

**ARLINGTON CITY COUNCIL
MEETING AGENDA
OCTOBER 3, 2016 AT 6:30 PM
COUNCIL CHAMBERS**

The City Council is provided background information for agenda items in advance by city staff, committees and boards. Many decisions regarding agenda items are based upon this information, as well as: City policy and practices, input from constituents, questions or information that has not yet been presented or discussed regarding an agenda item. If you have a concern or question, please ask to be recognized by the Mayor during the "Citizens addressing the Council" portion of the agenda—state your name and address for the record. Please keep comments under 5 minutes. Individuals wishing to speak for more than five minutes should ask to be included on the agenda in advance. All comments are appreciated, but please refrain from personal or derogatory attacks on individuals.

1. Call Meeting to Order and Pledge of Allegiance
2. Roll Call
3. Approve the Agenda and Any Agenda Additions

CONSENT AGENDA

The items listed for consideration will be enacted by one motion unless the Mayor, a member of the City Council, City Staff or a person in attendance requests an item to be removed from the Agenda.

4. Approval of Consent Agenda
 - A) Approval of the September 6th Regular Meeting Minutes.
 - B) Approval of the September 19th Regular Meeting Minutes.
 - C) Approval of the September 19th Special Meeting Minutes.
 - D) Approval of Bills.
 - E) Approval of Routine Maintenance Agreements for CSAH 17 with Sibley County.
 - F) Approval of Routine Maintenance Agreements for CSAH 34 with Sibley County.
 - G) Approval of Temporary Road Closure and Use of City Resources for Homecoming Parade on 10-14-16.
 - H) Approval of 1 to 4 Day Temporary On-Sale Liquor License to Arlington Lions Club for an Event on 11-11-16.

PUBLIC HEARINGS

PETITIONS, REQUESTS, & COMMUNICATIONS

5. Addressing the Council
 - A) Citizens Addressing the Council.
6. Announcements
 - A) AFD Relief Fall Block Party, Saturday, October 15th at 5:00 p.m. at the Arlington Fire Hall.
 - B) 6th Annual Halloween Fright Night, Monday, October 31st from 5:30 – 7 p.m. along Main Street.
 - C) City Council Candidate Forum, Tuesday, October 25th from 7-8:15 pm at the Community Center.

- 7. Communications
 - A) August Water/Wastewater Report.
 - B) September Building Permit Report.

REPORTS OF OFFICERS, BOARDS & COMMITTEES

ORDINANCES & RESOLUTIONS

- 8. Ordinances
 - A) Second Reading: Ordinance 310 – Amending the 2014 Arlington Comprehensive Plan Future Land Use Map and Section 4, Subd. 1 (Official Zoning Map) of Ordinance 169, the Zoning Ordinance.
- 9. Resolutions
 - A) 55-2016 – Approving Ordinance 310 - Amending the 2014 Arlington Comprehensive Plan Future Land Use Map and Ordinance 169, the Zoning Ordinance.
 - B) 56-2016 – Setting a Date for a Public Hearing on the Approval of a Tax Abatement Resolution for the Purpose of Funding Development Costs for the Cemstone Project.
 - C) 57-2016 – Authorizing the City to Enter into a Purchase Agreement with Seneca Foods Corporation.

UNFINISHED BUSINESS

NEW BUSINESS

- 10. 2017 Street & Utility Improvement Project.
 - A) 58-2016 – Ordering Preparation of Engineering Report on 2017 Street & Utility Improvements.

MISCELLANEOUS BUSINESS

- 11. Council Committee Updates.
- 12. Open Discussion.
 - A) County’s Role in Economic Development. (County Administrator Roxy Traxler Request)
- 13. Closed Meeting - (For the purpose to consider the sale of real property)
 - A) TSE Building (108 5th Ave NW, Hwy 5)

ADJOURNMENT

Reminders:

- EDA – October 6th @ 6 pm
- Planning & Zoning – October 6th @ 7 pm
- Cemetery – October 24th @ 5:30 pm
- Parks – October 24th @ 7 pm
- General Election – November 8th, 7 am – 8 pm

**ARLINGTON CITY COUNCIL
MEETING MINUTES
OCTOBER 3, 2016**

The regular meeting was called to order at 6:30 p.m., Mayor Richard Nagel presiding.

