

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 June 20, 2011. 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 for the meeting, Mayor Dehen, Council Members Freyberg, Steiner, Norland and Schindle, City Administrator Sande, City Clerk Gehrke, Attorney Kennedy, Engineer Malm and Planner Fischer. Absent: Finance Director Mork.

Approval of Minutes

Council Member Steiner moved, seconded by Council Member Norland, to approve the minutes of the Council meeting of June 6, 2011. Vote on the motion: Freyberg, Steiner, Norland, Schindle and Dehen, aye; no nays. Motion carried.

Correspondence – none**Public Hearing, 7 p.m. – Proposal to Establish Tax Increment Financing District IDD No. 1-21**

The Mayor opened the public hearing to consider the proposal to establish Tax Increment Financing District IDD No. 1-21. A Notice of Public Hearing was published in the official newspaper and proper notices were given to Nicollet County and School District No. 77. The Affidavit of Publication is included in the packet. Ed Tschida, Advance Resources for Development, appeared before the Council and presented background information reporting the location of TIF District No. IDD 1-21 encompasses Lot 1, Block 1, Northport No. 16, a 2.57-acre parcel and is the proposed site of a 17,260 square foot parts and service facility for Allstate Peterbilt. He reported this project would create 15-20 new jobs and be a pay-as-you-go TIF for a period of nine years. The project is scheduled to begin no later than July 1, 2012. Kim Spears, 916 South Avenue, and Phil Henry, 1300 Noretta Drive appeared before the Council to express their disapproval of tax increment financing for this project. Mayor Dehen presented information of the taxes and jobs generated from previous tax increment financing projects. The Mayor reported that Oak Terrace Assisted Living went off tax increment financing this year which added approximately \$100,000 to the tax rolls and they employ 140 persons in North Mankato. He also reported that our school district is one of the few that has not had a decrease in students because of the availability of jobs. Council Member Freyberg reported he is not in favor of tax increment financing for retail. He believes TIF is a good long-term investment for commercial and manufacturing, however the need for services will increase without any additional revenue. Council Member Schindle asked for the Council to review tax increment financing at the joint Council/Port Authority Workshop. Administrator Sande reviewed the special legislation for tax increment financing which was renewed for a second year reporting that under normal circumstances this project would not qualify but the Legislature made special provisions in an effort to provide construction jobs and permanent jobs. There being no one else appearing before the Council, the Mayor closed this portion of the meeting.

Res. No. 33-11 Approving Tax Increment District IDD No. 1-21 Plan

Council Member Norland moved, seconded by Council Member Steiner, to adopt Resolution No. 33-11 Approving Tax Increment District IDD No. 1-21 Plan. Vote on the Resolution: Steiner, Norland, Schindle and Dehen, aye; Freyberg nay. Motion carried.

Open the Meeting to the Public for the First Time**Jay Weir, Weir Insurance Agency**

Jay Weir, Weir Insurance Agency, appeared before the Council and presented the renewal rates from the League of Minnesota Cities Insurance Trust for the property and casualty insurance and workers' compensation insurance for 2011-12. Mr. Weir reported the League of Minnesota Cities

Insurance Trust has provided insurance for the City since 1980 and has been returning dividends since 1987. The experience modification for workers' compensation decreased from 0.94 to 0.86 for 2011-12. Property/casualty and workers' compensation insurance premiums for 2011-12 total \$243,302 compared to a budget of \$253,776, and represent a decrease in premiums of \$9,474 from the prior year. **Council Member Steiner moved, seconded by Council Member Norland to approve the property and casualty insurance renewal and the workers' compensation renewal for 2011-12. Vote on the motion: Freyberg, Steiner, Norland, Schindle and Dehen, aye; no nays. Motion carried.**

Sharon Schaller, Sharon's Craft

Sharon Schaller, Sharon's Craft, appeared before the Council and reported that she was unable to attend the Planning Commission meeting regarding the proposed amendment to the City Code to allow pawn shops in the Central Business District. She stated the property at 229 Belgrade Avenue was recently renovated for a restaurant and she would like to see a restaurant in this area. Ms. Schaller also asked when the sculpture that was damaged would be returned to its podium. Administrator Sande reported the sculpture is being repaired by the artist and will be returned as soon as the work has been completed.

Kim Spears, 916 South Avenue

Kim Spears, 916 South Avenue, appeared before the Council and asked if Web Construction was also doing the construction for the Ziegler Project and the LJP Project. Administrator Sande reported that Web Construction is doing the construction for the Allstate Peterbilt Project only.

Staff Reports

City Planner

Minutes of June 9, 2011 Planning Commission Meeting

The Council accepted the minutes of the June 9, 2011 Planning Commission meeting.

