

**REGULAR COUNCIL MEETING
CITY COUNCIL CHAMBERS, CITY OF ALBERT LEA
November 25 - 7:00 P.M.**

PRESENT: Mayor Rich Murray, Councilors Rachel Christensen, Larry Baker, Jason Howland, Reid Olson, and Brian Anderson. Also present were 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, City Planner Megan Boeck, and Enrichment & Engagement Director Cathy Malakowsky.

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 – None

PUBLIC FORUM – Lana Howe, Health Educator, SHIP Coordinator of Freeborn County Public Health spoke in support of limiting the number of Smoke Shop/Tobacco Stores to just two.

CONSENT AND APPROVAL OF AGENDA

- A. Approve Minutes of the October 28, 2024 Regular Council Meeting
- B. Approve Minutes of the October 28, 2024 Work Session
- C. Resolution Approving Application to Conduct Off-Site Gambling – Albert Lea Amateur Hockey Association

Motion made by Councilor Baker to approve the consent agenda as read, 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.

PETITIONS, REQUESTS AND COMMUNICATIONS - None

UNFINISHED BUSINESS

A. Ordinance 24-130 Amending Chapter 4 – Alcohol (2nd Reading)

The amendments to this ordinance include setting the limit of annual Consumption and Display permits issued as well as the number of off-sale liquor store licenses. The City Manager and City Clerk recommends the number of consumption and display annual permits be limited to a total of two (2) and the number of off-sale liquor licenses be limited to a total of eight (8). Additionally,

Article VII. related to Social Hosts and Underage Drinking has been removed from Chapter 4 and added to Chapter 22 – Health. Staff recommends approval of this final reading.

It has also been noted that an off-sale business that is currently licensed will be permitted to sell to a new owner and continue operating as an off-sale liquor store in the same location.

Councilor Anderson said although he has serious reservations about limiting the number of off-sale businesses to eight (8), he will support this ordinance. He also spoke of the comments he has received questioning if it is the Government's role to be limiting the number of these type of businesses. He recognizes that most cities do have a limit on the number within their community and therefore is comfortable in setting a limit in Albert Lea as well.

City Manager Rigg said the question on "are we creating an advantageous or disadvantageous business model" has been raised. Rigg stated that if we have a serious business owner coming requesting to install a ninth (9th) liquor store (or any other), they would only do so if the community was leaking sales to other communities. Most small businesses cannot take an aggressive or hostile stance pushing somebody else out. If we start to hear requests, we should listen and evaluate. We can trust that our role as a licensing agency is not going to interfere with the market unless we flatly ignore such requests. Right now, what we have is a long-standing request from the business owners themselves, and the public during the moratorium hearings to set limits on the number of licenses.

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

(See Secretary's Original Ordinance 24-130
Included with these minutes)

B. Ordinance 24-131 Amending Chapter 12 – Businesses and Business Regulations (2nd Reading)

The changes to Chapter 12, as recommended by the City Clerk, are as follows:

Article VII. Plumbers is repealed in its entirety as State licensing laws specifically prohibit local licensing of plumbing contractors and are currently regulated under the City's standard building code.

Article VIII. Sexually Oriented Businesses (SOB) include limiting the number to no more than one (1) SOB in City limits. It is also noted that a currently licensed SOB may be sold to another owner and continue operating in the same location. The definition of Adult Entertainment Establishments has also been added.

Article XII. Tobacco: The amendments related to tobacco include the definition of a Smoke Shop/Tobacco Store and setting the limit to no more than two (2) of this type of business, while

once again, noting that a currently licensed Smoke Shop/Tobacco Store will be permitted to sell the business to a new owner and continue operating in the same location.

At the first reading of this ordinance on November 12, 2024, Councilor Howland motioned to increase the limit to four (4). Seconded by Councilor Anderson. That motion passed.

There are organizations that are requesting the number of tobacco and smoke shops be reduced back to the recommended two (2). The need for certain products and paraphernalia with cannabis or other does not require a tobacco/smoke shop license. Many cannabis retailers will have the same paraphernalia as the tobacco stores. The ability to sell many of the same products to the general public does not meet the limitation definition of two (2) as in example gas stations. It is the primary businesses activity of selling tobacco products that is limited by two (2) or four (4) depending on what Council approves. Going less than two (2) is not recommended given the existing businesses and one being in a nonconforming location.

Extensive discussion ensued related to limiting the number of Smoke Shop/Tobacco Stores. Howland commented the products sold at this type of business are legal products and state law already sets the age to purchase at 21. The intent of this ordinance is to establish setbacks so the market is not oversaturated. He does not believe adding two more will oversaturate this type of business in the city noting the importance of keeping Albert Lea open for businesses and growth.

