

MINUTES
CITY COUNCIL CHARTER MEETING
December 3, 2007
5:30 P.M.
Council Chambers

MEMBERS PRESENT: Mayor Stiehm. Council Members McAlister, Austin, Dick Pacholl, Scott Pacholl, Hecimovich, and Martin. Council Member-at-Large Christopherson.

MEMBERS ABSENT: None.

STAFF PRESENT: Jim Hurm, Jon Erichson, Craig Hoium, Tom Dankert, Jeanne Howatt, David Hoversten, Ann Hokanson, Denny Maschka, Paul Philipp, and Steven Lang.

OTHERS PRESENT: Post Bulletin, Austin Daily Herald. Public. Randy South. Stan Stephenson. Duane Feragen and Marv Repinski.

Moved by Council Member Hecimovich, seconded by Council Member-at-Large Christopherson, approving the agenda. Carried.

Moved by Council Member Hecimovich, seconded by Council Member-at-Large Christopherson, approving the council minutes of November 3, 2007 and November 19, 2007. Carried.

Jeff Weaver from Mower County presented the traveling plaque to the City as the winner of this year's United Way City/County Food Drive. The two governments have had a friendly competition for 15 years. Mower County has won six times, and the City of Austin has won nine. In total, the drive has provided the Salvation Army with 27,456 pounds of food.

Moved by Council Member Hecimovich, seconded by Council Member Scott Pacholl, approving the consent agenda as follows.

Licenses:

Exempt Gambling (raffle): Austin Jaycees @ Veterans Park-Bandshell, July 4

Claims:

- a. Pre-list of bills.
- b. Collin Boyer, 1918 3rd Avenue NE. This claim has been referred to the city attorney to protect the city's interest.
- c. Charles Steenblock, 308 10th Avenue NW. This claim has been referred to the city attorney to protect the city's interest.

- d. Jessa Blom, 1904 1st Avenue NE. This claim has been referred to the city attorney to protect the city's interest.

Carried.

A public hearing was held for the sale of property located in Lot 2, Block 1, NE Industrial Park. The City has received two proposals for this property; the offers are for two different sizes. The first proposal from Randy South of Tech Tool is for the entire 1.5-acre site. Stan Stephenson of Stephenson Insurance has offered to buy .6 of an acre – a portion of the site. Mr. Hoium gave a brief history of this property. Over the past years, land for sale in the Northeast Industrial Park has been valued at \$12,000 per acre. The amount was determined when the industrial park was originally developed and this was the determined cost-per-acre of the infrastructure for the entire park. Recently another company – Smythe Companies – has expressed interest in expanding on 14th Street NE. In the process, an appraisal was done by the Port Authority on the 13.55 acres adjacent to I-90 which is owned by the Port. The results showed the land value to be \$24,000 to \$36,000 per acre. The 1.5-acre site is actually 60-75% designated wetland. The second proposal for the .6-acre is only for the developable land. Mr. Hoium said there is a mitigation process to develop the wetlands, but he said that would be quite cumbersome. Mr. Hoium then summarized Mr. South's proposal. Randy South currently owns 1.65 acres adjacent to the property. He is proposing to acquire the 1.5 acres to the west. The 1.65 acres was originally developed in 1995. There is a 5000-square-foot building on his current property. In 2000, he expanded with a 10,000-square-foot building just south of the first structure. He has proposed to construct another 10,000-square-foot addition. The purchase price would be \$15,000 for 1.52 acres. Mr. Hoium said the purchase agreement has the standard language relating to property taxes. The closing date would occur February 1, 2008 or sooner. The purchase agreement includes the following addendum:

- 1) Purchase price of \$15,000 to be paid as follows: \$1,000 earnest money to be paid prior to City of Austin approval for proposed land sale and \$14,000 to be paid at closing. Special assessments on property taxes shall be paid by the date of closing by the seller of said property.
- 2) All off-street parking areas and drives within redevelopment area are required to be hard-surfaced with concrete or asphalt surfaces.
- 3) City of Austin shall be responsible for all costs associated to any necessary re-platting or minor subdivisions of Lot 2, Block 1, Austin Industrial Park NE
- 4) Buyers shall enter into a Contract for Private Redevelopment with the City of Austin, which contract must be approved by both seller and buyer prior to closing and, in the event said contract is not so approved, the purchase agreement shall become null and void and the earnest money shall be returned to Buyer.
- 5) Buyer shall be able to obtain all necessary permits and necessary MCSWC clearance to construct intended structures and site development of property. Approvals for the MCSWC shall be submitted prior to the date of closing.
- 6) In the event the transaction of the sale of this property does not become finalized, the buyer shall be reimbursed the earnest money paid
- 7) Seller shall pay the costs for the wetland delineation study which was completed prior to the date hereof
- 8) Acceptance of property sale shall be subject to Austin City Council approval and make the same available to Seller

9) Buyer shall be responsible for constructing and installing at his own expense and cost of all extensions and connections to and from existing sewer, gas, water and electric utilities necessary to service any buildings on the premises being sold hereby.