CU-1-11, Conditional Use Permit Request to Operate an Automotive Repair Business, 331 Webster Avenue

Planner Fischer presented a request from Jerry Bamberry and Dale Engelhardt to operate an automotive repair business at 331 Webster Avenue. Dale Engelhardt was in attendance and explained the concept as a "do-it-yourself" automotive repair business and how he plans to operate the business. He reported there will not be outside storage of parts and equipment and no vehicle painting or body work is permitted. Planner Fischer reported the Planning Commission recommended approval of the conditional use permit subject to the following conditions: 1) All work shall be performed within the building; 2) All materials and equipment shall be stored within the building; 3) A minimum of four (4) off-street parking spaces shall be provided; 4) A working flammable waste trap is located within the building and 5) No painting or welding is permitted either inside or outside the building. Mr. Engelhardt requested the Council revise the conditional use related to welding and asked that minor welding be allowed. **Council Member Schindle moved, seconded by Council Member Steiner, to approve CU-1-11 with the following conditions:**

- 1. All work shall be performed within the building.**
- 2. All materials and equipment shall be stored within the building.**
- 3. A minimum of four (4) off-street parking spaces shall be provided.**
- 4. A working flammable waste trap is located within the building.**
- 5. No painting is permitted either inside or outside the building.**
- 6. Minor welding permitted with proof of insurance covering this activity.**

Vote on the motion: Steiner, Norland, Schindle and Dehen, aye; Freyberg abstained; no nays. Motion carried.

Request to Amend Section 156.045 of City Code

Planner Fischer presented a request from John Forsyth to amend Section 156.045 of the City Code to include pawn shops as a conditional use in the Central Business District. The proposed amendment would allow Mr. Forsyth to operate a pawn shop at the former Christy's Café building at 229 Belgrade Avenue. John Forsyth appeared before the Council and stated that he is a life-long resident of North Mankato and an outstanding citizen who would run a high-end pawn shop with antiques. Planner Fischer reported that pawn shops are permitted in B-3 zoning districts. Council Member Schindle asked for a copy of the study that Mr. Forsyth referred to earlier stating that crime drops in areas where pawn shops are located. Attorney Kennedy reported that since pawn shops are not allowed as a conditional use in the Central Business District, an amendment to the City Code would be necessary to make this change and this change would allow other pawn shops as a conditional use in the CBD. The Planning Commission reviewed this request and recommended denial of any City Code amendment to permit pawn shops as a conditional use in the Central Business District. **Council Member Schindle moved, seconded by Council Member Norland, to set a public hearing for 7 p.m. on Monday, July 18, 2011 to consider an amendment to Section 156.045 of the City Code to allow pawn shops as a conditional use in the Central Business District and to consider an ordinance which regulates the operation of pawn shops as a conditional use in the CBD. Vote on the motion: Norland, Schindle and Dehen, aye; Freyberg and Steiner, nay. Motion carried.**

Preliminary and Final Plat of Northport No. 16

Planner Fischer presented a request from the North Mankato Port Authority to plat 2.57 acres of land located at the west end of Howard Drive West as Northport No. 16. This parcel was identified as developable land that is available for future industrial use after the platting of the Highway 14/CSAH 41 interchange. The Planning Commission reviewed the preliminary and final plat of Northport No. 16 and recommended approval. **Council Member Steiner moved, seconded by Council Member Schindle, to approve the preliminary and final plat of Northport No. 16. Vote on the motion: Freyberg, Steiner, Norland, Schindle and Dehen, aye; no nays. Motion carried.**

Z-1-11, Request to Zone Northport No. 16 as M-2, Heavy Industrial

Planner Fischer presented a request from the North Mankato Port Authority to zone Northport No. 16 as M-2, Heavy Industrial. He reported that upon approval of the platting of Northport No. 16, it is necessary to formally provide a zoning classification based on the intended use of the property. The request for M-2 zoning is consistent with existing area zoning and future area zoning. The Planning Commission reviewed the zoning request and recommended approval.

Ord. No. 37, Fourth Series, Zoning Northport No. 16 as M-2, Heavy Industrial

Council Member Schindle moved, seconded by Council Member Norland, to adopt Ord. No. 37, Fourth Series, Zoning Northport No. 16 as M-2, Heavy Industrial. Vote on the Ordinance: Freyberg, Steiner, Norland, Schindle and Dehen, aye; no nays. Motion carried.

Z-2-11, Request to Zone Northport No. 15 as M-2, Heavy Industrial

Planner Fischer presented a request from the North Mankato Port Authority to zone Northport No. 15 as M-2, Heavy Industrial. The platting of Northport No. 15 was approved by the Planning Commission and City Council March 2011 and it is necessary to provide a zoning classification based

on the intended use of the property. The M-2 zoning is consistent with both existing and future area zoning. The Planning Commission reviewed the zoning request and recommended approval.

Ord. No. 38, Fourth Series, Zoning Northport No. 15 as M-2, Heavy Industrial

Council Member Schindle moved, seconded by Council Member Steiner, to adopt Ord. No. 38, Fourth Series, Zoning Northport No. 15 as M-2, Heavy Industrial. Vote on the Ordinance: Freyberg, Steiner, Norland, Schindle and Dehen, aye; no nays. Motion carried.