Members present: Battcher, Heiland, Jaszewski, Mayor Nagel, Nuesse, Wills

Members absent: None

Also present: City Adm. Donabauer, City Attorney Arneson, Council Candidates Tom Hatlestad & Adam Cowell, Financial Advisor Shannon Sweeney, Police Chief Danner, Kurt Menk

Motion by Jaszewski, seconded by Nuesse, and passed by unanimous vote to approve the agenda with the following change:

Add item 6C) City Council Candidate Forum, Tuesday, October 25th from 7-8:15 pm at the Community Center.

Motion by Wills, seconded by Battcher, and passed by unanimous vote to approve the consent agenda as follows:

- A) Approval of the September 6th Regular Meeting Minutes
- B) Approval of the September 19th Regular Meeting Minutes
- C) Approval of the September 19th Special Meeting Minutes
- D) Approval of Bills
- E) Approval of Routine Maintenance Agreement for CSAH 17 with Sibley County
- F) Approval of Routine Maintenance Agreement for CSAH 34 with Sibley County
- G) Approval of Temporary Road Closure and use of City Resources for Homecoming parade on 10-14-16
- H) Approval of 1 to 4 Day Temporary On-Sale Liquor License to Arlington Lions Club for an Event on 11-11-16.

It was noted that there were no public hearings scheduled.

It was noted that there were no citizens present to address the Council on non-agenda items.

The following announcements were reviewed:

- D) AFD Relief Fall Block Party, Saturday, October 15th at 5:00 pm at the Arlington Fire Hall
- E) 6th Annual Halloween Fright Night, Monday, October 31st from 5:30-7 pm along Main Street
- F) City Council Candidate Forum, Tuesday, October 25th from 7-8:15 pm @ Community Center.

The Council reviewed the following communications:

- A) August Water/Wastewater Report
- B) September Building Permit Report.

The second reading of Ordinance No. 310 – An Ordinance Amending the 2014 Arlington Comprehensive Plan Future Land Use Map and Section 4, Subd. 1 (Official Zoning Map) of Ordinance 169, The Zoning Ordinance, was held. Adm. Donabauer stated that the proposed ordinance will redefine the planned land use to industrial and rezone it to light industrial in conjunction with the Cemstone relocation project.

Motion by Wills, seconded by Battcher, and passed by unanimous vote to approve Ordinance 310 – An Ordinance Amending the 2014 Arlington Comprehensive Plan Future Land Use Map and Section 4, Subd. 1 (Official Zoning Map) of Ordinance 169, The Zoning Ordinance, as follows:

ORDINANCE 310

AN ORDINANCE AMENDING THE 2014 ARLINGTON COMPREHENSIVE PLAN FUTURE LAND USE MAP AND SECTION 4, SUBD. 1 (OFFICIAL ZONING MAP) OF ORDINANCE 169, THE ZONING ORDINANCE

- I. THE CITY COUNCIL OF THE CITY OF ARLINGTON, MINNESOTA TO PROMOTE THE PUBLIC SAFETY, HEALTH, AND WELFARE, HEREBY ORDAINS THE ARLINGTON COMPREHENSIVE PLAN FUTURE LAND USE MAP SHALL BE AMENDED AS ATTACHED HERETO AND AS RELATED TO APPROXIMATELY 6.46 ACRES OF PID NO. 31.0834.000.
- II. BE IT FURTHER RESOLVED THE SECTION 4, SUBD. 1 OF ORDINANCE 169, THE OFFICIAL ZONING MAP OF THE ZONING ORDINANCE SHALL BE AMENDED AS ATTACHED HERETO AND AS RELATED TO PID NO. 31. 0834.000.
- III. EFFECTIVE DATE: THIS ORDINANCE IS EFFECTIVE UPON ITS ADOPTION AND PUBLICATION AS PRESCRIBED BY LAW.

Adopted by the City of Arlington on the 3rd day of October, 2016.

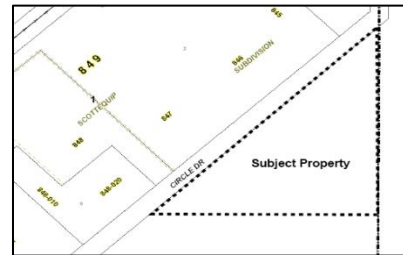
/s/ Richard Nagel
By Richard Nagel, It's Mayor

/s/ Liza M. Donabauer
By Liza M. Donabauer, It's Administrator

SECTION 4, SUBD. 1 OF ORDINANCE 169, THE OFFICIAL MAP OF THE ZONING ORDINANCE:

The future land use map shall be amended to guide the illustrated property (PID No. 31. 0834.000) to light industrial use.