10) It is specifically understood and agreed that the Purchaser has inspected premises and is purchasing said premises in "As Is" condition without any responsibility or warranty of the Seller to make repairs or improvements, and without liability for injury or damage from the condition of the premises.

Also, in preparing for developing the property, Mr. South has received estimates for fill that would be needed. The cost would be approximately \$10,000; Mr. Hoium said the required fill has a lot to do with the elevation of the property.

Council Member Hecimovich confirmed with Mr. Hoium that the purchase agreement is for the entire city-owned property. The City would not be responsible for any portion.

Mr. Hoium then discussed Mr. Stephenson's proposal. His proposal is for only .6 acre and would include only a portion of Lot 2. Mr. Stephenson proposes to build a 4000-square-foot building office and storage area. Off-street parking would be on the south end. Mr. Hoium referred to the building floor plans and elevations which show an office at the south end and storage in the north area. The proposal is for \$12,000. A closing date would be on or before January 1, 2008; however, Mr. Hoium said if approved they may have to look at a different date.

Mr. Hoium reminded Council that a 7-0 vote is needed for the sale of city property.

Council Member Dick Pacholl requested to confer with City Attorney David Hoversten.

Mr. Hoium told Council that he does not solicit on property sales; it just so happened that there are two buyers at the same time. He added that he does not disclose what the terms are to the opposite parties.

Mayor Stiehm asked if there are any liabilities with the wetland. Mr. Hoium said only that there are stipulations of different mitigation requirements. In the case wetlands are developed, the developer must purchase other wetlands to replace those. Mayor Stiehm asked if the wetlands here could potentially be developed. Mr. Hoium said they could encroach with a building of 200 feet. He added that if you look at the property and look at replacement costs, it would be quite prohibitive.

Council Member Hecimovich confirmed with Mr. Hoium that if the City sold the .6 acre, the other .92 acre would need to be maintained by the city. Mr. Hoium said that is part of the concern. Another concern expressed by the Engineering Department is that we already have wetland – quite a few acres in the Northeast Industrial Park. Also there is the public perception of the city filling in wetlands with our considerable problems already in the community.

Council Member Scott Pacholl confirmed with Mr. Hoium that the area is zoned for industrial use.

Mr. Hoium clarified that the offer by Randy South is for \$15,000.

Mr. Hoversten advised that only one resolution approving the sale is required.

Council Member Hecimovich moved to adopt a resolution approving the sale of 1.5 acres Randy South for \$15,000.

Council Member Scott Pacholl questioned who put earnest money down first. Mr. Hoium said he didn't know but that obviously they were both on the same day.

Council Member-at-Large Christopherson said he had contacted a local realtor for a recommendation on procedure. He was told the seller is always in control. Mr. Christopherson said he wants to treat Mr. Stephenson fairly, but being that the city has control he (Mr. Christopherson) recognizes the chance to sell the whole thing. The City would not have a use for the .9 acres. We have to weigh that and do what we think is the best for the City of Austin, he said. "I would like you to continue to work with our development because we do want you in town," he told Mr. Stephenson. Mr. Stephenson replied that he could only use the non-wetlands.

Council Member Scott Pacholl seconded the resolution. 7-0 Carried.

Mayor Stiehm echoed Mr. Christopherson's concerns that he would hopefully keep his business in Austin. Council Member Dick Pacholl suggested he may be able to go with Main Street project in the downtown area. Mr. Stephenson indicated he was not interested in that idea.

Effective January 1, 2008, the federal mileage reimbursement rate is increasing from the current rate of 48.5 cents per mile to 50.5 cents per mile. Mr. Dankert recommends the increase.

Moved by Council Member-at-Large Christopherson, seconded by Council Member Hecimovich, increasing the mileage reimbursement rate to \$.50.5 per mile. 7-0 Carried.

Mayor Stiehm is recommending reappointments of the following people whose terms on various boards and commissions will be expiring:

- Roger Boughton – Library Board
- Miguel Garate – Library Board
- Steve Booher – Fire Civil Service Commission
- Doug Myers – Police Civil Service Commission
- Dick Lang – HRA Board – citizen representative
- Shirley Schlieve – HRA Board – resident representative
- Liliana Silvestry – Human Rights Commission
- Glenn Mair – City Planning Commission
- Danielle Heiny – Cable TV Committee

Mayor Stiehm is also recommending the following four new appointments:

- Lonnie Skalicky – Planning Commission

Duane Feragen – Library Board
 Marv Repinski – Human Rights Commission
 Kathryn Martin – Human Rights Commission

Mayor Stiehm recognized Mr. Repinski and Mr. Feragen who were in attendance.