City Administrator

Res. No. 34-11 Proposal to Establish Tax Increment Financing District IDD No. 1-22 and Calling for Consultation with Other Affected Jurisdictions and Setting Public Hearing for 7 p.m. on Tuesday, July 5, 2011 – Lindsay Window & Door Company Project

Administrator Sande reported that an agreement has been reached with the owners of Lindsay Window & Door for tax increment support for a 20,000 square foot expansion of their facility on Commerce Lane which will begin as soon as project approvals are complete. **Council Member Norland moved, seconded by Council Member Steiner, to adopt Resolution No. 34-11 Proposal to Establish Tax Increment Financing District IDD No. 1-22 and Calling for Consultation with Other Affected Jurisdictions and Setting a Public Hearing for 7 p.m. on Tuesday, July 5, 2011 for the Lindsay Window & Door Company Project. Vote on the Resolution: Freyberg, Steiner, Norland, Schindle and Dehen, aye; no nays. Motion carried.**

School and Conference

Council Member Steiner moved, seconded by Council Member Norland, to approve actual and necessary expenses for the following school and conference:

1. DNA Evidence Identification, Collection and Preservation for Law Enforcement, Faribault, September 26-27, for Police Lieutenant and Detective.

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

CSAH 41/Carlson Drive/Howard Drive Project

Administrator Sande presented a letter from the City Engineer to Hoffman Construction advising that work will continue on the CSAH 41/Carlson Drive/Howard Drive Project even if there is a State shutdown. He reported sufficient funds are on hand to provide the necessary cash flow until a State shutdown is resolved.

Report from Council Members

Council Member Norland

Council Member Norland reported residents from Peregrine Lane have contacted her about the noise from the highway project in their area. They are requesting more trees along Pleasant View Drive as a buffer to the noise and dirt. Administrator Sande reported MnDOT should be holding a meeting for the residents to discuss viable options for this area. Engineer Malm reported a noise wall does not fit into the plan for this area but a berm may be the solution. The MnDOT meeting with the residents is scheduled for the latter part of June.

Council Member Norland reported the Park & Green Spaces Committee met on Wednesday, June 15, 2011. The Committee requested a report of the progress of Benson Park and Spring Lake Park. Planner Fischer reported a response is expected about the Legacy grant for Benson Park in July.

Council Member Schindle

Council Member Schindle reported at the recent All Seasons Arena Board meeting discussion was held about working with all sports groups instead of just hockey. He reported Vadnais Heights has a multi-use sports facility that he would like the Council to review. Staff will send the link for the Vadnais Heights website depicting their multi-use sports facility and rates in effect to use the facility to the Council. Council Member Schindle requested this be a future Council Workshop agenda item.

Report from the Mayor**Small Business Development Center**

Mayor Dehen reported he recently met with Mr. Nolan of the Small Business Development Center. Mr. Nolan appeared before the Council and reported the SBDC receives \$2 federal funding for each \$1 of local funding. Mayor Dehen reported the Port Authority Commission believes the Port Authority mission is to fund projects and the Community Development Fund should be the source of funding for the Small Business Development Center. **Council Member Schindle moved, seconded by Council Member Steiner, to authorize funding from the Community Development Fund to the SBDC in the amount of \$30,000. Vote on the motion: Steiner, Norland, Schindle and Dehen, aye; Freyberg nay. Motion carried.**

The Mayor reported "Coffee with the Council" will be held at Spinners Bar & Grill from 10 a.m. to 11 a.m. on Saturday, July 16, 2011.

The Mayor reminded residents that Fun Days is scheduled for July 6-10, 2011 and that the Belgrade Blues Festival will be held on Saturday, July 23, 2011.

The Mayor reported that a portion of Veterans Bridge will be closed for the 4th of July fireworks which will be held at Riverfront Park. Administrator Sande reported traffic control sign devices will be in place for this event. The Council requested staff obtain the cost for the traffic control sign devices and ask the City of Mankato to share in the costs.

Set Council Workshop for 6 p.m. on Tuesday, July 5, 2011

Council Member Schindle moved, seconded by Council Member Norland, to set a Council Workshop for 6 p.m. on Tuesday, July 5, 2011. Vote on the motion: Freyberg, Steiner, Norland, Schindle and Dehen, aye; no nays. Motion carried.

**Open the Meeting to the Public for the Second Time
Kim Spears, 916 South Avenue**

Kim Spears, 916 South Avenue, appeared before the Council and questioned items listed on the claims and Administrator Sande responded to those items.

Phil Henry, 1300 Noretta Drive

Phil Henry, 1300 Noretta Drive, appeared before the Council and stated the new Nicollet Avenue parking looks good. He also stated his disapproval of giving \$30,000 to the Small Business Development Center.

Bills and Appropriations

Council Member Norland moved, seconded by Council Member Steiner, to approve all bills and appropriations in the amount of \$359,511.98. Vote on the motion: Freyberg, Steiner, Norland, Schindle and Dehen, aye; no nays. Motion carried.

There being no further business, the meeting was adjourned at 8:33 p.m.

Mayor

City Clerk