Councilor Anderson said limiting the number of tobacco stores to just two would be a mistake based on the free market alone, as doing so would increase the perceived value of the two existing stores because if council ever expanded the limit to three or four, it would be unfair to those owners. He also questioned the role of government in limiting the numbers at all but said in the interest of public health, he could support tabling the portion of tobacco stores for further review.

Council Baker noted his wish to work with the Public Health Department and requests a meeting between them and city staff in the near future to hear their concerns and suggestions.

Councilor Christensen said she had almost as many community members reach out to her regarding this issue as they did when the council changed the city logo. She mentioned the important role Blue Zones play in the city's culture. Noting although its legal, it does not make it healthy.

Mayor Murray stated regardless of the vote, he believes the city should work with Public Health in the best interest of the community.

Article XIII. Transient Merchant applicants will be required to undergo a background check at time of application, and pay the investigation fee as found in the City's annual fee schedule.

Article XIV. Water Softener and Water Filtering Equipment Installers is repealed in its entirety. These are currently regulated under the City's standard building code.

Motion made by Councilor Christensen to approve Article VII, Article VIII, Article XIII and Article XIV as read with Article XII – Tobacco approved with the limit of Smoke Shop/Tobacco businesses

set at two (2), seconded by Councilor Baker. On roll call vote, the following councilors voted in favor of said motion: Councilors Christensen, Baker, and Mayor Murray. Councilors Howland, Olson, and Anderson voted nay. Mayor Murray declared the motion failed.

Motion made by Councilor Howland to approve Article VII, Article VIII, Article XIII and Article XIV as read with Article XII – Tobacco approved with the limit of Smoke Shop/Tobacco businesses set at four (4), seconded by Councilor Olson. On roll call vote, the following councilors voted in favor of said motion: Councilor Baker, Howland, Olson, Anderson. Councilor Christensen and Mayor Murray voted nay. Mayor Murray declared the motion and ordinance passed.

(See Secretary's Original Ordinance 24-131
Included with these minutes)

C. Ordinance 24-132 Amending Chapter 22 – Health (2nd Reading)

Article VII. related to Social Hosts and Underage Drinking is being removed from Chapter 4 and added to Chapter 22. Additionally, language has been added to include “Cannabis” where alcohol is noted, as well as adding the definition of Cannabis.

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

(See Secretary's Original Ordinance 24-132
Included with these minutes)

D. Resolution 24-208 Approving Summary of Ordinance 24-130, 24-131, and 24-132

Ordinance Summaries may be published if they reasonably inform the public of the effect and intent of the Ordinance. Summaries fulfill all legal requirements as if the entire summarized matter had been published and also directs the public how to obtain the complete Ordinance

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

(See Secretary's Original Resolution 24-208
Included with these minutes)

NEW BUSINESS

A. Public Hearing Regarding Disposal of Property – 821 Jefferson Avenue

A public hearing is being called related to the disposal of city owned property at 821 Jefferson Ave. Mayor Murray opened the public hearing. He called three times. No one spoke. Mayor Murray closed the public hearing.

A1. Resolution 24-209 Declaring No Public Interest in Real Property – 821 Jefferson Avenue

City Manager Rigg said now that the majority of the serious blight and hazardous issues with the property are resolved, it is no longer of public interest to hold the property. It is in the public's interest to place it in private hands so that it may be remodeled into 3 safe housing units.

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

(See Secretary's Original Resolution 24-209
Included with these minutes)

B. Resolution 24-210 Approving Development Agreement for 821 Jefferson Avenue

The purchase agreement will require the property be redeveloped. The City Manager has met with the developers to go over their plans and more. The developers have a positive history in Albert Lea on improving property conditions. The purchase price of \$30,000 is roughly equal to all repairs to the property. The development agreement will reflect the attached proposal.

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

(See Secretary's Original Resolution 24-210
Included with these minutes)

C. Resolution 24-211 Granting Variance to Maximum Height Requirements for 360 14th Street – Green Acres Milling

The Board of Appeals found that the property met the legal standards set forth by MN Statute 462.357 which includes a practical difficulty in regards to circumstances not created by the landowner and that the height of the proposed structure is not out of size or character with other similar utility structures within the city of Albert Lea. The Board of Appeals recommends approval of the variance.

The Board of Appeals met on November 20, 2024 to conduct a public hearing to consider a Variance application from Green Acres Milling to building an oat milling operation which includes a warehouse, storage bins and elevator that exceeds maximum height limitations.

Current city code states that there shall be a maximum height limitation of one thousand four hundred (1,400) feet MSL for all structures or parts of structures in any location or zoning district.

The proposed development has a finished floor elevation of 1,301 feet MSL, and a building and equipment height of 1,441.5 feet MSL which requires a 41.5-foot variance.

