

M I N U T E S
COMMON COUNCIL ADJOURNED MEETING
MONDAY, JULY 19, 1999
5:30 P.M.
COUNCIL CHAMBERS

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

MEMBERS ABSENT: Council Member Romo.

OTHERS PRESENT: News Media. Public. Paul Donna from Springsted.

Two items added to the agenda: A request to use the public street in Lone Oak Addition for a street dance in connection with the corn maze, and a request to close Main Street on July 29 for Crazy Days. Item 11a, Supplemental Resolution for the G.O. Bonds removed. Moved by Council Member-at-Large Chaffee, seconded by Council Member Penske approving the agenda. Carried.

Moved by Council Member Poppe, seconded by Council Member Nordin, approving the minutes of July 6, 1999. Carried.

Knowles Dougherty, 402 5th Place NW, presented a bike safety proposal asking Council to consider bike lanes, bike licenses and biker licenses. Dougherty provided two bike lane ideas. Moved by Council Member Jorgenson, seconded by Council Member Nordin, to refer the matter to the Street Committee under Matters in Hand.

Sal Espe, 1705 25th Street SW, spoke to Council regarding a pond - or stagnant water - in his neighborhood and resulting problems of it - mosquito control, tall weeds and rain without drainage. Espe talked about another source of stagnant water - a pond of his neighbor's whose aerating system is not working. City Engineer Jon Erichson spoke to the complaint saying that there is no natural drainage on 16th Avenue so in 1996-97 the County and City jointly built drainage for flow from 16th Avenue to try to keep it dry. Erichson said the area is very flat and the system works well in terms of flood control. Erichson said the storm sewer will be moved and also that the City is working with Carriage Homes regarding the pond. Letters have been sent out to correct the problem within a certain time frame. The Phase II Development of the storm sewer to the pond should take care of the issue of going to 16th Avenue. Mr. Erichson also added that the recent rains are not typical of the area. Erichson said that the pond was lined so that water would not leach down the pipe. Mr. Espe said Carriage Homes also promised a barrier of evergreens which have not been planted. Mr. Erichson replied that Carriage Homes did have to submit a landscape plan and that the City is working with the Developer to get this completed. Council Member-at-Large Chaffee added that he had viewed the area and did agree that the problem would need to be corrected as soon as possible.

Moved by Council Member Poppe, seconded by Council Member Nordin to approve the consent agenda as follows:

Licenses:

Sign: Graphic House, Inc., 9204 Packer Drive, Wausau, WI
Temporary 3.2 beer: Grand Meadow Jaycees @ Mower Co Fair, August 11-15, 1999
Temporary food: Grand Meadow Jaycees @ Mower Co. Fair, August 11-15, 1999
Novelty machine transfer: Ric Berg dba Silver Bullet, 110 4th Avenue NE
Cigarette transfer: Ric Berg dba Silver Bullet, 110 4th Avenue NE

Claims:

- (a) Financial and Investment Reports.
- (b) Pre-list of Bills.
- (c) Rose Francis, 511B 2nd Street NW, referred to the City Attorney to protect the City's interest.
- (d) David Hagen, 2907 6th Avenue SW, referred to the City Attorney to protect the City's interest.
- (e) Neal Luschen, 802 12th Avenue NW, referred to the City Attorney to protect the City's interest.
- (f) Alice Houff, 308 2nd Street SW, referred to the City Attorney to protect the City's interest.

The following is the report of bids for the Northeast Drainage Improvements on 12th Avenue, Project 3-A-98.

Contractor	Bid Amount
Freeborn	\$28,466.00
Lee Hanson	\$29,390.51
Sorensen	\$33,118.50

Moved by Council Member Lang, seconded by Council Member Nordin, to adopt a resolution awarding the bid to Freeborn. 6-0. Carried.

City Administrator Patrick McGarvey explained the tax increment financing saying that for the last 20-25 years, it has been a tool for cities to assist with three objectives: 1) economic development, 2) redevelopment with the purchase and removal of blighted buildings, and 3) clean up of polluted areas. The current State Audit Report states that 415 jurisdictions (or cities) are using 1,924 tax increment financing districts.

Mr. McGarvey stated that the vacant K-Mart building has declined in its taxes from approximately \$100,000 to \$25,000 and when the tax value on a property declines, the rest of the tax base picks up this loss. With the Hormel Foods Corp. plan to remodel the building, taxes will be back up to the former tax level, if not more. Gained taxes would then be used to improve the downtown area via the future sale of T.I.F. bonds which will be paid off from the increase in taxes Hormel will pay on the former K-Mart store starting in 2002. Mr. McGarvey explained the areas involved in the financing plan. Mr. McGarvey went on to explain that the priority properties include acquiring Spanky's and Steve's Pizza (two-story building). The 25-year redeveloped T.I.F. district is expected to pay approximately

\$1.8M in tax increment. This should allow a bond sale of approximately \$1,050,000 with about \$875,000 available for acquisitions, relocation, demolition, etc.

