

MINUTES
COMMON COUNCIL ADJOURNED MEETING
MONDAY, MARCH 6, 2000
5:30 P.M.
COUNCIL CHAMBERS

MEMBERS PRESENT: Mayor Rietz, Council Member-at-Large Chaffee, Council Members Fedson, Boughton, Poppe, Nordin and Lang.

MEMBERS ABSENT: Council Member Jorgenson.

OTHERS PRESENT: News Media. Judy Skogeboe, Neal Ronquist and Jeff Baker. Walt Hartman.

One item removed from the agenda: A resolution setting a hearing for March 20 for preliminary plat approval of property owned by Oakland Park to be known as *Oakland Park Addition*.

Moved by Council Member-at-Large Chaffee, seconded by Council Member Nordin, approving the agenda. Carried.

Moved by Council Member Lang, seconded by Council Member Fedson, approving the minutes of February 22, 2000. Carried.

Finance Director Tom Dankert reported that the City has received a Certificate of Achievement for Excellence in Financial Reporting and the plaque was awarded to Marilyn Moetsch. The City has received the award since 1980.

Moved by Council Member Poppe, seconded by Council Member-at-Large Chaffee, approving the consent agenda as follows:

Licenses

One-day gambling: Mower County Ducks Unlimited @ Austin Country Club, Hwy 16 East on April 17, 2000.

Massage Therapist: Kristina Pehrson, 612 14th Street NE @ Mjoen Chiropractic.

Master Plumber: Superior Companies of Rochester, 1244 60th Ave. NW, Rochester, MN

Sign: Tri-State Outdoor Media, PO Box 6668, Rochester, MN

Ace Sign of Albert Lea, RR #, Box 1, Albert Lea, MN

Excavation: Miller Electric, RR #3, Box 113A, Blooming Prairie, MN

Food: Blockbuster Video, PO Box 8009, McKinney, TX

Cigarette transfer: Trader Exchange, Inc. dba Trader Exchange, 119 3rd Ave. NE

Novelty machine transfer: Trader Exchange, Inc. dba Trader Exchange, 119 3rd Ave. NE

Soft water installation, B&J Water Conditioning, 1411 Gilbert St., Charles City, IA

Pre-list of bills.

Sandra Haas, 302 N. Sidney St., Morristown, MN, referred to the City Attorney to protect the City's interest.

David Young, 1511 3rd Avenue SW, referred to the City Attorney to protect the City's interest.

Neal Ronquist spoke to Council regarding the Chamber's "Pigs in the City" project. The aim of the project is to attract tourism and dollars for local businesses. Local and national coverage is another goal of this project. Locations would include areas such as the Mill Pond, Todd Park and on boulevards. Park and Rec Director Dennis Maschka relayed that the project was okay with him as long as the sidewalks were not obstructed for the watering trucks' use and for trimming around in the parks. Mr. Ronquist said the concrete pigs would be the size of a real pig and put on pedestals.

Moved by Council Member Boughton, seconded by Council Member Nordin, approving the "Pigs in the City" locations and dates.

A public hearing was held for the establishment of Tax Increment Financing District No. 11. Walt Hartman, TIF specialist from Minneapolis, spoke regarding the qualifications of a TIF and the history of previous TIF Districts within the City of Austin. TIF 11 would be much like TIF 10 in that a few parcels are involved for a redevelopment district. The site must then meet certain qualifications including parking and street improvements. The legal process includes notification in the newspaper and to the county and school boards. A public hearing must also be held. City Administrator Pat McGarvey stated that the Brown Wilbert property may be brought into the City and made a part of the TIF district. The Joseph Co. property has already been acquired by the Port Authority and to be acquired is the Burt Plehal property if the TIF District is approved. Altogether the area is 13 acres. The parcels would be approved for a TIF District if the age and condition of the buildings on the parcel qualify. 8th Street would be extended North to eventually connect to 21st Avenue, north of K-Mart. The time schedule for complete street improvements/infrastructure would be 2-3 years. For 2000, the street would most likely extend only north, approximately 1/3 of the total proposed street length. A resident of Oak Park Village asked Mr. McGarvey if the two rows of oak trees would be disturbed. They would not. The Burt Plehal property could be acquired at \$94,500 plus assessment costs. Mr. McGarvey stated that the TIF plan would increase the tax base, expand business and attract jobs. Council Member Lang stated that he was opposed to having prime real estate be used for tax increment financing. His argument is TIF should be created when no development would happen through private enterprise. Mr. Lang also stated that the City and Port Authority has a history of giving property away for \$1 or losing money in investments (i.e. the Spec Building). Ruth Rasmussen, former council member, spoke in favor of the proposed TIF district citing that previous TIF districts have been successful. Much opposition has been raised over the 10 years on the HRA boards, but every project has been successful. She cited the Holiday Inn as an example of initial opposition but now is clearly successful. Mrs. Rasmussen also stated that this land has been there for ages and no development has taken place. She said that CRC is a good, close neighbor and that the company is planning a nice building. Mr. Lang reiterated that he is not opposed to TIF districts, just not in this area. He also cited the costs to the city and