Finished floor elevation of 1,301 feet MSL
Building height of 115 feet or 1,416 MSL
Equipment height of 25.5 feet or 1,441.5 MSL

Councilor Baker noted his support for this project and positive attributes it provides the city and the residents. Mayor Murray echoed Baker's comments.

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

(See Secretary's Original Resolution 24-211
Included with these minutes)

D. Resolution 24-212 Authorizing Awarding Contract for the 2024 Lead Service Line Replacement Project (Job 2412)

The project involves replacement of lead service lines throughout the city. The city has secured grants to pay for the lead service line replacements.

Because this is a new program (Albert Lea is third in state to receive) it is taking longer to get agreements in place. The city has signed the State of Minnesota Lead Service Line Replacement Program Master Loan (Bond Purchase) and/or Grant Agreement – Albert Lea_LSLR_00 but do not anticipate the bonding portion of the agreements to be in place until December.

Staff is asking to proceed with signing of the contractor agreements and proceeding with the work prior to the bond funding being in place. This is allowed by the Public Facilities Authority.

On June 10, 2024 Council passed Resolution 24-111 that awarded bids to two low bidders, Platinum Plumbing Solutions, LLC of Albert Lea for bid packages 1, 3 and 5, and BCM Construction, Inc. of Faribault MN for bid packages 2 and 4.

The awards were approved based on the following: Sec 1. Bids are accepted by the City of Albert Lea contingent upon grant funding being awarded.

The contractors are wanting to get started on the work and are asking for authorization to proceed.

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

(See Secretary's Original Resolution 24-212)

Included with these minutes)

MAYOR AND COUNCIL REPORTS:

First Ward, Councilor Christensen reported:

- Ward Items – Working on several ward items.
- Committee Update – The National Vitality Center Board met last week and accepted the resignation from Ellen Kehr. Christensen spoke of her gratitude for Kehr’s leadership on the Blue Zones committee, and National Vitality Center. Also thanked Cathy Malakowsky for picking up where Ellen left off. The Worksite Wellness group continues to be active. Mentioned St. John’s has been awarded a \$600,000 grant to bring together resources in support of local senior citizens. Wished everyone a happy and safe Thanksgiving.

Second Ward, Councilor Baker reported:

- Ward Items – Handed a ward item off to Public Safety Director Carlson
- Committee Update – Attended the recent city council retreat and noted his appreciation of these quarterly retreats as he finds them very helpful. Attended an HRA meeting and spoke of the additional funds required for the façade repair.

Third Ward, Councilor Howland reported:

- Ward Items – Thanked city staff for working with him and a resident on a ward item to find a resolution.
- Committee Update – Attended the recent council retreat. Attended the Park & Rec Board meeting last week and reported the board was updated on the remodeling plans for the city arena and aquatic center. They also heard a presentation for the Bayside Ski Club who asked approval from the board before going to the DNR to obtain the proper permits to remove the concrete pillows along Edgewater Park and replace with beach sand. The Board also approved a proposal for the softball association to place a storage shed at Snyder Park.

Fourth Ward, Councilor Olson reported: Thanked council and residents for reaching out him and his family following the death of his brother-in-law.

- Ward Items – Received a response from staff regarding a resident’s street assessment so will respond to that gentleman.
- Committee Update – None

Fifth Ward, Councilor Rasmussen reported: ABSENT

- Ward Items –
- Committee Update –

Sixth Ward, Councilor Anderson reported:

- Ward Items – A ward item coming to a conclusion
- Committee Update – None

MAYOR REPORT:

Attended the following:

- The council retreat
- Spoke at the recent Youth for Christ banquet
- Met with the new owners of the Oat Mill that group that is developing in Albert Lea
- Met with the Green Team to discuss projects
- ALEDA project meeting reviewing several projects
- Chamber Business After Hours where they honored three businesses in the small, medium, and large business categories.

Mentioned the upcoming events and said the events are also listed on the City's website.

CITY MANAGER REPORT:

- Cleanup has started at the Blazing Star site
- Prepping for State Bonding
- Staff is reviewing current proposals and law related to TIF
- Staff has worked hard on the budget to bring the Levy down and reiterated the biggest increase is from the inclusion of the rec facility projects as voted in the referendum
- Said he appreciated council's input at the recent council retreat
- Will be attending the Chamber meeting this week
- Spoke of the successes the new businesses bring to Albert Lea

APPROVAL OF CLAIMS

A. Resolution 24-213 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 Christensen to approve the claims, 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 24-213
Included with these minutes)

Councilor Howland motioned for adjournment; Councilor Anderson 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, December 9, 2024. On roll call vote, all councilors voted in favor of said motion.

Mayor Murray declared the motion passed and the meeting adjourned.

ADJOURNMENT: 7:51 P.M.

Daphney Maras
Secretary of the Council

Mayor Rich Murray