



CITY COUNCIL Minutes

COUNCIL CHAMBERS

TUESDAY, APRIL 27, 2021

6:00 PM

Call to Order/Roll Call/Pledge of Allegiance

The regular meeting of the City Council was called to order by Mayor Kevin Voracek at 6:00 pm. Councilors Sara Caron, Royal Ross, Peter van Sluis, Tom Spooner, Janna Viscomi, and Jon Wood were in attendance. Also in attendance was City Administrator Tim Murray, Assistant to the City Administrator Heather Slechta, Police Chief Andy Bohlen, Parks and Recreation Director Paul Peanasky, Human Resources Manager Kevin Bushard, City Engineer Mark DuChene, Community and Economic Development Director Deanna Kuennen, City Planner David Wanberg, and Public Works Director Travis Block.

Presentations/Introductions

Arbor Day Proclamation

Mayor Voracek presented the Arbor Day Proclamation to Tree Board members; Pauline Schreiber, Pat Rice and Mark Zentner. Arbor and Beautification Day will be May 1, 2021 and the month of May will be Arbor Month in the City of Faribault. A tree planting will be at Central Park on May 1, 2021 at 9:30am. Due to donations the Tree Board will be able to plant four trees.

Pollinator Month Proclamation

Mayor Voracek presented Faribault Pollinators Month Proclamation to Pat Rice and Elizabeth Hartman members of the Faribault G.R.O.W.S. organization. Pollinator Month will be celebrated in May.

Approve Minutes of April 13, 2021 Regular Council Meeting (majority vote) and April 13, 2021 Special Council Meeting (Closed Session)

Motion by Ross, seconded by Spooner to approve Minutes of April 13, 2021 Regular Council Meeting (majority vote) and April 13, 2021 Special Council Meeting (Closed Session) and carried unanimously.

Consent Agenda

- A. List of Claims for Release
- B. Resolution 2021-078 Approve Street Closures for Run Baby Run Walk/Run
- C. Approve Temporary Liquor Licenses and Indemnification Agreements for the Faribault Area Chamber of Commerce 2021 Events
- D. Resolution 2021-080 Approve Memorial Day Parade Street Closures and Use of Central Park
- E. Resolution 2021-081 Approve Heritage Celebration Events, Parking Restrictions, and Street Closures
- F. Resolution 2021-085 Accept Donation from Mary Ellen Thomas Estate
- G. Resolution 2021-086 Accept Airport Coronavirus Response Grant
- H. Approve Petition and Waiver Agreement for the Special Assessment of Costs for Curb Stop Repairs at 1325 George L Street
- I. Resolution 2021-087 Modify Project and Feasibility Report for 2019 Airtech Park Regional Storm Water Ponding Improvements to Include Construction of Airtech Court - Contract 2019-05
- J. Resolution 2021-089 Accept Donation Made by Arthur and Donna Hogenson
- K. Approve Purchase of Replacement K-9 Vehicle
- L. Approve Temporary Liquor License and Indemnification Agreement for Faribault Community Festivals, Inc. – Heritage Days
- M. Approve CIP Purchase of Replacement Marked Squad Car
- N. Approve Private Hangar Land Lease Agreement
- O. Resolution 2021-091 Approve an Easement Acquisition Agreement for a Permanent Drainage

- and Utility Easement at 1308 Willow Street
- P. Resolution 2021-092 Accept Donation of a Hot Water, Gas Fired Pressure Washer from an Anonymous Donor

Motion by van Sluis, seconded by Wood to approve Consent Agenda items A-P and carried unanimously.

Requests to be Heard - None

Public Hearings

Resolution 2021-082 Amending and Restating the Enabling Resolution Establishing an Economic Development Authority for the City of Faribault

Community and Economic Development Director Deanna Kuennen explained that at the Economic Development Authority (EDA) meeting on February 19, 2021, the EDA reviewed the Enabling Resolution. It was noted that the City Council terms as stated in the Enabling Resolution are not consistent with state statutes, and the current language does not accurately reflect when terms for all EDA Commissioners expire. The proposed changes for consideration provide consistency with state statutes and clarification. The current language states that the City Council may set the term of the commissioners who are members of the City Council to coincide with their term of office as members of the City Council. All terms shall expire at the first City Council meeting of January. The recommended language would state that the City Council shall set the term of the commissioners who are members of the City Council to coincide with their term of office as members of the City Council. All terms shall expire at the City Council meeting at which the EDA appointments are made

Councilor Ross asked when the Council appoints a Councilmember to the EDA, if they would serve as the appointee for their entire Council term, Kuennen explained that yes, they would serve a full-term. Ross then asked if they resigned from the Council if they would still be a member of the EDA, Kuennen explained that they would no longer serve on the EDA. Ross requested that it be written as to not lock-in a councilmember, City Attorney Scott Riggs explained that it is based on state statute, terms are for six-years, and this resolution aligns with the statute. Councilor Viscomi asked if the Council could vote on the resolution since it affects them, Riggs explained that they could.

