

**MINUTES**  
**COMMITTEE-OF-THE-WHOLE WORK SESSION**  
**MARCH 7, 2011**  
**City Hall Conference Room**  
**Immediately following council meeting**

**PRESENT:** Mayor Stiehm. Council Member-at-Large Anderson (acting mayor), Council Members Austin, McAlister, Boughton, King, Clennon, and Enright.

**ABSENT:** *none*

**STAFF PRESENT:** Jim Hurm, Steven Lang, Craig Hoium.

**ALSO PRESENT:** Austin Post Bulletin and Austin Daily Herald.

Mayor Stiehm opened the meeting at 5:15 pm.

Rental housing ordinance – Craig Hoium presented three types of ordinances which the City could adopt. The draft ordinances are ordinances which are already in place in other communities. Staff has held some discussions with the Landlord Association on adopting an ordinance. A public nuisance ordinance addresses the disorder complaints, including junk, odor, and excessive noise. If property owners refuse to correct an issue, the City must go through the District Court system; this is a timely process. Mr. Hoium noted that, for instance, a court case was handled last fall for a case from August 2008. Violations are often corrected through notification to the property owner via a letter in which the City cleans up the property if the property owner fails to do so. Some communities hold seminars – some are mandatory and some are optional. Our Police Department holds an 8-hour seminar for landlords in which some regulations are reviewed. Other portions of these types of ordinances include training for tenants by Police Departments. Visits are made to rental properties to see if locks and windows are secured, for example.

Another type of ordinance – safe and crime-free rental housing programs – would involve the Police Department. Management would attend training presented by the Police Department. Visits would be made to the rental properties to check on security measures – locks secured, windows. The program also includes training for residents themselves to promote crime prevention. Benefits of the safe and crime-free rental housing program include:

- A stable, more satisfied resident base
- Increased demand for rental units with a reputation for active management
- Lower maintenance and repair costs
- Increased property values
- Improved personal safety for tenants, managers, and owners
- More time for routine management and less time on crisis control, and

- More appreciative neighbors.

Owatonna, Albert Lea and Rochester all have similar programs. Council Member-at-Large Anderson noted that Rochester's new housing ordinance allows for training for landlords to be done online.

The third tenet involves licensing – including rates, requirements, cycle of inspections and penalties. They vary greatly from being very restrictive to being passive. Landlords would pay a fee for licensing. An appointment would be made for inspections with, perhaps, both tenant and landlord. A first inspection could include such things as noting smoke detectors and fire extinguishers and requiring exits to be clear. Second inspections could address other issues such as deteriorating roofing, siding, the accumulation of junk inside, etc.

The Landlord Association has expressed concern with the City implementing licensing which could be costly – for the licensing itself and for any required repairs. Mr. Hoium noted that Council should take note of the Minnesota Supreme Court case against Red Wing. Red Wing implemented a program and now is spending thousands of dollars in litigation. The lawsuit involves some inspectors looking in medicine cabinets, under beds, etc. Mr. Hoium noted that if a rental housing ordinance *is* adopted, the regulations would involve how the property has been maintained from the time it was built. In other words, the purpose would not be to upgrade properties to current standards. If that were so, 90% of the property owners could be required to put in new windows, etc., and this would be a great hardship. The Supreme Court is supposed to take action on the Red Wing case this spring. The outcome will determine whether cities have the right to go into rental properties. If Red Wing is found negligent, these types of ordinances will need to be redrafted or removed. Mr. Hoium provided a summary of the rental housing licensing programs in four southeastern Minnesota communities: Albert Lea, Faribault, Owatonna and Winona. The summary includes what type of code it uses and the number of units in the community. Mr. Hoium noted that when Council looked at adopting a rental housing code in 1996 or 97, 1900 rental units were counted. One entire property, such as the Courtyard Apartments, is counted as one rental unit. Inspections cycles would be 2-5 years, with an average staff of one person per day. Generally 2-4 inspections are done per day. These inspections would not consume the entire day; there would be some other responsibilities with the position. Revenues are \$12,000 to \$70,000-80,000 per year. Winona receives the higher revenues due to college rental units. Revenues are received from licensing and fees to conduct the inspections. If Council wants this to be pursued, a budget would need to be put together, as well as a determination on who would do the inspections (Fire Department or Building Department), and who would do the administrative work.

