

MINUTES
CITY COUNCIL CHARTER MEETING
March 6, 2006
5:30 P.M.
Council Chambers

MEMBERS PRESENT: Mayor Rietz. Council Members McAlister, Baker, Dick Pacholl, Scott Pacholl, Hecimovich and Nordin. Council Member-at-Large Christopherson.

MEMBERS ABSENT: None.

OTHERS PRESENT: Post Bulletin, Austin Daily Herald & KAUS. Kelly Mithuen. Larry Dolphin. Mike Pratt. Paul Sween.

Removed from the agenda: A resolution approving railroad Crossing Agreement with Iowa, Chicago & Eastern Railroad Corporation.

Moved by Council Member Hecimovich, seconded by Council Member Nordin, approving the agenda as amended. Carried.

Moved by Council Member Hecimovich, seconded by Council Member Dick Pacholl, approving the council minutes of February 21, 2006. Carried.

Moved by Council Member-at-Large Christopherson, seconded by Council Member Nordin, approving the consent agenda as follows. Carried.

Licenses:

Food: Tienda Guerrero, 301-D 4th Avenue NE
Savory Skillet, 107 11th Avenue NE
Concrete: Raimann Construction, 54524 175th Street
Sign Installer: Magic Media, PO Box 1247, Tifton, GA
JCT Signs, 1104 16th Avenue SW
Waitt Outdoor, LLC, 4725 F Street, Omaha, NE
Master Plumber: Jim & Dudes, 724 West Clark Street, Albert Lea, MN
Route 52 Plumbing & Heating, RR #1, box 9210, Chatfield, MN
Exempt Gambling (raffle): Knights of Columbus @ Knights of Columbus, 211 1st Street SE, July 19

Claims:

- a. Pre-list of bills.
- b. Randy Damom, 1000 2nd Avenue NE. This claim has been referred to the city attorney to protect the city's interest.
- c. Lennie Faa, 310 2nd Avenue NE. This claim has been referred to the city attorney to protect the city's interest.

A public hearing was held regarding authorization of a revolving loan to Eagles Aerie No. 703 for relocation in the Railroad Revitalization Project Area. This is a continued hearing from February 21.

Similar to the \$170,000 loan requested (and granted) to Lakeside Properties, the Eagles are requesting \$60,000 at 1% interest. The loan would be contingent on an additional revenue stream being identified for debt payments in a business plan plus bank loan approval. Staff sees no problem with this loan and recommends that it be approved.

Council Member Dick Pacholl questioned if this loan were approved, would it be contingent on their gambling money. City Administrator Jim Hurm said 'yes', or any other revenue.

Council Member Baker said he is in favor of this loan, realizing that there would be no personal guarantee and that this is also a different type of request from the B&J Bar, which is personally owned. Council Member Baker also questioned the use of gambling proceeds and asked if that would be their primary source. Mr. Hurm said probably. Council Member Baker questioned if this would be secure. City Attorney David Hoversten said yes; this would be considered a second mortgage. The primary mortgage has quite a bit of equity, and that would protect the city's interest.

Council Member-at-Large Pete Christopherson asked what the timeframe would be. City Finance Director said this matter has to be approved by the state, plus the business plan needs to be approved. It could be up to six months.

Council Member McAlister questioned what the "big rush" was. He said the Eagles do not have anything else in place and to rely on the percentage of gambling proceeds makes him "uncomfortable."

Moved by Council Member Nordin, seconded by Council Member Hecimovich, adopting a resolution authorizing a loan to Eagles Aerie No.703 contingent on the business plan and approval by a bank. 6-1. Carried. Council Member McAlister voted nay.

Austin's sesquicentennial committee, Austin 150 Inc., is planning on purchasing banners to be hung on light poles in the commercial areas throughout the city. Austin Main Street Project's Promotions Committee is also interested in having banners for the Main Street area at some time in the near future. Park and Rec Director Denny Maschka has said we have plenty of upper brackets for banners, but we would need to purchase lower brackets. City Administrator Jim Hurm said if we purchase them (the brackets), they would become the property of the city. The cost for purchasing these brackets for the Main Street area would be \$1000 and would come from the Main Street Project Inc. funds. Brackets for additional areas of the city would cost another \$1500. The funds would be transferred to the Austin Area Foundation on behalf of Austin 150 Inc. for the purchase of the banner brackets. City Administrator Jim Hurm said this was not put on a work session agenda so as to speed the project along as it is getting late for ordering.