the \$.5M in infrastructure that would serve only one business. Mr. Lang also stated that Target, Applebee's and Culver's did not ask for any assistance. Council Member Boughton agreed with Ruth Rasmussen saying this TIF district would parallel the Holiday Inn's. Council Member-at-Large Chaffee was in approval of the plan saying that development is good for this area and that other businesses would be included eventually along with CRC. He said the plan is good for job retention and creation and that the entire city will benefit in years to come. Council Member Poppe concurred with Council Member Boughton and Council Member-at-Large Chaffee on the benefit to the city. Council Member Poppe also stated she appreciated Mr. Hartman's extensive research and work on the plan, adding that it is a complete and thorough process. Bob Dahlback, former council member, objected to the TIF district creation saying that since Mr. McGarvey has located in Austin, more than half of the TIF districts have been created. Mr. Dahlback then cited Mike O'Connor's plumbing businesses, which was turned down by the Port Authority for acreage in the Lone Oak Addition. Mr. O'Connor did not receive city or state assistance. Mr. Dahlback also cited Jones Cabinetry and CPS who have located/relocated without city/state assistance. Mr. Dahlback named three companies from out-of-town have been offered \$1 million to locate in Austin. Mr. Dahlback has heard that if the TIF district is not approved, the company would relocate to Stevens Point, Wisconsin which is unfair to local people. He also stated that this company would receive a \$200,000 piece of property for only \$1. Council Member Lang stated that he wants fairness toward all the people and argued that the CRC would not be assessed for its brand new road. City Administrator Pat McGarvey said that the CPS did receive public finance -- \$2.5M in refinancing in the mid 90s and the APC did receive state assistance in the building of its 40-ft high freezer. Mr. McGarvey reminded everyone that Applebee's and Andy's was created under a TIF district -- projects that are very successful. The Worlein TIF district has given grand repayment to the city by way of its park.

Moved by Council Member-at-Large Chaffee, seconded by Council Member Poppe, adopting the resolution approving the establishment of Tax Increment Financing District No. 11 located within Municipal Development District No. 1 and adopting the Tax Increment Financing Plan relating thereto. 5-1. Lang voting nay. Carried.

City Administrator Pat McGarvey presented a resolution approving County Board classification of forfeited lands and approving public auction for said property. Mr. McGarvey explained that when property taxes are not paid, the property are forfeited and the County Board classifies the properties and they are put up for bid. The HRA is requesting four of the five parcels for new home sites. Council Member-at-Large Chaffee requested that addresses be included for these parcels. City Attorney David Hoversten said that use of the parcel number and legal description is used for the whole process of tax forfeiture. Planning and Zoning Administrator Craig Hoium stated that he believes most of the properties are in the northeast and have had ongoing zoning concerns with substandard conditions. Dan Carolyn, 301 14th Place NW, inquired on the availability of the parcels. Mr. McGarvey said the city has first say in acquiring the properties. Mayor Rietz directed him to speak with Tom Smith at the HRA.

Moved by Council Member Lang, seconded by Council Member Nordin, adopting a resolution approving County Board classification of forfeited lands and approving public auction for said property. 6-0. Carried.

Finance Director Tom Dankert presented an ordinance which the Ordinance Committee had reviewed and was sent to full council. The ordinance would amend Austin City Code 6, Section 6.43, Subdivision 5 to eliminate the limit on the number of locations at which an organization may conduct lawful gambling. Prior to 1988, organizations could have two spots for pulltabs. In January 1988, the number was changed to three, and in mid 1999, again changed to four. Only one organization is allowed per location; four locations allowed at present. Recently a fifth requested spot was turned down, thus the ordinance change request. The ordinance committee, two in attendance, did not come to a consensus and sent it along to full council. Council Member Lang stated that the proposed ordinance would allow licensed operators to operate more freely and unrestricted. Any trouble with the organizations have been with organizations outside the city limits. Mr. Dankert said these operations are monitored every 30 days. Council Member Poppe dissented saying the sites only recently went for 2 to 3. She said 20 sites are available and does not see the need. Council Member Lang stated that these are civic organizations which have done an excellent job.

Moved by Council Member Lang, seconded by Council Member Fedson, for the city attorney to prepare the ordinance. 4-2. Carried. Poppe and Boughton voting nay.

Moved by Council Member Lang, seconded by Council Member Fedson, to move the ordinance to the first reading. 4-2 Carried. Poppe and Boughton voting nay.

