

**REGULAR COUNCIL MEETING
CITY COUNCIL CHAMBERS, CITY OF ALBERT LEA
OCTOBER 14, 2024 – 7:00 P.M.**

PRESENT: Mayor Rich Murray, Councilors, Rachel Christensen, Larry Baker, Jason Howland, Reid Olson, Brian Anderson, City Manager Ian Rigg, Public Works Director Steven Jahnke, City Attorney Joel Holstad of Lake National Law LLP, and City Clerk Daphney Maras.

ABSENT: Councilor Robert Rasmussen

ADDITIONAL STAFF PRESENT: Sergeant-at-Arms Public Safety Director JD Carlson, Engagement/Enrichment Director Cathy Malakowsky, City Planner Megan Boeck, Finance Director Kristi Brutlag.

CALL TO ORDER AND ROLL CALL - Mayor Murray called the meeting to order at 7:00 PM. City Clerk Maras administered roll call.

PLEDGE OF ALLEGIANCE - Mayor Murray asked all in attendance to stand and recite the Pledge of Allegiance.

CEREMONIAL ITEMS

- A. Mayor Murray read aloud the Proclamation Declaring October 6 – 12, 2024 National Fire Prevention Week – Deputy Fire Chief Laskowske and several Fireman were in attendance.
- B. Mayor Murray read aloud the Proclamation Declaring October Domestic Violence Awareness Month – Representative Kim Tiegs was in attendance.

PUBLIC FORUM – Bruce Manwarren mentioned he is grateful for the good weather so construction workers can get their job done.

CONSENT AND APPROVAL OF AGENDA

- A. Approve Minutes of the September 23, 2024 Regular Council Meeting
- B. Approve Minutes of the September 23, 2024 Work Session
- C. License & Permits
- C. Resolution Approving a Professional Services Agreement with Bolton & Menk, Inc. for Wastewater Treatment Plant (WWTP) Improvements – Job 2310
- D. Resolution Calling a Public Hearing on Proposed Assessments for the 2024 Neighborhood Improvement Project (Job 2401)
- E. Resolution Calling a Public Hearing on Proposed Assessments for the 2024 State Aid Street Overlay Project (Job 2402)
- F. Resolution Calling a Public Hearing on Proposed Assessments for the Marshall Street & Sibley Avenue Reconstruction Project (Job 2403)
- G. Resolution Calling a Public Hearing on Proposed Assessments for the 7th Street &

Winter Avenue Reconstruction Project (Job 2404)

- H. Resolution Calling a Public Hearing on Proposed Assessments for the 2024 Alley Reconstruction Project (Job 2405)
- I. Resolution Calling a Public Hearing on Proposed Assessments for Delinquent Water/Sewer Accounts and Miscellaneous Accounts Receivables
- J. Resolution Authorizing Action on Assessments
- K. Resolution Appointing Election Judges for the November 5, 2024 General Election

Motion made by Councilor Baker to approve the consent agenda as read, seconded by Councilor Christensen. On roll call vote, the following councilors voted in favor of said motion: Christensen Baker, Howland, Olson, Rasmussen, Anderson, and Mayor Murray. Mayor Murray declared the motion passed.

(See Secretary's Original Resolution 24-172 through 24-180
Included with these minutes)

PETITIONS, REQUESTS AND COMMUNICATIONS- None

UNFINISHED BUSINESS- None

NEW BUSINESS

- A. Public Hearing Related to the City's Proposed Adoption of a Modification to the Development Program and Establishment of TIF District No. 5-33 Blazing Star Redevelopment.

Mayor Murray opened the public hearing. He called three times. No one spoke. Mayor Murray closed the public hearing.

A1. Resolution 24-181 Approving the Adoption of TIF District 5-33 – Blazing Star Redevelopment

City Manager Rigg said attached is a Resolution establishing TIF 5-33 a Soils Tax Increment Financing District for redevelopment of property commonly known as Blazing Star Site. In addition to the establishment of TIF District 5-33, this Resolution also authorizes an Interfund Loan of up to \$250,000 from various funds for qualified costs and administrative expenses involved in establishing the district until a bond is secured in 2025 for these costs and eligible clean-up / infrastructure costs.

Rebecca Kurtz of Ehlers delivered a PowerPoint slideshow explaining what a TIF District is and how TIF 5-33 would function for the proposed Blazing Star redevelopment while also responding to councils' questions.