Kelly Mithuen, director of Austin 150 Inc, showed Council a sample of the banners, which are made of heavy vinyl, are double-sided and would be colorful. The banners would not necessarily denote the sesquicentennial but would include the words 'Austin' and the established date of 1856. Austin 150 Inc would purchase the banners and then give them to the city after this year.

Council Member Baker questioned the cost to install the banners. Park and Rec Director Dennis Maschka said it would be roughly \$150, but the work would be done by city personnel.

Council Member Dick Pacholl questioned why the current brackets wouldn't work. Mr. Maschka said these brackets are different than what is used for the Christmas banners. They require double brackets with a tightening ring which is spring-loaded.

Moved by Council Member Nordin, seconded by Council Member Hecimovich, authorizing the transfer of funds to Austin Area Foundation on behalf of Austin 150 Inc for the purchase of banner brackets. Carried.

A term on the Joint Powers Board for the Austin-Mower County Homeownership Fund Board is expiring. This is the DCA appointment, which is filled currently by Joe Fuhrman. The DCA person is appointed by the City Council. City Finance Director Tom Dankert said this board was created in 1997. The Fund helps anyone who meets the guidelines with home loans. Loans of up to \$4000 at 2% interest have been given. Since the fund was set up, 325 parties have received a total of over \$900,000 in loans.

Moved by Council Member Nordin, seconded by Council Member Dick Pacholl, reappointing Joe Fuhrman to the Homeownership Fund Board. Carried.

Jon Erichson has received a request from Hormel Foods to close North Main Street for their Spam Jam celebration. This is similar to a request from last year. The street would need to stay closed from the morning of June 16 to June 18 at noon.

Council Member Dick Pacholl asked if the street would open up after hours. Mr. Erichson said the street would be totally closed.

Moved by Council Member Hecimovich, seconded by Council Member Dick Pacholl, approving the request to close North Main Street. Carried.

The City Council must pass an agreement with the DCA. City Administrator Jim Hurm said the draft agreement is the same as the current agreement but the contribution to the DCA is another \$5000. This was agreed by Council and budgeted in 2005.

Moved by Council Member Hecimovich, seconded by Council Member Nordin, adopting a resolution approving the agreement. 6-1. Carried. Council Member Dick Pacholl voted nay.

The State Auditor has said the By-Laws of the Austin Part-time Firefighters Relief Association must be amended to be in compliance with state statutes. Finance Director Tom Dankert said he and Fire Chief Dan Wilson were going to wait and make other amendments to the by-laws, but those changes would take more than two months. The City Council is requested to approve the changes as is and later will be asked to approve totally revised by-laws. The Austin Part-time Firefighters have approved these initial changes, and the State Auditor said the changes must be made before State Fire Aid is sent.

Moved by Council Member Hecimovich, seconded by Council Member Nordin, adopting a resolution approving the amended by-laws. 6-0. 1 abstain (Council Member-at-Large Christopherson).

The next two items are annexation requests. Community Development Director Craig Hoium said they can be approved in one of two ways: through joint orderly annexation via a resolution approved by the city and township or annexation through ordinance. Either action must be approved by the State.

Magic Media has requested annexation. This property is completely surrounded by city property. According to the comprehensive plan, this area should be planned for urban expansion or business industry.

Council Member Dick Pacholl asked what the company is. This is a billboard company which has expressed some interest in placing a billboard on this property. Mr. Hoium said they would have some challenges and they may not meet the minimum spacing requirements. They would meet the 750-foot minimum in height, but they might not meet the required 500 feet from a residential district. If that were the case, they would have to apply for a sign appeal. The request at hand, however, is for annexation. When they are annexed, the property would become R-1, and if they were to go forward with a billboard, they would have to request rezoning.

Moved by Council Member Dick Pacholl, seconded by Council Member Nordin, adopting a joint resolution approving the annexation. 7-0. Carried.

Lansing Township has reviewed and approved a petition for annexation of approximately 55 acres. The land is surrounded by recreational use to the east and north and residential, commercial and industrial uses to the west and southwest. Community Development Director Craig Hoium gave a brief history of the property. In 2000, David and Patricia Morse petitioned for orderly annexation of the same 55 acres, and the action was approved by the City Council. Following this the Lansing Township tabled and later denied the petition. The petitioners then requested the annexation by ordinance, and the City approved the action. This was later repealed by referendum and the annexation denied. Mr. Hoium said Mower County's Comprehensive Plan has cited this area for urban expansion, and the city's Comprehensive Plan has cited this area as low density residential.