Motion by Spooner, seconded by van Sluis to open the public hearing at 6:17 pm and carried unanimously.

No comments were made by the public.

Motion by Ross, seconded by Viscomi to close the public hearing at 6:18 pm and carried unanimously.

Motion by Viscomi, seconded by van Sluis to approve Resolution 2021-082 Amending and Restating the Enabling Resolution Establishing an Economic Development Authority for the City of Faribault and carried unanimously.

Resolution 2021-083 Support of a Minnesota Investment Fund Program Application in Connection with Trystar, LLC

Community and Economic Development Director Deanna Kuennen explained that Trystar is an electrical distribution solutions provider serving the needs of portable power, critical facilities, and utilities segments with specialized cable and electrical distribution equipment. Trystar has become a market leader in this space, with many of its products currently produced in Faribault. Last year Trystar, with the help of the City of Faribault, consolidated all of their Faribault operations into a 100,000 SF Met-Con facility located at 15765 Acorn Trail, and added a 20,000 SF office addition. This move was focused on optimizing the company's operations in a facility and on a site that would accommodate future growth. While 2020 was a challenging year for all businesses – Trystar forged ahead with their growth plans and in November acquired Load Banks Direct out of Covington, Kentucky.

After the acquisition the company started to explore the capital and facility needs for the Load Banks Direct Company knowing they would need to update its operation. Options being evaluated included updating the existing Kentucky facility, leasing a new facility in the same area, or relocating the operations to Faribault. Relocating to Faribault would accelerate the growth plans envisioned for the Faribault operations, but would have a much higher cost associated with expanding the existing facility, as well as complications associated with an interstate-move of large equipment.

To accommodate the possible relocation of the newly acquired Load Banks Direct company to Faribault, the project will require a 50,000 square foot expansion of the existing Trystar building and reconfiguration of the internal spaces to upgrade the facility capabilities. The relocation would also include the creation of 20 jobs ranging in hourly pay of \$16.16-\$33.28 and an estimated tax base increase of \$59,747 annually of which \$19,991 would be the cities portion. The total cost of the project would be around \$5,000,000. If the project were to move forward, construction would start in September 2021, equipment would be purchased in February 2022 and operational in May 2022.

Staff reached out to the Department of Employment and Economic Development (DEED) to develop a financial assistance/incentive package to help offset the costs associated with relocating the Load Banks Direct business to Faribault. In working through the project details – including investment and job creations. The Minnesota Investment Fund (MIF) is available for specific industries as well as projects that strengthen the community by creating or retaining jobs or increasing the tax base, this project meets the requirements. The program will provide a \$125,000 forgivable loan towards this project.

The total financial request/proposals will bridge some, not all, of the overall financial gap between relocating the company to the Faribault location versus maintaining the operations in Kentucky. The reduction in the cost differential, coupled with the operational benefits of consolidation in one facility, would make Faribault the preferred option.

Motion by Ross, seconded by Viscomi to open the public hearing at 6:25 pm and carried unanimously.

No comments were made by public.

Motion by Spooner, seconded by van Sluis to close the public hearing at 6:25 pm and carried unanimously.

Motion by Ross, seconded by Wood to approve Resolution 2021-083 Support of a Minnesota Investment Fund Program Application in Connection with Trystar, LLC and carried unanimously.