Motion made by Councilor Baker to approve the adoption of TIF District 5-33, seconded by Councilor Anderson. On roll call vote, the following councilors voted in favor of said motion: Christensen Baker, Howland, Olson, Anderson, and Mayor Murray. Mayor Murray declared the motion passed.

(See Secretary's Original Resolution 24-181
Included with these minutes)

B. Resolution 24-182 Authorizing Contract with Care Resource Connections (CRC)

The Cares Resources program is designed to help those in need find the resources right for them. It is designed to get the resident in touch with available programs and organizations throughout the city, county, region, and state. Albert Lea Fire Rescue will work directly with Cares to implement the program within our community under this 1-year contract. Currently the program is sponsored so there will be no cost to the city or residence.

Motion made by Councilor Christensen to approve, seconded by Councilor Anderson. On roll call vote, the following councilors voted in favor of said motion: Christensen Baker, Howland, Olson, Anderson, and Mayor Murray. Mayor Murray declared the motion passed.

(See Secretary's Original Resolution 24-182
Included with these minutes)

C. Resolution 24-183 Authorizing Broadway Ridge Grant Agreement with David and Michele Nelson at 140 West Clark Street

David and Michele Nelson submitted a Broadway Ridge Grant for reimbursement up to 50% of costs associated with roof replacement at 140 W. Clark. The total improvement cost is \$44,824.00 which will provide the applicant with a 50-50 match grant per policy of \$22,412.00. The project has been approved by the City's Building Official for compliance with application requirements.

Motion made by Councilor Baker to approve as read, seconded by Councilor Olson. On roll call vote, the following councilors voted in favor of said motion: Christensen Baker, Howland, Olson, Anderson, and Mayor Murray. Mayor Murray declared the motion passed.

(See Secretary's Original Resolution 24-183
Included with these minutes)

D. Resolution 24-184 Authorizing Broadway Ridge Grant Agreement with CCH Rental Services, LLC at 127 S. Broadway

CCH Rental Services (Crystal Hoiseth) submitted a Broadway Ridge Grant for reimbursement up to 50% of costs associated with removing and replacing new store front windows and doors and new windows on the upper front and rear of the building. The total improvement cost is \$32,421.23 which will provide a matching grant of \$16,210.62. All improvements have been completed and reviewed by the City's Zoning and Building Official for compliance with application requirements.

Motion made by Councilor Anderson to approve, seconded by Councilor Baker. On roll call vote, the following councilors voted in favor of said motion: Christensen Baker, Howland, Olson, Anderson, and Mayor Murray. Mayor Murray declared the motion passed.

(See Secretary's Original Resolution 24-184
Included with these minutes)

E. Resolution 24-185 Authorizing a Small Cities Development Program (SCDP) Local Income Plan Forgivable Loan for Renovation of LMI Multi-Family Property Located at 1516 Hawthorne Street – 403 4th Ave LLC

The City of Albert Lea was awarded Small Cities Development Program (SCDP) funds to develop viable, eligible communities and provide suitable living environments by expanding economic opportunities principally benefiting low to moderate income households. As such, 403 4th Ave LLC has requested SCDP funds to: install new electrical and plumbing service throughout the units at 1516 Hawthorne Street.

Additionally, 1516 Hawthorne Street was previously awarded SCDP funds in February 2024 under Home is Where the Heart is LLC. The property was transferred before any funds were distributed which caused the agreements to have to be re-drafted under the proper entity name. The attached Agreement authorizes the City Manager to enter into a Loan Agreement with 403 4th Ave LLC for a maximum amount of \$25,000, which is forgivable after five (5) years provided the property isn't sold, transferred or conveyed before the end of the five-year period.

Motion made by Councilor Anderson to approve, seconded by Councilor Olson. On roll call vote, the following councilors voted in favor of said motion: Christensen Baker, Howland, Olson, Anderson, and Mayor Murray. Mayor Murray declared the motion passed.