Council Member McAlister recently visited two rental properties and the “yuck” factor was pretty high. He asked if properties would be inspected prior to habitation, similar to homes being inspected prior to taking home-sale possession. Would business rentals be inspected? Would those who comply receive a star rental certificate? Council Member McAlister noted that this program should not be about additional revenue; this should not

be intended as a fundraiser. It should be intended as a legitimate service and therefore is going to cost a certain amount of money.

Council Member King noted the problem lies with the absentee landlords. Mr. Hoium added that the responsible landlords have been attending the meetings addressing this issue. Peter Grover, from the Austin Association of Landlords, said the landlords want to be involved and take a positive role.

The Landlord Association, the HRA and Craig Hoium have worked on a 'good neighbor' program'. An instructional DVD has been created and will be run at KSMQ-TV. The DVD will discuss what is required in the community, such as garbage pick-up and where vehicles should be parked. It will be available in native languages for the different cultures.

Currently, the building inspectors cannot just go into an apartment unless a renter calls and complains. Usually these callers are looking for retribution after having received an eviction notice, Mr. Hoium said. Currently, inspections are addressed only by invitation. If the inspectors receive reports from the Police Department and the property is a rental, they will contact the landlord. If children are involved, they contact Health & Human Services.

Mr. Hoium recommends further discussion on staffing and the budget, and he will have two or three ordinances drafted.

Council Member McAlister stated this is not an easy problem as there is a need for low rent housing. At the same time, there needs to be a decency level. Council Member Austin noted that dilapidated housing applies to all properties in town, and Mayor Stiehm asked what we could do for substandard housing that is not rental. Council Member Clennon discussed her previous struggles with problems with two rentals. Council Member Enright said one of the biggest issues is the out of state owners and managers, and she would like to see some wording in the draft ordinance to the effect that the owners or managers should be on site. In addition, with off-site manager/owners, the rentals are more likely to trash the apartment.

Police Chief Brian Krueger said the department still has the crime-free housing program. Mayor Stiehm asked Chief Krueger to deliver a brief summary of the program. Two officers have received this training.

An unidentified resident complained of a nearby rental unit whose owner lives in Lansing. Two snow plow trucks are parked in the street and now cars are parked in the front yard. Mayor Stiehm directed him to contact the Police Department as this is a law enforcement issue.

Mr. Hoium noted that there would be an initial inspection for the landlord license. When they are issued a license, they would be put on a five-year cycle perhaps. But if there were a major violation, they could be put on a one-year license cycle.

**Comprehensive Plan update** – In order to implement zoning ordinance, the City has to have a comprehensive plan. The plan serves as a strategic plan for the community in guiding its growth for 10 to 20 years. The future land use map is one part of that comprehensive plan. Mr. Hoium discussed the six areas of the community which should be reviewed and possibly amended on the comp plan. The six areas are:

- The newly annexed area in northeast Austin (from Lansing Township) – recommended for Low Density Residential and Arterial Commercial. The current land use map does not provide how this area should be used in the future.
- Area north of I-90 and between Northeast Industrial Park and Hormel properties – recommended for Parks & Open Space to Low Density Residential. This residential area is sandwiched in between industrial uses, which is not good. Mr. Hoium noted that we cannot rezone an area unless it has been petitioned for such. This area should be low-density/office.
- Austin Country Club area – recommended for Open Park Space to Low Density Residential
- Eastside Business District Low Density Residential – recommended for Industrial. This area includes Austin Building Center, Jones Cabinets, etc. It is not advisable to change this area to residential.
- 10<sup>th</sup> Drive SE area Low Density Residential – recommended for Arterial Business and Open Space Areas. This is all designated wetlands and could be a future business area.
- SW Residential area – recommended for Low Density Residential to High Density Residential. There may be a need for more high density residential areas in the future. For future long-range planning, a park is suggested.