Items for Discussion

Resolution 2021-084 Support of a Job Creation Fund Application in Connection with Trystar, LLC

Community and Economic Development Director Deanna Kuennen explained that the Job Creation Fund (JCF) Program is a State of Minnesota program that provides job creation awards and capital investment rebates to designated businesses that retain or create quality, full-time permanent jobs and invest in real property improvements. To become a designated JCF business and receive benefits directly from the State, the business must work with the local government where the business will be located. The business must complete an application, and the local government must pass a resolution of support for the business/JCF application and submit the application to the Department of Employment and Economic Development (DEED) on behalf of the business/applicant. To be eligible, the business must invest a minimum of \$500,000 in real property improvements, and create five (5) new full-time jobs. The proposed Trystar, LLC project to relocate the Kentucky operations to Faribault meets/exceeds all of the program criteria, and DEED has identified that the project could qualify for up to \$175,000 through the JCF program.

Kuennen explained that the next step for Trystar, LLC to be designated as a JCF business and receive the business incentives was for the City of Faribault to pass a resolution supporting the project. The resolution identifies that the business and the City are working together, and the City approves the company's application to DEED seeking an award and rebates from the JCF program. Once the

application and resolution are submitted, DEED will evaluate the application and notify the City and Trystar, LLC of approval or denial. If approved, DEED will formally designate the business as a JCF business and make a final determination on the job creation award. The company will then enter into a required business subsidy agreement with DEED, and the City will be responsible for submitting required annual progress reports.

Mayor Voracek asked how often can an organization ask for funds, Kuennen explained that there are no limits, however, the EDA did approve a loan for this project and specified that Trystar should not ask for additional funding for 5-years. Councilor Viscomi stated that she was grateful that we have these tools to offer our businesses.

Motion by Caron, seconded by van Sluis to approve Resolution 2021-084 Support of a Job Creation Fund Application in Connection with Trystar, LLC and carried unanimously.

Ordinance 2021-2 Rezone 20905 Canby Avenue from C-2, Highway Commercial to TUD, Transitional Urban Development - Second Reading

Community and Economic Development Director Deanna Kuennen explained that Blake Matejcek, on behalf of Paul T. Matejcek, has requested rezoning the 13.6-acre parcel at 20905 Canby Avenue (the subject property) from C-2, Highway Commercial to TUD, Transitional Urban Development. On April 13, 2021, the City Council approved the first reading of Ordinance 2021-2, which rezones the subject as requested by the Applicant. Since the first reading of the ordinance, the City has not received additional comments from the public, nor has the City changed the ordinance.

Motion by Spooner, seconded by Ross to approve Ordinance 2021-2 Rezone 20905 Canby Avenue from C-2, Highway Commercial to TUD, Transitional Urban Development - Second Reading.

Roll Call Vote

Aye: Caron, Ross, van Sluis, Spooner, Viscomi, Wood, and Mayor Voracek

Nay:

Motion carried 7:0

Approve Summary Publication of Ordinance 2021-2 (5/7)

Motion by Spooner, seconded by Wood to approve Summary Publication of Ordinance 2021-2 and carried unanimously.

Resolution 2021-079 Approve a Side Yard Variance for a Proposed Building Addition at 1910 5th Street NW

Community and Economic Development Director Deanna Kuennen explained that Brad Moore, on behalf of Randy's Foods, LLC requested a side yard variance to construct a building addition on the east side of the existing building at 1910 5th Street NW that would house a 20x30 foot cooler. The proposed building addition would result in a roughly nine-foot side yard, whereas the City's Unified Development Ordinance requires a minimum 15-foot side yard.

The Planning Commission held a public hearing on April 19, 2021, to consider the Applicant's request. The Planning Commission stated that the addition must be of compatible materials and colors as well as be at least seven feet from the east property line. No one from the public spoke at the public hearing or submitted comments to City Staff regarding the request. With a 5-0 vote, the Planning Commission recommended the City Council approve Resolution 2021-2, which approves the requested side yard variance.

Councilor Spooner asked why 7-feet, City Planner David Wanberg explained that it would allow for some flexibility in the housing around the cooler. Mayor Voracek asked if there were any issues with fire access, Kuennen stated that there would be no issues.

Motion by Ross, seconded by Viscomi to approve Resolution 2021-079 Approve a Side Yard Variance for a Proposed Building Addition at 1910 5th Street NW and carried unanimously.

Resolution 2021-088 Approve Plans and Specifications and Set Bid Date for 2021 Street Reconstruction Improvements - City Contract 2021-03

City Engineer Mark DuChene explained that Resolution 2021-088 will approve the construction plans and specifications for the proposed 2021 Street Reconstruction Improvements Project - Contract 2021-03, including removals, watermain replacement, sanitary sewer replacement, lot services, storm sewer construction, grading, aggregate base, bituminous paving, turf restoration and related improvements. The resolution also sets a bid date of May 19, 2021.