(See Secretary's Original Resolution 24-185
Included with these minutes)

F. Resolution 24-186 Approving Design Amendment 1 to the Guaranteed Energy Savings: Non-Investment Tax Credit Contract with Apex Facility Solutions

Engagement/Enrichment Director Malakowsky provided an overview of the amendment to this contract. She explained after the successful referendum last spring, the City Council approved two design contracts with Apex Facility Solutions for the improvements to the City Arena, Aquatic Center, Splash Pad and Marion Ross Performing Arts Center. The contracts were for design only with final approval of individual projects coming to the Council as amendments to those contracts. At the September 23rd meeting, the Council approved 3 Arena projects that qualify for federal tax incentives. Apex has several more projects ready for review and approval. These are amendments to the guaranteed energy savings contract without federal tax incentives. Essentially, these are the rest of the Apex projects except for the play features

at the Aquatic Center and the remodeling at the Aquatic Center and Arena. Those projects will come to the Council for approval later because Apex is still working on the bids.

The projects in the amended contract for tonight include 1) Arena structural reinforcements, drainage, sealing the building, LED lighting, HVAC changes, low E-ceiling for the Colstrup Rink and water conservation; 2) Aquatic Center water heating and electrical systems and LED lighting. 3) Marion Ross Theater front door and windows, LED lighting, sealing the building, water conservation and HVAC controls. The total dollar amount for all projects is \$1,925,237 with lighting rebates of \$17,397 expected for a net cost of \$1,907,840. Overall, the rec facility projects are currently \$180,000 or 1.8% over budget after bringing the remodeling projects back into scope (Exhibit 2). The Albert Lea Parks and Recreation Board voted Sept. 16 to recommend the Council proceed with these projects listed in the contract.

To Howland's question regarding when the city will take over the management of some the projects rather than APEX managing them, Malakowsky responded that will take place when it comes to remodeling the arena lobby and the aquatic center. Until then, APEX will continue management of design projects as noted in the original agreement.

Councilor Christensen reiterated from the work session earlier, that all but 3 of the 16 projects included in this amendment are at or under budget.

Motion made by Councilor Howland to approve as read, seconded by Councilor Baker. On roll call vote, the following councilors voted in favor of said motion: Christensen Baker, Howland, Olson, Anderson, and Mayor Murray. Mayor Murray declared the motion passed.

(See Secretary's Original Resolution 24-186
Included with these minutes)

G. Resolution 24-187 Making Certain Findings with Respect to Substandard Buildings

The City, and ALEDA are working with a developer and property owner on a project that will require the eventual creation of a redevelopment tax increment district. However, there are two buildings that require demolition sooner than a district may be established. This resolution preserves these parcels as contributing towards the district creation and eligible for incentives for new construction. Findings show the buildings are substandard and most likely should be demolished. One property shall remain in private ownership and shall be demolished by the owner. This requires staff to sign the redevelopment agreement with the property owner to remain eligible for district incentives and eligibility.

To Howland's question, Rigg responded the two parcels included in this resolution are 610 Water Street, and the old Bonnerup Funeral building. Mayo Clinic currently owns the old Bonnerup building and have offered to give the building/parcel to the city.

Motion made by Councilor Christensen to approve as read, seconded by Councilor Baker. On roll

call vote, the following councilors voted in favor of said motion: Christensen Baker, Olson, Anderson, and Mayor Murray. Councilor Howland abstained. Mayor Murray declared the motion passed.

(See Secretary's Original Resolution 24-187
Included with these minutes)

H. Resolution 24-188 Authorizing the Purchase of Property: 610 Water Street

The Minnesota Housing and Finance Agency has ownership of 610 Water Street. They have no intent to spend funds on demolition or rehabilitating the property. They have offered to give the property to the City. Weighing the likely outcomes, the City Manager recommends taking the offer, demolishing the building and if possible, seek reimbursement through TIF or sale of the property.

Motion made by Councilor Baker to approve, seconded by Councilor Anderson. On roll call vote, the following councilors voted in favor of said motion: Christensen Baker, Howland, Olson, Anderson, and Mayor Murray. Mayor Murray declared the motion passed.

(See Secretary's Original Resolution 24-188
Included with these minutes)

I. Resolution 24-189 Authorizing the Stabilization of 625 Main Street West

The property at 625 West Main has been in horrible shape for some time and only became more prevalent after the warehouse next door burnt down December of 2020. Over the last 4 years, staff have tried to gain compliance previously from the deceased owner Robert Ackland, and now his son John Ackland who is in charge of the estate. There was even consideration for the City to purchase in 2022/23 this was to be inclusive of the most blighted properties, or a plan to correct all properties. This was done knowing there would be a financial loss to the City, but a net to the community by removing blight. This did not happen.