Council Member Martin said due to his wife being recommended for a position, he would abstain from the vote.

Moved by Council Member Hecimovich, seconded by Council Member Dick Pacholl approving the recommendations. 6-0. Carried. Council Member Martin abstained.

Moved by Council Member Hecimovich, seconded by Council Member Scott Pacholl, adopting a resolution approving 2008 Wine On-Sale And Strong Beer On-Sale Licenses to Kenneth Knutson dba Kenny's Oak Grill and JAMS of Austin, Inc./Scott Johnson dba Jerry's Other Place. 7-0. Carried.

The Engineering Department has begun the first stage of the 2008 Capital Improvement Program and is asking Council to request feasibility reports on the following projects:

Street	1) 17 th Avenue SW (4 th Drive to 12 th Street)	8-A-04
Street	2) 16 th Avenue SW cul de sac @ house #1000	5-A-08
Street	3) 13 th Avenue SW (4 th Street to 10 th Street)	4-A-05
Street	4) 12 th Avenue SW (4 th Street to 10 th Street)	3-A-08
Street	5) 9 th Street SW (6 th Avenue to 8 th Avenue)	2-A-08
Street	6) 6 th Avenue SW (8 th Street to 12 th Street)	2-A-08
Street	7) 1 st Place SE (12 th Street to 14 th Street)	1-A-08
Street	8) 1 st Avenue SE (14 th Street to 16 th Street)	1-A-08
Street	9) 2 nd Avenue SE (16 th Street to 21 st Street)	4-A-08
Street	10) 4 th Street SE (8 th Avenue to 16 th Avenue)	5-A-05
Street	11) 18 th Street SE (1 st Avenue to 2 nd Avenue)	4-A-08
Street	12) 17 th Street NE (3 rd Avenue to 5 th Avenue)	7-A-08
Miscellaneous	13) 2008 Sidewalk Project SW Quadrant	1-C-08

Moved by Council Member-at-Large Christopherson, seconded by Council Member Dick Pacholl, adopting a resolution ordering the preparation of report on improvements. 7-0. Carried.

Steve Wald, retired City of Austin police officer and instructor at RCC, spoke to Council. In 2004, the Law Enforcement program at Riverland Community College asked for, and received, two squad cars for their training program. Now, they are asking for a trade. The vehicles – a 1995 and a 2004 Crown Victoria – owned by the City of Austin are retired and scheduled to be put up for auction. The two squad cars Riverland would trade are a 1997 and 2001 Ford Crown Victoria. Mr. Wald sees a real benefit in using these vehicles in the law enforcement program to keep students well educated. He said the vehicles would be used for the emergency vehicle operations course. The students will be prepared for whatever city hires them, including our city, he said. Students have said they felt a lot more comfortable with the training. Mr. Wald

said they are also in the process of doing security for parking lots – the squad cars would be seen and visible, and it may slow traffic in circle drives, etc.

Council Member Martin questioned if this is basically a benefit to Riverland. Mr. Wald said there is currently a majority of officers working for the City of Austin who are graduates of this program, but there is no guarantee current (and future) students will be hired here.

Moved by Council Member Hecimovich, seconded by Council Member Dick Pacholl, 7-0. Carried.

The City of Austin has reached an agreement with Austin Employee Association for the 2008-2010 labor agreement. Council Member Dick Pacholl thanked both parties on a successful completion.

Moved by Council Member Dick Pacholl, seconded by Council Member-at-Large Christopherson, adopting a resolution approving 2008-2010 AEA labor contract. 7-0. Carried.

Per the Committee-of-the-Whole's suggestion, an agreement has been drafted for ownership and maintenance of the Milwaukee Railroad steam locomotive 1004. This document was approved by the Mower County Historical Society. The agreement provides for a lump sum of \$20,000 to the Society, funding to come from the Contingency fund. They would own and maintain the steam locomotive.

Council Member Martin noted his frustration for allowing \$20,000 to go for this project and not on a Visitation Center. (*More discussion on the Visitation Center is scheduled for the 12/17/07 work session.*)

Moved by Council Member Hecimovich, seconded by Council Member-at-Large Christopherson, adopting a resolution approving the agreement with Mower County Historical Society for the steam locomotive No. 1004. 7-0. Carried.