The streets proposed to be included in this project are 20th Street NW from 2nd Avenue NW to East End, Faribault Road from Highland Place to South End and will include sewer and water main relocation at the Lofts at Evergreen Knoll.

The improvements were formally ordered by the City Council on April 13, 2021 upon the passage of Resolution 2021-073, following the Public Hearing. After the improvements were ordered, the Engineering Department finalized the plans and specifications in preparation of bidding the improvements. The preliminary total estimated cost of the improvements including 10% contingency and 15% engineering is \$1,092,400.00. Proposed funding for the project is as follows:

Special Assessments	\$ 153,000.00	14.0%
Street Improvement Projects Fund (401)	\$ 340,100.00	31.1%
Water Utility Fund (601)	\$ 320,600.00	29.3%
Sanitary Sewer Utility Fund (602)	\$ 200,700.00	18.4%
Storm Sewer Utility Fund (603)	<u>\$ 78,000.00</u>	<u>7.1%</u>
Total	\$1,092,400.00	100.0%

DuChene explained that as detailed in the feasibility report, the improvements are proposed to be specially assessed per City policy, using the 2021 assessments rates set by Council Resolution 2020-152, adopted on September 22, 2020. The assessment frontages are subject to credits as given in the Community Management Plan. Construction is scheduled to begin in June or July, with substantial completion by the end of September 2021.

Motion by van Sluis, seconded by Viscomi to approve Resolution 2021-088 Approve Plans and Specifications and Establish Bid Date for 2021 Street Reconstruction Improvements – Contract 2021-03 and carried unanimously.

Resolution 2021-090 Approve Restoration of Shoreline License Agreement and Declaration of Restrictive Covenants and Easement Agreement with Northern States Power Company (NSP, aka Xcel Energy)

City Engineer Mark DuChene informed the Council that Staff has been working with Xcel Energy since mid-2019 on some environmental remediation and clean-up work at the site of a former manufactured gas plant (MGP) that was located in the area between 9th and 10th Street NE from Central Avenue to the Straight River.

Xcel has been working internally to close out similar sites across the region and in 2019 it was determined that additional environmental review and testing was required at the Faribault MGP site. At that time Xcel, in coordination with the MPCA and with access approval from the City and nearby private property owners, started working on some testing and sampling of soils and ground water in the area to determine what, if any, additional remediation work was required. The results of those investigations determined that there were a few properties that needed to have some basement sealing done to eliminate or reduce the potential for soil vapor gases to enter the dwellings as well as some stream bank restoration required along the Straight River. The basement sealing was done at Xcel's expense in cooperation with the homeowners that participated. The shoreline restoration as well as sealing of all existing ground water monitoring wells, solely at Xcel's expense, is anticipated to be completed in the next 12 months or so pending DNR permit approvals.

Xcel requested that the City execute two agreements related to the site remediation activities. The first agreement the "Restoration of Shoreline License Agreement" grants Xcel and their contractors'

access to the necessary City owned lands to complete the well sealing and shoreline restoration work and that once complete the City will then be responsible for long-term operations and maintenance of the shoreline restoration area. The second agreement is the “Declaration of Restrictive Covenants and Easement Agreement” places restrictions on the future use of the City owned land which would limit the land to primarily a recreational use in perpetuity. Given the lands previous use history and location within the flood plain, City staff feels this is a reasonable agreement in exchange for the work Xcel is completing to restore the river bank and clean up the monitoring wells on site, all of which is being done at no cost to the City.

Motion by Spooner, seconded by Ross to approve Resolution 2021-090 Approve Restoration of Shoreline License Agreement and Declaration of Restrictive Covenants and Easement Agreement with Northern States Power Company (NSP, aka Xcel Energy) and carried unanimously.

Bids – None

Boards and Commissions Reports, Announcements and Project Updates

The Monthly Financial Report was provided to the Council and the Public as part of the meeting materials.

City Administrator Tim Murray informed the Council that the City has received a \$2,000,000 BDPI Grant for the north water tower. Murray thanked Community and Economic Development Director Deanna Kuennen and City Engineer Mark DuChene for their work on the grant application.

Adjournment

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

Meeting adjourned at 6:45 pm.

Respectfully Submitted,

Heather Slechta
Assistant to the City Administrator