

Pursuant to due call and notice thereof, a regular meeting of the North Mankato City Council was held in the Municipal Building Council Chambers on February 1, 2021. City Administrator Harrenstein on March 31, 2020, under MN Statute Section 13D.021, declared the use of electronic meetings due to the COVID-19 pandemic. Mayor Dehen called the meeting to order at 7:00 p.m., asking that everyone join in the Pledge of Allegiance. The following were present remotely through Zoom for roll call: Council Members Whitlock, Oachs and Steiner, City Attorney Kennedy, Finance Director McCann, Community Development Director Fischer, and Public Works Director Host, present in the Council Chambers for roll call: Council Member Norland, Mayor Dehen, City Administrator Harrenstein, and City Clerk Van Genderen. Citizen participation was available through teleconference.

Approval of Agenda

Council Member Norland moved, seconded by Council Member Steiner, to approve the agenda as presented. Vote on the motion: Steiner, Norland, Oachs, Whitlock, and Dehen aye; no nays. Motion carried.

Approval of Council Minutes from the January 19, 2021, Council Meeting.

Council Member Steiner moved, seconded by Council Member Norland, to approve the minutes of the Council meeting of January 19, 2021. Vote on the motion: Steiner, Norland, Oachs, Whitlock, and Dehen aye; no nays. Motion carried.

Consent Agenda

Council Member Norland moved, seconded by Council Member Steiner, to approve the Consent Agenda.

- A. Bills and Appropriations.
- B. Res. No. 9-21 Approving Donations/Contributions/Grants.
- C. Approved Park, Parade, and Audio Permit for the 13th Annual Girls on the Run 5K in Spring Lake Park on May 1, 2021.
- D. Res. No. 10-21 Approving Consent Assessment Agreement.

Vote on the motion: Steiner, Norland, Oachs, Whitlock, and Dehen aye; no nays. Motion carried.

Public Comments Concerning Business Items on the Agenda

Barb Church, 102 Wheeler Avenue, spoke before Council concerning the proposed Managed Natural Lawn Area ordinance and stated additional time to review the ordinance would be appreciated. She indicated she would like to get away from grass or turf, and maybe the ordinance should encourage the use of mulch or other plants maintained to less than 6 inches. Ms. Church also requested information on how much additional tax dollars will be added to taxes after the three TIF Districts' decertification and requested the funds not be put back into businesses or additional TIF Districts.

Bess Tsaouse, 136 Mary Circle, spoke before Council concerning the proposed Managed Natural Lawn Area Ordinance and stated she questioned the definition being used for Managed Natural Lawn Area. She asked how the weed inspector would be able to complete their job of identifying weeds and native plants. Ms. Tsaouse stated she believed this was just a way for staff to deal with residents who don't like native plants and untraditional yards. She said there was intolerance for native landscaping. Ms. Tsaouse recommended looking at Fort Collins, Colorado, as an excellent example of a City that was tolerant to those who wanted native plants.

Kay Helms, 1025 East Mulberry Street, Mankato, spoke before Council and stated pollinators need food, shelter, and resting places to be protected from pesticides. She requested the Council consider an ordinance restricting the spraying of pesticides and herbicides within 5 to 10 feet of the property line.

Business Items

Ordinance No. 137, Fourth Series an Ordinance of the City of North Mankato, Minnesota Adding City Code Section 90.115 Entitled Managed Natural Lawn Area.

City Planner Lassonde reviewed the Ordinance changes in accordance with Council guidance from the January 28, 2021, Council Work Session. The changes included grammar and language changes. In section 1 4 (a), the Council had directed the language state that a “Managed Natural Lawn Area may not exceed 30% of the pervious surface area within the defined setbacks of the lot, excluding natural wooded areas, bluffs, and ravines.” The change eliminated the language “500 square feet or 30% whichever is less.” Other changes included language that allowed the exemption of shrubs and brush from being cut down to 12 inches. Additional changes increased time allowed to come into compliance from 5 days to 14 days when the non-compliance is on private property but maintains the need for 5-days compliance when it is in the right-of-way.

Council Member Norland noted amendments could be made if necessary and reported pesticides and herbicides are on her list of items she would like to address in the City.

Council Member Steiner agreed with the need to address pesticides and herbicides and encouraged a case by case examination of all complaints. He does not want to become the lawn police.

Council Member Oachs stated she was glad there are also ordinances addressing landscapes, flowers, and vegetables.

Council Member Whitlock agreed with previous Council Members' statements.

Council Member Norland moved, seconded by Council Member Whitlock, to adopt Ordinance No. 137, Fourth Series an Ordinance of the City of North Mankato, Minnesota Adding City Code Section 90.115 Entitled Managed Natural Lawn Area. Vote on the motion: Steiner, Norland, Oachs, Whitlock, and Dehen aye; no nays. Motion carried.

Res. No. 11-21 Decertifying Tax Increment Financing District No. IDD 1-22 (Lindsay Expansion Project) Located in the City of North Mankato, Minnesota.

Finance Director McCann reported three TIF Districts were ready to be decertified, each district would require a separate vote, but he would discuss all three. The original market value for all three districts was \$1,501,800, and currently, under 2021 taxes payable, it was \$9,496,000. The increase in tax capacity from all three TIF Districts would be approximately \$157,000 and an additional \$77,0000 in taxes. The growth would take effect in 2022.