The official zoning map shall be amended to rezone the illustrated property (PID No. 31. 0834.000) from R-1 One and Two Family Residential to I-1 Light Industrial.



Councilmember Battcher introduced the following resolution and moved for its adoption:

RESOLUTION NO. 55-2016

A RESOLUTION APPROVING AN ORDINANCE AMENDING THE 2014 ARLINGTON COMPREHENSIVE PLAN FUTURE LAND USE MAP AND SECTION 4, SUBD. 1 (OFFICIAL ZONING MAP) OF ORDINANCE 169, THE ZONING ORDINANCE

- WHEREAS**, the City of Arlington placed the 2014 Comprehensive Plan into effect under Ordinance 292; and,
- WHEREAS**, Section 4, Subd. 1 of Ordinance 169 establishes an official zoning map for the City of Arlington; and,
- WHEREAS**, Mary L. Hennies and Shelia L. Arneson (the Property Owners) and Cemstone (the Applicant) have submitted a request to amend the future land use map and the official zoning map related to property legally described as Part of the NW ¼ of NW ¼, Sect. 10, Twp. 112, Range 27 and identified as part of Parcel No. 31.0834.000; and,
- WHEREAS**, the Property Owners and Applicant request to amend the future land use map in the Comprehensive Plan and rezone the subject property to I-1, Light Industrial from R1/Ag-R2/Ag Residence & Agricultural District; and,
- WHEREAS**, the Planning and Zoning Commission on September 1, 2016 held a public hearing on the request; and,
- WHEREAS**, following the public hearing the Planning and Zoning Commission discussed the request and established the following facts:
- 1. The 2014 Arlington Comprehensive Plan guides the subject area to future residential use. The property abuts industrial uses including Scott Equipment and Hutch Co-Op. Only a portion of the parent parcel is proposed for a change in use. The portion proposed for a change in use is in close proximity to CSAH 12. The City has worked with Cemstone for over two years to find a suitable location for the new site.

2. The proposed lot meets minimum performance standards as follows:
 - a. Minimum lot size: 10,000 square feet
 - b. Minimum district size: n/a abuts industrial
3. City utilities are adjacent to the subject site. Improvement of a portion of 230th Street and extension of municipal services to the lot is included in the project. The City has secured a grant from the Minnesota Department of Employment and Economic Development to extend utilities and improve the roadway.
4. The future land use map update and rezoning request is sympathetic to abutting industrial land uses. Residential uses shall be buffered by continued rural agricultural uses.

WHEREAS, the City Council held first reading of an Ordinance re-guiding and rezoning certain property at a regular meeting on September 19, 2016; and,

WHEREAS, the City Council held second and final reading of the Ordinance at a regular meeting on October 3, 2016.

NOW, THEREFORE, BE IT RESOLVED BY CITY COUNCIL OF THE CITY OF ARLINGTON THAT:

Ordinance No. 310, attached hereto as Exhibit A (*see above*), amending the future land use map in the 2014 Comprehensive Plan and the Official Zoning Map applicable to the subject property to I-1, Light Industrial from R1/Ag-R2/Ag Residence & Agricultural District, is hereby approved subject to the following conditions:

1. A building permit shall be issued within one (1) year.
2. Potential future residential uses south or east of the subject property shall be adequately buffered.
3. This permit is subject to all applicable codes, regulations and ordinances, and violation thereof shall be grounds for revocation.

The motion for the adoption of the foregoing resolution was duly seconded by Councilmember Wills and upon poll being taken thereon the following voted in favor thereof: Battcher, Heiland, Jaszewski, Nuesse, Wills; and the following voted against the same: None; and the following abstained from voting: None; and the following were absent: None.

The foregoing resolution was adopted by the City Council of the City of Arlington this 3rd day of October 2016.

Signed: /s/ Richard Nagel
Mayor

Attest: /s/ Liza M. Donabauer
City Administrator

Whereupon the resolution was declared duly passed and adopted and was signed by the Mayor whose signature was attested by the City Administrator.