Because the city does not own the property at 625 Main Street West, staff got a warrant for repairs to the most egregious hazards. Therefore, involved staff felt we should minimize our expense and assess the costs like with any other blight clean up. This change in circumstance, even if the quotes come in under \$100K per our purchase policy, warrants a council vote. This is the fourth property that was under the ownership of Robert Ackland (now John Ackland) that the City shall spend funds to correct in 2024.

Motion made by Councilor Baker to approve, seconded by Councilor Howland. On roll call vote, the following councilors voted in favor of said motion: Christensen Baker, Howland, Anderson, and Mayor Murray. Councilor Olson voted Nay. Mayor Murray declared the motion passed.

(See Secretary's Original Resolution 24-189
Included with these minutes)

J. Resolution 24-190 Approving Lot Consolidation Agreement Between the City of Albert Lea and Albert Lea Port Authority

The attached resolution is an agreement to consolidate two separate parcels currently owned by the Albert Lea Port Authority. The current tenant (Design Ready Controls) wishes to install a solar array on the parcel adjacent to the existing facility but Albert Lea City Zoning doesn't allow solar arrays as a principal use. The consolidation of parcels and the agreement not to sell the lots separately any time in the future will allow the issuance of a permit for a solar array as an accessory use.

Motion made by Councilor Baker to approve, seconded by Councilor Anderson. On roll call vote, the following councilors voted in favor of said motion: Christensen Baker, Howland, Olson, Anderson, and Mayor Murray. Mayor Murray declared the motion passed.

(See Secretary's Original Resolution 24-190
Included with these minutes)

K. Ordinance 24-128 Amending Chapter 12, Article XI. Taxicab – Sec. 12.373. Insurance (1st Reading)

This amendment reflects changes in the language related to the required amount of public liability and bodily injury insurance by clarifying the necessary amounts without being too excessive.

Motion made by Councilor Anderson to approve, seconded by Councilor Howland. On roll call vote, the following councilors voted in favor of said motion: Christensen Baker, Howland, Olson, Anderson, and Mayor Murray. Mayor Murray declared the motion passed.

(See Secretary's Original Resolution 24-128
Included with these minutes)

L. Ordinance 24-129: Chapter 5 Cannabis Businesses (1st Reading)

This ordinance is a new chapter in the code. This ordinance focuses on the licensing of cannabis sales, events and commercial allowances of low potency items within our local authority. Key points of the ordinance:

- It is as restrictive as possible in number of retail establishments which is 2 (two).
- It is as restrictive as possible in hours of operation.
- It is as restrictive as possible without being unreasonable for temporary events. Without a history to know what is necessary or not and without knowledge of the OCM's role over time, these events are officious under this ordinance.
- This is to serve as a guide for what will likely be restrictions on the other adult use business licenses in Chapter 4 and 12 amendments.

Other aspects related to cannabis business zoning was resolved in Chapter 50 amendments, and soon social host regulations on cannabis will be address in Chapter 22 amendment.

Rigg responded to Councilor Howland’s questions regarding licensing cannabis businesses. Councilor Anderson spoke of his appreciation to staff for putting this ordinance together while lacking aspects of guidance from the State.

Councilor Baker inquired if the city will consider increasing the number of cannabis establishments in the future. Rigg stated that decision will be up to the council. Additionally, Rigg clarified for Councilor Baker that everything but low potency products are prohibited in the historic district as approved in the recent zoning ordinance.

Motion made by Councilor Christensen to approve as read, seconded by Councilor Baker. On roll call vote, the following councilors voted in favor of said motion: Christensen Baker, Howland, Olson, Anderson, and Mayor Murray. Mayor Murray declared the motion passed.

(See Secretary's Original Resolution 24-129
Included with these minutes)

M. Resolution 24-191 Approving Terms of Up to A \$200,000 Interfund Loan in Connection with a Proposed Tax Increment Financing District

This interfund loan is to cover some expenses such as demolition of 610 Water Street, legal/consultant costs for establishing the district, hazard removal on substandard buildings at 122 South Ermina and 625 West Main. Any proceeds from assessments or sales on those properties will pay back the loan. TIF is intended as a back up to recover costs not paid back.