Moved by Council Member Lang, seconded by Council Member Fedson, for adoption of the first reading. 4-2. Carried. Poppe and Boughton voting nay.

Moved by Council Member Lang, seconded by Council Member Fedson, to move the ordinance to the second reading. 4-2. Carried. Poppe and Boughton voting nay.

Moved by Council Member Lang, seconded by Council Member Fedson, to move the ordinance to the third and final reading. 4-2. Carried. Poppe and Boughton voting nay.

Moved by Council Member Lang, seconded by Council Member Fedson, for adoption and publication of the ordinance. 4-2. Carried. Poppe and Boughton voting nay.

The Park Plaza is changing ownership and will operate under the name Trader Exchange.

Moved by Council Member Lang, seconded by Council Member-at-Large Chaffee, to adopt a resolution approving the transfer of hard liquor on-sale and 3.2 beer off-sale. 6-0. Carried.

City Engineer Jon Erichson reported that the Street Committee and City received a request to place a stop sign on the north/southbound traffic of 6th Street SW. Four accidents have taken place at the spot in six months.

Moved by Council Member Fedson, seconded by Council Member Boughton, approving the stop sign for 6th Avenue and 6th Street SW. Carried.

Brian Johnson is recommended to be the member-at-large for the Joint City/County Airport Zoning Board.

Moved by Council Member-at-Large Chaffee, seconded by Council Member Nordin, approving the appointment. Carried.

Moved by Council Member Lang, seconded by Council Member Poppe, to adopt a resolution approving the purchase agreement for the Lecakis building in Block 9, Lots 8 & 7 for \$150,000 to be paid for via the Building Fund and reimbursed out of the TIF #10 bond sale. 6-0. Carried.

Moved by Council Member Poppe, seconded by Council Member Nordin, adopting a resolution setting a hearing for March 20 for the rezoning of property owned by The Burbank Co. (Burt Plehal) located at 904 18th Avenue NW from an "R-1" Single Family Residential District to a "B-2" Community Business District. 5-1. Carried. Lang voting nay.

Moved by Council Member Poppe, seconded by Council Member Nordin, adopting a resolution setting a hearing for March 20 for preliminary plat approval of property owned by Burt Plehal to be known as *Burbank Addition*. 5-1. Carried. Lang voting nay.

City Engineer Jon Erichson presented a resolution receiving a report and calling a hearing for street improvement for 8th Street and 21st Avenue NW. Council Member Lang asked Mr. Erichson why the cost had gone from close to \$1,000,000 to over \$500,000. Mr. Erichson said that the project had been scaled back; Phase I would include street improvements off of 18th Avenue and extending north approximately 800 feet. Mr. Erichson also said that how the costs were assessed may be different but that all lots were to be assessed. If lot configurations change, costs could change. Mr. Erichson also added that \$15,000 should be included to this figure to include sidewalk on one side of the road.

Moved by Council Member Poppe, seconded by Council Member Nordin, adopting the aforesaid resolution. 5-1. Carried. Lang voting nay.

Moved by Council Member-at-Large Chaffee, seconded by Council Member Poppe, approving the removal of garbage accumulation at 1016 11th Avenue SW, Brock Tufte/Cliff Heard. 6-0. Carried.

Moved by Council Member Boughton, seconded by Council Member Fedson, approving the removal of garbage accumulation at 801 2nd Avenue NW, Terry Sprandel. Carried.

Moved by Council Member-at-Large Chaffee, seconded by Council Member Boughton, approving the removal of garbage accumulation at 1014 10th Avenue SW, Frank Karnes. Carried.

Motion by Council Member-at-Large Chaffee, seconded by Council Member Fedson, approving the removal of garbage accumulation at 910 11th Avenue SW, Huong T. Doan. Carried.

Motion by Council Member-at-Large Chaffee, seconded by Council Member Fedson, approving the removal of garbage accumulation at 1000 11th Avenue SW, Anne Hanson. Carried.

Reports:

The DCA will hold its annual meeting on March 15 at the Akkerman Building in Brownsdale.

The HRA will hold its monthly meeting at 4:30 on Wednesday, March 8.

An Ordinance Committee workshop is set for Monday, March 13 at 4:00 p.m. to discuss wording of certain portions of the City Charter.

Council Member Poppe congratulated Mayor Rietz on her achieving the Woman in Government award sponsored by the Women of Today.

Finance/Personnel Committee meeting set for Tuesday, March 14 at 4:30 p.m.

Planning Commission meeting has been changed from Tuesday, March 14 to Wednesday, March 15.

The Port Authority will hold its quarterly meeting at 4:30 on Wednesday, March 22.

Moved by Council Member-at-Large Chaffee, seconded by Council Member Nordin, to adjourn the meeting.

Adjourned: 7:05 p.m.

Approved: March 20, 2000

Mayor: _____

City Recorder: _____