Finance Director Tom Dankert estimated that the impact on property valued at \$60,000 would cost the owner \$3.02 per year. The median property value for Austin is \$54,000. The impact on property valued at \$105,000 would cost the owner \$7.69 per year. It is estimated that it would cost \$0.53 for a resident of the County (not Austin) who owned property valued at \$45,000.

Walt Hartman, TIF consultant from Minneapolis, stated that criteria for the tax district includes the basic age of the buildings and the cost of rehabbing the K-Mart at \$40/ft. He advised that the structures included in T.I.F. No. 10 meet state requirements to be included.

The Mayor asked if there was anyone present who wished to speak on T.I.F. No. 10 or ask questions. There was no one present wishing to do so. The public hearing was closed.

Council Member-at-Large Chaffee said that the Port Authority had looked at the K-Mart to get it back up on its feet. Chaffee commended and thanked Hormel Foods for undertaking the project.

Council Member Lang reminded everyone of the benefits of past tax increment financing projects - Mill Pond, the library. Lang reminded everyone that the approval for this project does not mean a bulldozer will come in and destroy everything, but rather that it will be a slow project in stages. Lang reminded everyone of the positive developments in Austin - the bike trails, the housing in the northeast section, the Target development.

Moved by Council Member Lang, seconded by Council Member Jorgenson, to adopt the resolution approving the establishment of Tax Increment Financing District No. 10 located within Municipal District No. 1, and the adoption of the tax increment financing plan relating thereto. 6-0. Carried.

Planning and Zoning Administrator Craig Hoium reported that the Planning Commission reviewed a rezoning request involving approximately the west two acres of the east side of 4th Street and 13th Avenue NW intersection. The request is for a 7,000 s.f. auto parts store. The property to the north would remain as an R-1 district. Mr. Hoium reported that the petitioner meets the requirements for development. Charles Fawver stated at the Planning Commission meeting that to the rear of the building would be green space or an R-1 district and there would be green space on all areas adjacent to owners. Mr. Hoium said that there were concerns with the number of trees needed to be removed. According to the City's Tree Preservation Ordinance, 30%, or 23 trees could be removed. Hoium also reported that Charles Fawver reported that the petitioner is willing to create as much of a buffer to the east and south as is necessary for neighboring property owners. Mr. Hoium also stated that one neighboring property owner was concerned that the benefit of the rezoning would apply to one person and negatively impact the surrounding investments made to property owners' homes. Another comment concerned street congestion. Mr. Hoium reported that the Planning Commission made its recommendation keeping in mind sections of the Comprehensive Plan that deal with land use policies and commercial development; a

portion of the City Code concerning the consideration of public health, safety and welfare; and the aesthetic and historic value of the area.

Council Member-at-Large Chaffee stated that he did not wish to deny any business coming to town, but this location was not in keeping with the Comprehensive Plan. Mr. Chaffee also stated that he would welcome discussing with the petitioner to find another location.

George Moore, 1002 9th Street NW, stated that if this area was rezoned, it would need to be replatted.

Charles Fawver, of 201 22nd Street NW and representing the petitioner, stated that there would be no changes to the property line. Mr. Fawver said the buffer zone would create a division between the residential and commercial properties that would be a permanent definition.

Council Member Penske asked what the Sinclair station property is zoned at. Mr. Hoium said it is a "B-2".

Council Member Poppe reminded Council to keep these issues in mind while voting: the length of time spent on the Comprehensive Plan, the use of the land, the needs of the citizens, the traffic and lights.

Council Member Lang noted the controversy with the development of the Burger King.

Moved by Council Member Lang, seconded by Council Member Nordin, to deny the rezoning of property at 1400 4th Street NW and to prepare the Findings of Fact. 6-0. Carried.

Moved by Council Member Penske, seconded by Council Member Nordin, to adjourn the Common Council into a Board of Adjustment and Appeals. Carried.

Public hearing held for a 2'6" variance from the minimum side yard setback requirement of five feet in an "R-1" Single Family Residential District for the construction of 24' x 26' attached garage requested by Scott Everson, 1805 3rd Avenue SW. The existing garage will be removed. No comments received.

Moved by Council Member Poppe, seconded by Council Member Penske, approving the variance. Carried.

Moved by Council Member Penske, seconded by Council Member Jorgenson, to resolve the Board of Adjustment and Appeals back into a Common Council. Carried.

Paul Donna of Springsted presented the bids for the G.O. Improvement Bonds for 1999. On June 21, Council authorized \$630,000 of Improvement Bonds for street improvement projects on 19th Street and 3rd Avenue, Austin Acres and 17th Street. The bonds will be for 15 years and will be paid by special assessment and tax levy. Bids received are as follows:

Dain Rauscher	4.9437%
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John G. Kinnard	4.9950%
Cronin & Co.	5.0409%
Miller, Johnson & Kuehn	5.0603%

with the recommendation of accepting the bid of Dain Rauscher at 4.9437%. Austin received Moody's rating of A-1.

Moved by Council Member Lang, seconded by Council Member Poppe, to prepare an ordinance awarding the sale of \$630,000 G.O. Improvement Bonds to Dain Rauscher. Carried.