Motion made by Councilor Baker to approve, seconded by Councilor Anderson. On roll call vote, the following councilors voted in favor of said motion: Christensen Baker, Howland, Olson, Anderson, and Mayor Murray. Mayor Murray declared the motion passed.

(See Secretary's Original Resolution 24-191
Included with these minutes)

MAYOR AND COUNCIL REPORTS:

First Ward, Councilor Christensen reported:

- Ward Items – Mentioned the Greenwood Dr. project is going well. Mentioned the public hearing related to assessments will be held at the Nov. 12th council meeting.
- Committee Update –Noted several events she has attended recently. Encouraged residents to attend the Chamber of Commerce Business After-Hours at Wedgewood Cove tomorrow. The Chamber has re-started their Legislative Affairs Committee. Gave a shout-out to SAFLER (Substance Abuse Front Line Emergency Response) who hosted a community youth night last Friday at the Skate Park where approximately 60 youth

attended. Also gave a shout-out to the Seventh Day Adventist Church who are offering a monthly program teaching Vegan cooking.

Second Ward, Councilor Baker reported:

- Ward Items – None
- Committee Update – Attended an ALEDA meeting last week. Encouraged residents to speak positive when speaking of Albert Lea.

Third Ward, Councilor Howland reported:

- Ward Items – Working on a ward item.
- Committee Update – Attended the CVB Board Meeting. Mentioned the public dock landing has been poured on Bridge Ave. and the dock will be installed next spring. The All-Inclusive playground equipment is being installed at Edgewater Park.

Fourth Ward, Councilor Olson reported:

- Ward Items – Will forward a current ward item to City Manager Rigg. Received a note from a resident commenting on the nice landscape work at the new Anytime Fitness location.
- Committee Update - None

Fifth Ward, Councilor Rasmussen reported: ABSENT

- Ward Items –
- Committee Update –

Sixth Ward, Councilor Anderson reported:

- Ward Items – Working on ward items.
- Committee Update – Attended the Mayo Clinic Gardens Commemoration. Will be attending a budget meeting and an HRA meeting.

MAYOR REPORT: Attended the Following:

- Entrepreneur event at Wedgewood
- City employee luncheon
- Homecoming parade and football games
- Newcomer reception at the Winery
- Suicide Walk on Sat. Sept. 28th
- Crime Victims Crisis Center was set up at the courthouse on Oct. 1 they were handing out signs and purple lightbulbs to acknowledge crime prevention
- ALEDA meeting. Noted several housing projects in the works
- Big Island Rendezvous
- Zoom call with Senator Pappas regarding bonding for the WWTP issues
- Mayo Clinic Gardens Commemoration
- Albert Lea Education Foundation Celebration
- Assisted with the Albert Lea/Freeborn County cleanup day at the Landfill

Announced upcoming events within the city and encouraged the community to participate.

CITY MANAGER REPORT:

- Attended the ICMA Conference in Pittsburgh last week
- Video conference call with Senator Pappas regarding bonding for the WWTP.
- Staff is working on budgeting
- Noted the groundwork being laid to assist in building a much-needed housing base
- Mentioned the business who have had success involving Tax Abatement and TIF adding the importance in continuing to make it available to businesses to keep Albert Lea moving forward.

APPROVAL OF CLAIMS

A. Resolution 24-192 Approving Claims

(1). Presentation of Claims Over \$25,000

The attached resolution directs the Mayor and City Treasurer to issue the payment of claims as presented in the Detail of Claims report. In addition, Maras displayed a list of claims over \$25,000 for the public's viewing, transparency and education.

Motion made by Councilor Anderson to approve as read, seconded by Councilor Christensen. On roll call vote, the following councilors voted in favor of said motion: Christensen, Baker, Howland, Olson, Anderson, and Mayor Murray. Mayor Murray declared the motion passed.

(See Secretary's Original Resolution 24-192
Included with these minutes)

Councilor Howland motioned for adjournment; Councilor Christensen seconded. That there being no further business, the Council meeting adjourn until the next regular meeting of the Albert Lea City Council at 7:00 p.m. on Monday, October 28, 2024. On roll call vote, all councilors voted in favor of said motion.

Mayor Murray declared the motion passed and the meeting adjourned.

ADJOURNMENT: 8:24 P.M.

Mayor Rich Murray

Daphney Maras
Secretary of the Council