Financial Advisor Shannon Sweeney was present to discuss the tax abatement request from Cemstone related to their relocation project. Adm. Donabauer stated that the Council was being asked to call a public hearing for the proposed tax abatement; the meeting would be held Monday, October 17th during the regular Council meeting. The City's portion of the abatement would be \$75,375. Sweeney reviewed the details associated with the proposed tax abatement (over 15 years). Cemstone was going to be relocating their facilities to the northeast side of town, which is proposed to be valued at \$309,600. This will generate an additional \$5,025 in property taxes above the amount currently being collected on the bare land. The City could abate this amount annually, along with \$2,243 (annually) by the County (if they chose to participate). Nuesse commented that by doing this process, the City retains Cemstone in the community and potential for new jobs.

Councilmember Heiland introduced the following resolution and moved for its adoption:

RESOLUTION 56-2016

A RESOLUTION SETTING A DATE FOR A PUBLIC HEARING ON THE APPROVAL OF A TAX ABATEMENT RESOLUTION FOR THE PURPOSE OF FUNDING DEVELOPMENT COSTS FOR THE CEMSTONE PROJECT

WHEREAS:

1. The City of Arlington has been working with Cemstone Products Company for the purpose of promoting the relocation of existing facilities and the retention of jobs within the community; and
2. The City Council is considering the use of tax abatements to fund a portion of the development cost as authorized under the authority of Minnesota Statutes 469.1812 to 469.1815 (the "Abatement Law"); and
3. Prior to approving an abatement resolution and the use of tax abatement the City must hold a public hearing.

BE IT RESOLVED by the City Council as follows:

1. Public Hearing. The City Council shall hold a public hearing on the use of tax abatement for the Cemstone Project at approximately 6:30 p.m. on Monday, October 17, 2016 at the Arlington City Hall. Staff is directed to publish notice of this hearing as required by Abatement Law.

The motion for the adoption of the foregoing resolution was duly seconded by Councilmember Jaszewski and upon poll being taken thereon the following voted in favor thereof: Battcher, Heiland, Jaszewski, Nuesse, Wills; and the following voted against the same: None; and the following abstained from voting: None; and the following were absent: None.

Adopted by the City Council of the City of Arlington this 3rd day of October, 2016.

Signed: /s/ Richard Nagel
Mayor

Attest: /s/ Liza M. Donabauer
City Administrator

Whereupon the resolution was declared duly passed and adopted and was signed by the Mayor whose signature was attested by the City Administrator.

APPENDIX A

**CITY OF ARLINGTON
SIBLEY COUNTY
STATE OF MINNESOTA**

**NOTICE OF PUBLIC HEARING
on
APPROVAL OF PROPERTY TAX ABATEMENT**

NOTICE IS HEREBY GIVEN that the City Council of the City of Arlington, Minnesota, will hold a public hearing on Monday, October 17, 2016 at approximately 6:30 p.m., at the Arlington City Hall in the City of Arlington, Minnesota, relating to the use of property tax abatement for the purpose of funding development costs for the Cemstone Products Company Project, pursuant to Minnesota Statutes, Section 469.1812 to 469.1815, inclusive, as amended. The annual amount of tax abatement will not exceed \$5,025 per year and will be provided over a period of up to 15 years. A portion of the following tax parcel is proposed to be included in the proposed tax abatement:

Parcel I.D. – 31.0834.000

Copies of the Abatement Resolution as proposed to be adopted will be on file and available for public inspection at the office of the City Administrator at Arlington City Hall.

All interested persons may appear at the hearings and present their view orally or in writing.

Dated: October 3, 2016

BY ORDER OF THE CITY COUNCIL

/s/ Liza M. Donabauer
City Administrator

Discussion was held on the proposed Purchase Agreement with Seneca Foods. Attorney Arneson reviewed the details of the Agreement; 14.64 acres of land at a sale price of \$200,000 with \$10,000 down (refundable if purchase does not take place). The land being acquired is for future development and to gain right-of-way access (new city street) to the industrial park to the south. It was noted that the sale was contingent on the City receiving 50% funding (in the form a grant) from the State Development program for infrastructure costs. The target closing date is June 30, 2017. Arneson commented that there were

several negotiating points which included: waiving the stranded electrical infrastructure costs (approximately \$15,000) associated with the transformer that had been put in specifically for Seneca's purposes; allow Seneca (or new owner) to maintain an easement for the wastewater pipe line that crosses through Lot 2 (of parcel acquiring); if Seneca gets an offer the their entire property, the city has to act sooner than the June closing date; and the City will be paying for the survey, soil borings and other topographical analysis.