Council Member Norland moved, seconded by Council Member Steiner, to adopt Res. No. 11-21 Decertifying Tax Increment Financing District No. IDD 1-22 (Lindsay Expansion Project) Located in the City of North Mankato, Minnesota. Vote on the motion: Steiner, Norland, Oachs, Whitlock, and Dehen aye; no nays. Motion carried.

Res. No. 12-21 Decertifying Tax Increment Financing District No. IDD 1-20 (Ziegler Caterpillar Project) Located in the City of North Mankato, Minnesota.

Council Member Steiner moved, seconded by Council Member Norland, to adopt Res. No. 12-21 Decertifying Tax Increment Financing District No. IDD 1-20 (Ziegler Caterpillar

Project) Located in the City of North Mankato, Minnesota. Vote on the motion: Steiner, Norland, Oachs, Whitlock, and Dehen aye; no nays. Motion carried.

Res. No. 13-21 Decertifying Tax Increment Financing District No. IDD 1-18 (LJP Enterprises, Inc. Project) Located in the City of North Mankato, Minnesota.

Council Member Norland moved, seconded by Council Member Whitlock, to adopt Res. No. 13-21 Decertifying Tax Increment Financing District No. IDD 1-18 (LJP Enterprises, Inc. Project) Located in the City of North Mankato, Minnesota. Vote on the motion: Steiner, Norland, Oachs, Whitlock, and Dehen aye; no nays. Motion carried.

Res. No. 14-21 Approving Loan to WW Land Company, LLC, and Authorizing the Execution of Loan Documents Thereof.

City Administrator Harrenstein reported the loan would be a forgivable loan similar to the Riverfront Development grants. The loan would help a developer build on the last vacant lot on Belgrade Avenue. The loan amount would be \$118,000 and would be forgivable over 5-years if the builder builds and obtains a certificate of occupancy. The loan would be for soil corrections and the construction of helical piers to ensure the building's stability. Mayor Dehen commented this location has been vacant for some time, and it will be good to have the area filled.

Council Member Steiner moved, seconded by Council Member Norland, to adopt Res. No. 14-21 Approving Loan to WW Land Company, LLC, and Authorizing the Execution of Loan Documents Thereof. Vote on the motion: Steiner, Norland, Oachs, Whitlock, and Dehen aye; no nays. Motion carried.

Open Forum

Tom Hagen, 927 Lake Street, spoke before Council and discussed the 2018 Development Agreement with NuStar Realty. He reviewed the development agreement and indicated he believed the deal was corrupt and the transactions not transparent.

Barb Church, 102 Wheeler Avenue, spoke before Council and expressed concerns about staff and Council interactions at the January 4, 2021, Council Meeting.

City Administrator and Staff Comments

City Administrator Harrenstein responded to Mr. Hagen's comments speaking specifically to his concerns. First, he responded to the accusation that the price negotiated between the Developer and City was much lower than the actual sale price. He noted the Developer bought all three lots for \$120,000 and sold all three lots for \$204,000, but the Developer incurred another \$35,000 on the lots before selling them. The Developer's profit after cost incurred on the lots was approximately \$49,000 for all three lots. City Administrator Harrenstein responded to Mr. Hagen's assertions that the forgiven assessments will have a negative impact on taxpayers. He noted that all the assessments were paid in full by the Developer and paid to the City by the County. The development agreement has allowed the development of homes worth approximately \$900,000 that will generate additional taxes and utility revenue of roughly \$10,000 annually. Taxpayers will recoup their investment in the lots within ten years. City Administrator Harrenstein responded to Mr. Hagen's concerns that the development agreement extension was not transparent. He noted the agreement signed on May 7, 2018, authorized the City Administrator to execute the agreement. The 2020 pandemic brought challenges and increases in the cost of construction. All three lots have been sold to private parties. One lot remains to have a home built on it, but they plan to complete it by December 31, 2021. If at that time, the house

is not constructed, the clawback provision will be implemented. City Administrator Harrenstein responded to the concern that it was a “Sweetheart Deal” offered to no other developers. He noted that land sales or real property are not subject to any bidding requirements. The City can enter into negotiations with any possible actual property purchaser at any time without any restrictions. The City also entered into a similar agreement with Hiniker Homes in 2014 and will continue to do so when appropriate.

Mayor Dehen commented the property was forfeited in 2008, and any developer or realtor could have purchased the land. He noted the property is now a part of the tax base, and it was a sound fiscal action.

Public Works Director Host reviewed the 2020 snow report. He noted the total expenditures on materials at \$35,794.66 and the total labor at \$43,045.86 for a total budget impact of \$78,840.52 for the 43.5 inches of snow between January 1, 2020, and December 31, 2020.

Mayor and Council Comments

Mayor Dehen commented on thank you notes from the Girl Scouts, South Central College, BENCHS, and Boys and Girls Club for the gambling fund donations. He also noted Connecting Commerce was conducting a Love Your Firefighter Raffle to support the North Mankato Firefighters.

At 7:44 p.m., on a motion by Council Member Norland, seconded by Council Member Oachs, the Council Meeting was adjourned.

Mayor

City Clerk