 12, 2019 for the demolition of the two properties. The HPC denied both certificates and the matter was further discussed with the City Council at their February 19, 2019 Joint Committee meeting. It was the consensus of the Joint Committee to move forward with filing a formal appeal of the HPC's decision as required within 15 days of their decision per Sec. 13-360 of the City Code of Ordinances.

Councilor Cap stated that she opposes appealing the decision of the HPC to deny the certificates of appropriateness. Councilor van Sluis would like to continue to look into other uses of the buildings and options.

Motion by Ross, seconded by Viscomi to approve Resolution 2019-038 Appealing the Heritage Preservation Commission's Denial of Certificates of Appropriateness for the Demolition of Buildings at 27 3rd Street NW and 223/225 1st Avenue NW and carried 6:1 with Councilor Cap voting Nay.

*Resolution 2019-037 Approving an Amendment to the City Council Approved Spending Plan for the Use of Small Cities Development Program Funds and Approve Amendment to 2016 Bench Installation Agreement and Bench Locations as part of the approved Small Cities Development Program Spending Plan*

Community and Economic Development Director Deanna Kuennen explained that on December 12, 2017, the City Council approved, via Resolution 2017-280, a new spending plan for the use of the City's existing Small Cities Development Program Funds. Subsequently, the Department of Employment and Economic Development (DEED) approved the plan, and Staff has been working with the State Historic Preservation Office (SHPO) to obtain required approval as part of the Section 106 Assessment to utilize the funds, as approved, in the historic district. To date, SHPO has only made the determination that the banners, storywalk/art projects, benches, and security cameras do not have an adverse effect to historic properties as part of their assessment.

The security camera project was included in the Spending Plan for \$20,000. Since the original Spending Plan was prepared, Chief Bohlen has received an updated estimate from Parallel Technologies to install the additional security cameras throughout the downtown. The new estimate is:

- \$34,962 – for two (2) new camera poles (4 cameras per pole) plus
- \$ 4,895 – to add third position (4 more cameras on a pole) plus
- \$39,857 – total cost plus the cost of electrical hook ups

The significant change in costs is due to proposed camera locations not being on Central Avenue, in the locations identified by Chief Bohlen as shown on the attached map. These locations will provide a more comprehensive coverage in the downtown. However, special radios are required to communicate to the additional cameras in these locations.

Staff recommended that the City Council amend the approved Spending Plan to reflect the increased cost associated with the security camera project – increasing the identified amount from \$20,000 to \$45,000, to include three camera poles and electrical hook up costs. It was recommended that the excess dollars included in the Spending Plans for the banners be redirected to cover the security camera costs for a total of \$9,445 being redirected and the remaining funds coming from and the "Streetscape Improvement Project along 1st Ave NW" project.

Kuennen also explained that in May 2016, the City Council entered into a Bench Installation Agreement with the Faribault Area Chamber of Commerce and Tourism. The Agreement with the adoption of Resolution 2017-280 the City earmarked \$20,000 for the purchase and installation of 20 benches in the downtown.

There are federal requirements associated with utilizing the SCDP funds for the purchase and installation of the benches. Staff requested that amendments be made to the 2016 Bench Installation Agreement to:

1. Reflect the funding source associated with the purchase and installation of the benches;
2. Approve the locations of the benches in downtown as reviewed and analyzed by the City Engineer and Public Works Director to ensure that the bench locations maintain compliant pedestrian access routes and are coordinated with the approved Storywalk project locations;
3. Require that federal procurement rules be followed to avoid clawback of funds and/or penalties. This will include processing payments on a reimbursement basis pending submittal of receipts that do not deviate from the approved sourcing/bidding documentation previously submitted.

Councilor Ross asked if there were only three camera sites, as a map provided prior to the meeting showed four camera sites. Police Chief Andy Bohlen explained that the initial request was for four, however there are now three sites with four cameras on each, expanding the coverage to alleys and parking lots behind the Signature and the area in front and behind Grampa Al's. Councilor Ross stated that this is great and safer.

Motion by Cap, seconded by van Sluis to approve Resolution 2019-037 Approving an Amendment to the City Council Approved Spending Plan for the Use of Small Cities Development Program Funds and carried unanimously.

Motion by van Sluis, seconded by Ross to Approve Amendment to 2016 Bench Installation Agreement and Bench Locations as part of the approved Small Cities Development Program Spending Plan and carried unanimously.

*Resolution 2019-033 Calling for a Public Hearing for Establishment of TIF District, Resolution 2019-034 Authorizing an Interfund Loan for Advance of Certain Costs In Connection with TIF 1-13: Hamilton (A Redevelopment Tax Increment Financing District) and Resolution 2019-035 Authorizing Execution of Purchase Agreement and Acquisition of Property at 29 1st Street NW*

Community and Economic Director Deanna Kuennen explained that at the December 23, 2018 and January 29, 2019 Joint Committee meetings, the City Council directed staff to work with Mac Hamilton, of Hamilton Real Estate, on redeveloping the block surrounded by 1st Street NW on the north, Division Street on the south, Central Avenue on the east and 1st Avenue NW on the west. Hamilton is proposing redeveloping this site into a 40-unit market rate apartment building with amenities. As previously discussed, Hamilton is requesting the establishment of a Tax Increment Financing (TIF) District for assistance in completing the project. In order to establish a TIF District, the Council must hold a Public Hearing and provide adequate public notice of said hearing. The proposed date for the public hearing is April 23, 2019 at 6:00 p.m.