Moved by Council Member-at-Large Christopherson, seconded by Council Member Hecimovich, granting the Planning and Zoning Department the power to contract for the removal of junk and/or illegally stored vehicles at 309 3rd Avenue SW, Antonia Ramos DeRodriguez property. Carried.

Moved by Council Member Hecimovich, seconded by Council Member-at-Large Christopherson, granting the Planning and Zoning Department the power to contract for the removal of junk and/or illegally stored vehicles at 610 10th Street NE, Inboua property. Carried.

Moved by Council Member Hecimovich, seconded by Council Member-at-Large Christopherson, granting the Planning and Zoning Department the power to contract for the removal of junk and/or illegally stored vehicles at 205 5th Street SW, Bumgarner property. Carried.

A three-year contract was negotiated with Austin Police Department Supervisors; the bargaining unit has approved and signed the contract. Council Member Dick Pacholl again thanked both parties.

Moved by Council Member Dick Pacholl, seconded by Council Member Hecimovich, adopting a resolution approving the 2008-2010 labor agreement with Austin Police Department Supervisors. 7-0. Carried.

Moved by Council Member Hecimovich, seconded by Council Member Scott Pacholl, adopting a resolution granting a transfer of Off-Sale Liquor License for Star Liquor (Jim Baldus). 7-0. Carried.

Moved by Council Member Scott Pacholl, seconded by Council Member Dick Pacholl, granting a transfer of Hard Liquor On-Sale and 3.2 Beer Off-Sale Licenses to Daily Companies, Inc. (Jeffrey J. Daily) dba Lefty's Bar. 7-0. Carried.

Moved by Council Member Hecimovich, seconded by Council Member-at-Large Christopherson, setting a public hearing for December 17 for a proposed amendment to the Comprehensive Plan which would change the future land use map. Carried.

Mr. Hoium said he is working with a consulting firm on the Comprehensive Plan updates, which was approved by Council earlier this year. The scheduled public hearing is for some updates in phase I.

A public hearing was held on a joint resolution with Lansing Township for orderly annexation of the Hopkins property. The property consists of 42 acres in Lansing Township southwest of the Target property. Mr. Hoium noted that the annexation laws changed in 2006. It had been an option to reimburse the township for the lost tax base. It is now a requirement to reimburse the township. Mr. Hoium noted the schedule for reimbursement of taxes totaling (approximately) \$1240. Taxes are currently (approximately) \$215 for the township annually. The schedule for the reimbursement is graduated beginning at 100% for the first year, down to 10% in the sixth year. The Lansing Township Board will review this joint resolution on December 5. Mr. Hoium has had discussions on this with Bev Nordby, Lansing Township Chairperson, and Paul Sween, who is representing Flora Hopkins.

Council Member Hecimovich questioned if the exit would be off the freeway. Mr. Hoium said if the future development is residential or commercial, there would need to be a number of public hearings. Per our city charter, the area must be annexed in as R-1. If a commercial development is planned, there would need to be several more hearings and council actions, such as rezoning, platting, etc. The current transportation plan here is for access from 18th Avenue NW.

Moved by Council Member Hecimovich, seconded by Council Member-at-Large Christopherson, adopting a resolution approving joint annexation. 7-0. Carried.

REPORTS:

Council Member Martin thanked citizens for allowing him to attend the National League of Cities convention in New Orleans. Mr. Martin said he learned a lot. There are a lot of gaps in local government, he said, and hopefully we can do something about that. He said Austin needs to have a vision, especially considering our size and that we are entering a new millennium. He noted that technology is changing extremely fast and we need to address this as a community. It is our obligation. Though he acknowledged that change is hard for everyone, it is for the betterment of our community. Mr. Martin also stressed the serious need for a visitation center. Mayor Stiehm said this matter is scheduled to be discussed during the December 17th work session; it is not a dead issue.

Mr. Dankert reminded everyone of the Truth in Taxation public hearing scheduled for tomorrow night, December 4, at 5:30 in Council Chambers.

City Administrator Jim Hurm announced a wind energy forum scheduled for December 12. The forum, sponsored by the DCA, will be at Grumpy's Restaurant in Grand Meadow on December 12 at 1:30-3:30.

Mr. Hurm also let council members know that the final presentation of architects that was done at the courthouse was put on a DVD; it is available for viewing.

Mayor Stiehm thanked Council for last week's action on the jail. He said he believes it was the council's solidarity that swayed the commissioners. This will be good for downtown.

Moved by Council Member-at-Large Christopherson, seconded by Council Member Hecimovich, adjourning the meeting to December 17, 2007.

Adjourned: 6:35 pm

Approved: December 17, 2007

Mayor: _____

City Recorder: _____