Moved by Council Member Lang, seconded by Council Member Poppe, to move the ordinance to the first reading. Carried.

Moved by Council Member Lang, seconded by Council Member Poppe, for adoption of the first reading. 6-0. Carried.

Moved by Council Member Lang, seconded by Council Member Poppe, to move the ordinance to the second reading. 6-0. Carried.

Moved by Council Member Lang, seconded by Council Member Poppe, to move the ordinance to the third and final reading. Carried.

Moved by Council Member Lang, seconded by Council Member Poppe, for the adoption and publication of the ordinance. 6-0. Carried.

Moved by Council Member Poppe, seconded by Council Member Jorgenson, adopting a resolution authorizing issuance, awarding sale, prescribing the form and details and providing for the payment of \$630,000 General Obligation Bonds, Series 1999B. 6-0. Carried.

Moved by Council Member Lang, seconded by Council Member Nordin, adopting a resolution approving 3.2 beer on-sale at Watts Cooking, 1509 10th Place NE. 6-0. Carried.

The grant request from the Minnesota Department of Public Safety to implement the "Safe and Sober Communities" program was tabled to be discussed at the next Finance Committee meeting for more review.

Moved by Council Member Nordin, seconded by Council Member Penske, approving the agreements to extend for one year the rental of ice time at Riverside Arena. Carried.

Moved by Council Member Lang, seconded by Council Member Poppe, adopting a resolution to grant transfer of license for hard liquor on-sale at the Silver Bullet. 6-0. Carried.

Appeal to the denial of a fence permit to Clark Toland for the Holiday Dodge property located at 2905 West Oakland Avenue. The request is for an 8-foot fence to prevent vandalism.

Moved by Council Member Poppe, seconded by Council Member Nordin, approving the appeal. Carried.

Moved by Council Member Lang, seconded by Council Member Jorgenson, adjourn the Common Council into a Sign Board of Appeals. Carried.

Clark Toland of Holiday Dodge appealed the denial of a sign permit to construct a 35' high, 150 s.f. sign. Planning Commission recommended approval.

Moved by Council Member Lang, seconded by Council Member Nordin, approving the appeal. Carried.

Moved by Council Member Jorgenson, seconded by Council Member Lang, to resolve the Sign Board of Appeals back into a Common Council. Carried.

Public hearing held on request from Michael and Jan O'Connor at property located at 910 2nd Avenue SW for a change of nonconforming use, changing the existing plumbing and heating business to a hair salon. The property is now in an "R-2" district with a "B-2" to the north, Galloway Park to the south and "R-2" districts to the east and west. The south side or rear of the property will still be a storage area. This property has been a plumbing and heating business since 1994. Prior to this, it was a Service Master business. Mr. Hoium said that the Planning Commission in reviewing this request thought that it met City Code guidelines. While the Planning Commission did not recommend this, Mr. Hoium said that the Council could choose to accept the request on conditions of hours, external signage or days open.

Council Member Poppe asked about the parking configuration. Mr. Hoium said it would stay the same.

Council Member Nordin commented on the dumpster on the property and also on the bad shape of the blacktop. Mike O'Connor replied that the dumpster would be removed. Mr. O'Connor also said that he would like to replace all of the blacktop in the future. Jan O'Connor said that they did put in some new cement. Mrs. O'Connor also said that it was her understanding that there would be just two operators at the business and there would no longer be trucks so the area should be safer.

Council Member-at-Large complimented the O'Connors on their nice building.

Moved by Council Member Lang, seconded by Council Member Poppe, approving the change of non-conformance. Carried.

City Engineer Jon Erichson presented a request to use the public street in Lone Oak Addition for a street dance in association with the Pacelli corn maze. Mr. Erichson suggested to Council granting the request on condition that they secure off-street parking from the farmer who is renting the land.

Council Member Poppe asked Mr. Erichson if this request could be run on a trial basis and to arrange with Park and Rec any music arrangement.

Moved by Council Member Nordin, seconded by Council Member Jorgenson, to approve the request with the above mentioned conditions. Carried.

Moved by Council Member Poppe, seconded by Council Member Lang, approving the street closure request on July 29th for Crazy Days. Carried.

George Brophy of the DCA reported on projects with the Cooperative Response Center, Web Graphics and Mower House Color Graphics. Mr. Brophy reported that there are three potential businesses looking to relocate who are vendors of Hormel.

Finance Meeting set for July 28, 1999 at 4:30 to include discussion of the Safe and Sober grant.

Moved by Council Member Lang, seconded by Council Member Nordin, to place the following issue under Matters in Hand: 1800-1900 block of 4th Avenue NE drainage problem and bad sidewalks problem.

Council Member Jorgenson reported that two tour operator groups will be touring Austin to see what we have to offer.

Mr. Hoium reminded Council of a sale of city property that has been tabled to August 2 for required full Council approval. A special meeting may need to be called for this.

Street Committee set for August 3, 1999 at 4:30 p.m.

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

Adjourned: 7:23 p.m.

Approved: _____

Mayor: _____

City Recorder: _____