

MINUTES
COMMITTEE-OF-THE-WHOLE WORK SESSION
January 14, 2008
City Hall Conference Room
5:30 p.m.

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

ABSENT: None.

STAFF PRESENT: Community Development Director Craig Hoium, City Attorney David Hoversten, Administrative Assistant Jeanne Howatt, Public Works Director Jon Erichson, City Clerk Lucy Johnson, City Administrator Jim Hurm, and Administrative Services Director Tom Dankert.

ALSO PRESENT: Sandy Forstner (Chamber of Commerce), Public, Austin Post Bulletin, and Austin Daily Herald.

Mayor Stiehm opened the meeting at 5:30 p.m.

Item # 1 Jail/justice center development agreement and budget: Mr. Hurm noted staff met four times with the Mower County staff in order to hammer out the proposed agreement. Mr. Erichson and Mr. Hoium worked on the expenditure side, while Mr. Dankert and Mr. Hurm worked on the revenue side of the budget. Additionally Mayor Stiehm and Council Member Martin met with all of the property owners.

Mr. Hurm discussed the different elements regarding the developer's agreement (please see attached developers agreement for the specifics). Some of the highlights discussed are:

- Item #1 – Fifty percent (or \$750,000) is due within 45 days of the signing of this developer's agreement. The other 50% is due no later than September 1, 2008.
- Item #2 - If the Justice Center is not constructed on the downtown property, Mower County is responsible for reimbursing the City the entire cost of the 2-block site, not limited to the County's \$2,762,100. Council Member Martin questioned why we don't own the land and the County owns the building. Mr. Hurm stated the County will need to own the land in order to build on it. Mr. Hurm stated if for some reason the County does not build on this two-block site, then the City would probably work with Mower County to redevelop the property.
- Items #4-10 were discussed. Council Member Martin referred to the site development meetings and questioned who the City would appoint to attend these. Mr. Hurm stated that has not yet been decided, but it would probably be a technical representative. Council Member-at-Large Christopherson questioned soil borings in the site development. Mr. Erichson stated the City is only responsible for digging the first five feet; any deeper is Mower County's responsibility. Mr. Erichson stated the City will be responsible for any environmental cleanup. Council Member Hecimovich clarified that if any environmental issues occurred below the five-foot level, then who would be

responsible. Mr. Erichson stated the City is responsible for ALL environmental cleanup. Council Member Martin questioned if any potential cleanup would cost \$10 million, then do we have an out. Mr. Hurm stated no, we would not. But, we would want to clean up the property anyway.

- Item #11 – Mr. Hurm stated we need to act in good faith to have the site ready by December 31, 2008.
- Items #12-17 were discussed. Discussions on parking were discussed in some detail. Council Member Dick Pacholl questioned why we would close off 1st Street. Mr. Erichson stated Mower County wants 320 parking stalls, and this street is needed to get 100 of those 320. It would be a one-way street with diagonal parking. Council Member Martin asked if Mower County is still looking at buying the Robbin's block. Mr. Hurm stated he does not know yet, but if they do it is at their cost. Council Member Martin stated the County does not need a whole lot of this if they buy the Robbin's block. Council Member Dick Pacholl said we had stated we would never go through condemnation. Council Member McAlister stated he heard Council Member Dick Pacholl state this, not others. Mayor Stiehm stated we are not in favor of eminent domain, and we have met with all of the affected property owners. Council Member Dick Pacholl questioned what would happen if a business feels they are not being treated fairly. Mr. Hoversten stated there are more stringent requirements for condemnation these days. We need to get the appraisals, and then negotiate from there. If there is no settlement, then the business hires their own appraiser. If an agreement cannot be worked out, eventually district court is involved. Mayor Stiehm stated all of the businesses he has spoken with plan on staying in town. Council Member Dick Pacholl stated we will lose tax base if the businesses close.
- Items #18-27 were also discussed in detail.

Mr. Hurm noted the budget figures have been moving as better estimates come in. Land cost at the Cook Farm site is not included in the budget, as the land may be given away. Mr. Hurm went over the budget and where the proposed \$4,090,140 of city cash is coming from. Mr. Hurm noted the budget has the following elements:

1. Contribution to Mower County	\$1,500,000
2. LEC Renovation budget	\$ 800,000
3. Land/site development budget	\$4,552,240

Of the items listed above, revenue will come from the following:

1. Mower County contribution to land cost	\$2,762,100
2. City Police PERA funds	\$ 400,000
3. City Building Fund	\$3,465,140
4. City TIF land buyout (from General Fund)	\$ 100,000
5. City HRA (over 2 years)	\$ 125,000

Mayor Stiehm stated when it is all done, the justice center will be downtown.

After further discussion, the work session was adjourned at 6:43 p.m. by a motion of Council Member Scott Pacholl, seconded by Council Member Hecimovich. Carried 7-0.

At 7:05 the council work session was brought back into session.

Item # 2: Discussion on City Charter . Mr. Hurm stated the Charter Commission is scheduled to meet on January 30, 2008. Mr. Hurm discussed an eleven-page memo that was completed by the League of Minnesota Cities as they reviewed the Charter for us.

Mr. Hoversten stated the City Council makes recommendations to the Charter Commission. The Charter Commission reviews the recommendations by the City Council, and may make recommended changes by themselves. The City Council then needs to meet to pass an ordinance to change the Charter. Changes to the Charter may also be made by voters through a referendum. Mr. Hoversten stated he believes the Charter Commission does not want to go through the Charter themselves, they are probably looking for recommended changes by us.

Mr. Hurm stated the League's review of the Charter focuses on the Charter needing to be shortened, and then ordinances being passed to cover the needs of the City. Mayor Stiehm noted he would like a council committee to be involved in this review of the Charter. Further discussion ensued regarding the Charter review.

Mayor Stiehm questioned what votes are needed to pass any Charter changes. Mr. Hoversten stated the Charter Commission only needs a majority approval in order to pass Charter changes. The City Council, on the other hand, needs to then approve of any changes with a unanimous vote by all seven City Council members to change the Charter.

After further discussion, motion by Council Member-at-Large Christopherson, seconded by Council Member Martin to have Council get the recommended changes from Mr. Hoversten plus have council members individually study and review the policy changes they would like see in the Charter. Carried 7-0. Chapters 1-4 will be reviewed at the work session of January 22, 2008.

There being no further business, motion by Council Member Dick Pacholl, seconded by Council Member-at Large Christopherson, to adjourn the meeting. Motion passed unanimously. Meeting was adjourned at 7:40 pm.

Respectfully submitted,

Tom Dankert
Director of Administrative Services