No action is needed by Council at this time. The suggested amendments will be brought to the Planning Commission for their review and recommendation and will be brought back to Council.

Moved by Council Member Austin, seconded by Council [Member-at-Large Anderson](#), approving the recommendations to be forwarded to the Planning Commission. Motion passed unanimously.

**Stop sign request – 14<sup>th</sup> Street SE & Oakland Avenue East** – The City has received a request for the installation of a stop sign at this intersection. Eight accidents in the last six years have occurred at this location. The removal of an island and yield sign has resulted in a large intersection and would be ineffective for signage. The goal is to stop the 14<sup>th</sup> Street traffic. Assistant City Engineer Steven Lang presented three different options for this intersection.

1. Leave the intersection as-is, which is not recommended.
2. Realign the west curb line on 14<sup>th</sup> Street NE for a more defined traffic pattern, allowing for the installation of a stop sign.

3. Block off this intersection and create a cul de sac.

Mower County is planning on replacing the bridge on Oakland Place at East Side Lake. The City will be responsible for the bridge approaches, and there are funds in the CIP to address the intersection at that time. The sidewalk which comes down 14<sup>th</sup> Street would need to be moved. In addition, the CIP includes improvements to 14<sup>th</sup> Street in 2013. At that time we could incorporate a cul de sac. Council Member King and Enright noted they prefer the option of the cul de sac, and it would be most cost effective to wait and have it done with the street project. Mr. Lang noted that it is most likely the residents adjacent to this intersection will like this, while those further away will not. Council Member Enright suggested temporary curbing at this intersection. Moved by Council Member King, seconded by Council Member Austin, to do nothing until the bridge is done. Motion passed unanimously.

**SEMNGTF Joint Power Agreement** – The Southeast Minnesota Narcotics & Gang Task Force (SEMNGTF) recently made minor revisions to the Joint Powers Agreement. The changes involve setting term limits for the chair of the board of directors and changing the liability from \$ .5 million to \$1.5 million to comply with the law. The city attorney and other agencies – eight sheriff departments and four police departments – have reviewed and approved the document. The agreement will be in effect April 1, 2011 through March 31, 2014. The cost to the city is \$6000 per year, but this comes back to the city by way of the use of a vehicle for the entire year and \$5000 in overtime expenses. Travis Heickley serves full-time on this task force. Moved by Council Member Austin, seconded by Council Member King, recommending approval of the Joint Power Agreement. Motion passed unanimously. Item will be added to the next council agenda.

**Open discussion** – A preliminary meeting for the Yellow Ribbon program has been set for Friday, March 25 at 4:00 in the City Hall Conference Room. This is not the kick-off meeting yet, but rather a meeting to see if people want to be involved.

Council Member Austin discussed an article in the Minneapolis Tribune which compares the property tax to income tax instead of value of homes; home values can be deceptive as to a person's ability to pay. Another article compared property taxes to what is paid in cable/satellite/cell phone expenses.

Council Member Enright has been contacted by a company which would like to bring intercity bus service through Austin, and they are looking for a letter of support. The company, Land to Air, would operate buses from Mankato to Albert Lea, Albert Lea to Austin, and Austin to Rochester. The company is seeking a grant in order to get started.

Council Member-at-Large Anderson would like a meeting with the city council of Albert Lea – perhaps with just some members of each body in an informal setting – to be set for mid April. She has been in contact with Albert Lea Council Member Ellen Kehr who is supportive.

There may be a council meeting requested for April 25. No objections expressed.

Moved by Council Member King, seconded by Council Member Austin, adjourning the meeting. Meeting adjourned at 8:05 pm.

Respectfully submitted,

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Jeanne Howatt