Kuennen further explained that the City may incur certain costs related to the TIF District, which are eligible to be paid with tax increments under the TIF Act. The City is authorized to advance or loan money from any fund from which such advances may be legally made, in order to finance the expenditures that are eligible to be paid with tax increments. To do so, the City must determine that it may pay for administrative costs associated with the establishment of the TIF District, may pay for certain other costs incurred in connection with the proposed development, and designate Cost Advances as an interfund loan in accordance with the terms of the attached resolution and the TIF Act.

Resolution 2019-034 would designate the Cost Advances as an interfund loan associated with Tax Increment Financing District 1-13, and identifies that the City will reimburse itself for the Cost Advances for administrative costs incurred to establish the TIF District, and certain costs incurred in connection with land/building acquisition/demolition/site preparation/public infrastructure in an amount not to exceed \$750,000 with interest at 4-percent per annum.

Kuennen also explained that the City Council identified the parcel located at 29 1st Street NW as a potential redevelopment site. The acquisition of the property was discussed in closed session meetings in 2018, and ultimately the City Council executed an Option and Purchase Agreement via Resolution 2018-251. The Option and Purchase Agreement gave the City exclusive rights to purchase the property until December 31, 2019, at a purchase price of \$145,000.

At the Joint Council Committee Meeting on February 19, 2019, Staff provided an update to the City Council on the Mac Hamilton market rate multi-family housing development, and the need for a portion of the property located at 29 1st Street NW to support the proposed development. After much discussion, the City Council determined that executing the purchase agreement was in the best interest of the project.

Councilor Ross asked if the HPC has reviewed the apartments on the property, Kuennen stated that they did and they issued a Certificate of Appropriateness. Councilor van Sluis asked if these are standard actions, Kuennen explained that these are standard.

Motion by Ross, seconded by Cap to approve Resolution 2019-033 Calling for a Public Hearing for Establishment of TIF District and carried unanimously.

Motion by Ross, seconded by Cap to approve Resolution 2019-034 Authorizing an Interfund Loan for Advance of Certain Costs In Connection with TIF 1-13: Hamilton (A Redevelopment Tax Increment Financing District) and carried unanimously.

Motion by Spooner, seconded by Wood to approve Resolution 2019-035 Authorizing Execution of Purchase Agreement and Acquisition of Property at 29 1<sup>st</sup> Street NW and carried unanimously.

#### Authorize Endorsement for Twin Cities Business Magazine – Faribault Profile

Community and Economic Development Director Deanna Kuennen explained that each year the Twin Cities Business (TCB) Magazine selects 3-4 communities to highlight in a special profile section. In these sections, TCB profiles the companies, people, places, and opportunities that make the city a great place to build and expand a business, as well as work and live. The profile promotes a positive image of the area and increases awareness of the community by focusing on the city's economic development, key industries, workforce and academic strengths, and quality of life. In early February, Staff was contacted by TCB based on some of the recent positive press surrounding the City's economic development and foreign-direct investment (FDI) successes. After an interview with the publisher and editorial team – Staff was notified last week that Faribault has been selected for the profile that will run in the June issue of the magazine. The TCB team felt that there were many great things happening in Faribault that would be of interest to the magazines' 75,000 statewide readers.

Kuennen explained that this is a great opportunity for the City of Faribault. The TCB profile will provide the City an opportunity to influence the narrative about the community, and it will build upon the positive momentum currently surrounding economic and community development initiatives. TCB will be responsible for all of the writing and content associated with the profile. However, they do require endorsement from the City and the support of the local community and businesses, through ad sales. TCB requests that the City share information about this opportunity with our business community, facilitate meetings with storytellers and stakeholders to help the magazine gain additional insights about content for the profile, and celebrate the release of the profile.

Motion by Viscomi, seconded by Ross to Authorize the Mayor to sign and send a City of Faribault endorsement letter to the business community and community stakeholders – supporting the TCB Magazine, Faribault profile and carried unanimously.

#### **Bids – None**

#### **Boards and Commissions Reports, Announcements and Project Updates**

The Monthly Financial Report was provided prior to the meeting for review. Mayor Voracek and Councilor Viscomi will be at District 1 hospital to pick the next two Hospital Board members on Wednesday, and on Thursday, Mayor Voracek will be partaking in various events with the Consul-General from Japan.

#### **Adjournment**

Motion by Viscomi, seconded by van Sluis to adjourn the meeting and carried unanimously.

Meeting adjourned at 6:25 pm.

Respectfully Submitted,

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Heather J. Slehta  
Assistant to the City Administrator