Mr. Hoium received a call from Nature Center Naturalist Larry Dolphin who expressed concern for the layout of the project and concern with the proposed berm. Mr. Hoium said these concerns would be addressed at the time the developer meets with the City. That would occur after the annexation is approved.

Council Member-at-Large Christopherson questioned why Lansing Township would deny the request previously (in 2000) and now approve it. Mr. Hoium said he did not know. He added that the proposed development would not be as dense.

Mike Pratt, 1211 18th Street NE, told Council he is “still very opposed” to the annexation. Mr. Pratt suggested Council postpone the decision for a month to ask further questions of the Nature Center and the public. He said the public made it “very clear in 2000 *not* to develop”.

Council Member Nordin said that in 2000, the Nature Center had concerns because they were looking at expansion. They have since expanded to the north and the east and now the concerns aren’t as deep.

Council Member Dick Pacholl noted that the request has “come up so quick”. He also questioned why the township has changed their mind; he prefers to wait.

Paul Sween said he is one of the seven developers of this new development to be known as ‘Nature’s Ridge’. Whereas in 2000, the proposal was for “affordable” homes and extremely dense, this development has a “totally different character”. He said the previous developments – among them Orchard Creek – have added \$13M to the housing market. This new development will add another \$32M. Taxes will bring in \$436,000 per year. He said these new homes will add families and use local businesses. The average frontage is 105’; home values will be \$250,000 to \$350,000.

Moved by Council Member Nordin, seconded by Council Member McAlister, adopting a resolution approving the annexation. 6-1. Carried. Council Member Dick Pacholl voted nay.

Moved by Council Member-at-Large Christopherson, seconded by Council Member Nordin, setting a hearing for March 20 for a 3.1% variance from the minimum 20% greenspace for property located in the 900-1200 blocks of 18th Avenue NW. Carried.

Community Development Director Craig Hoium said this request was originally reviewed in August 2005, tabled to September 2005, after which the developer was requested to make revisions to the proposal. At that time, the only approved action was rezoning of two parcels.

Moved by Council Member Hecimovich, seconded by Council Member Nordin, adopting a resolution setting a hearing for March 20 for a rezoning of property located in the 1200

block of 18th Avenue NW from an R-2 Multi Family Residential District to a B-2 Community Business District. 7-0. Carried.

Moved by Council Member Hecimovich, seconded by Council Member Nordin, setting a hearing for March 20 for a preliminary plat of property to be known as *Plehal/Dolan Addition*, which is the site of a proposed approximately 29-acre commercial retail development in the 900-1200 blocks of 18th Avenue NW. Carried.

REPORTS

City Administrator Jim Hurm reported that the City has received a check from the Hormel Foundation for \$150,000 for AMCAT and \$25,000 for the Spamtown USA Freedom Festival.

Parks and Rec Director Denny Maschka has distributed the Mission Statement and Annual Report of the Park and Rec Department.

Council Member Baker asked about the use of the arenas. Mayor Rietz said this will be discussed by Council; it is on our Matters In Hand list.

Council Member Hecimovich updated everyone on the Reintegration Program. The next meeting date for this will be April 6.

April 17 is the date for the City Open House (with Austin Utilities). This is the date in 1856 that the city was platted. The committee is planning the event, which will include bus tours.

Mayor Rietz asked for nominations for Volunteer of the Year by Friday. Please give the name and reasons for the nomination.

Mayor Rietz also briefly reported on her trip to Wiggins, Mississippi.

The Mayor also asked everyone to remember our troops on the 11th hour on March 11.

Pamphlets on the Austin Pageturners' next book, 'Daughter of China' were passed out to Council. The author is Larry Engleman who grew up in Austin. There will be a book discussion on April 10 at 7:00 at the library.

Moved by Council Member Nordin, seconded by Council Member-at-Large Christopherson, adjourning the meeting to Monday, March 20 at 5:30. Carried.

Adjourned: 6:44 p.m.

Approved: March 20, 2006

Mayor: _____

City Recorder: _____