Councilmember Heiland introduced the following resolution and moved for its adoption:

RESOLUTION 57-2016

A RESOLUTION AUTHORIZING THE CITY OF ARLINGTON TO ENTER INTO A PURCHASE AGREEMENT WITH SENECA FOODS CORPORATION

WHEREAS, the City of Arlington (Buyer) seeks to enter into an agreement with Seneca Food Corporation (Seller) for the purchase of approximately 14.64 acres contingent on the approval of the Buyer's receipt of a state infrastructure grant.

NOW, THEREFORE, BE IT RESOLVED by the City Council of Arlington, Minnesota as follows:

1. That the attached Purchase Agreement between the Buyer and Seller is hereby approved. A copy of the Agreement is attached to this Resolution and made a part of it. The said purchase area is further defined on the Appendix "A" aerial map attached to this agreement.
2. The price for the real property included in this sale is \$200,000.
3. Buyer's intent is to use the subject property as part of an industrial park development including land already owned by buyer south of the subject property. In order to conduct said industrial park development, buyer estimates that approximately \$2,400,000.00 of infrastructure and development costs will be expended. This is not economically feasible for buyer unless buyer obtains funding for 50% of said infrastructure and development costs under the Greater MN Business Development Public Infrastructure (BDPI) Grant Program. If buyer does not have approval of such grant funding within 60 days prior to the closing date of June 30, 2017, buyer may, in its discretion, declare this purchase agreement null and void.
4. That the City Administrator, or his or her successor, and Mayor are designated the Authorized Representatives for the City.

The motion for the adoption of the foregoing resolution was duly seconded by Councilmember Wills and upon poll being taken thereon the following voted in favor thereof: Battcher, Heiland, Jaszewski, Nuesse, Wills; and the following voted against the same: None; and the following abstained from voting: None; and the following were absent: None.

Adopted by the City Council of the City of Arlington this 3rd day of October, 2016.

Signed: /s/ Richard Nagel
Mayor

Attest: /s/ Liza M. Donabauer
City Administrator

Whereupon the resolution was declared duly passed and adopted and was signed by the Mayor whose signature was attested by the City Administrator.

Adm. Donabauer reviewed the details from the Special Workshop meeting that was held prior to the regular meeting regarding the proposed 2017 Street & Utility Improvement Project. She explained that consideration was given to the area in the northwest quadrant (as scheduled for 2017) and in the southeast quadrant (Baker and Clinton Streets). It was decided during the special meeting to move forward with the 2017 project for the area in the northwest quadrant as had been planned for.

Councilmember Battcher introduced the following resolution and moved for its adoption:

RESOLUTION 58-2016

A RESOLUTION ORDERING PREPARATION OF ENGINEERING REPORT ON 2017 STREET & UTILITY IMPROVEMENTS

WHEREAS, it is proposed to develop the 2017 Street & Utility Improvements to assess the benefited property for all or a portion of the cost of the street, sanitary and water improvements, pursuant to Minnesota Statutes, Chapter 429.

NOW THEREFORE IT BE RESOLVED that the City Council of Arlington hereby order Bolton and Menk to report to the Council with all convenient speed advising the council in a preliminary way as to whether the proposed improvement is necessary, cost-effective, and feasible and as to whether it should best be made as proposed or in connection with some other improvement, and the estimated cost of the improvement as recommended.

The motion for the adoption of the foregoing resolution was duly seconded by Councilmember Jaszewski and upon poll being taken thereon the following voted in favor thereof: Battcher, Heiland, Jaszewski, Nuesse, Wills; and the following voted against the same: None; and the following abstained from voting: None; and the following were absent: None.

Adopted by the City Council of the City of Arlington this 3rd day of October, 2016.

Signed: /s/ Richard Nagel
Mayor

Attest: /s/ Liza M. Donabauer
City Administrator

Whereupon the resolution was declared duly passed and adopted and was signed by the Mayor whose signature was attested by the City Administrator.

Wills provided an update on the Library Committee. He stated that the lights are scheduled to be replaced with LED's tentatively October 6th. The parking lot in the back has been paved and looks much nicer. Placement of a gutter over the back entrance is scheduled to happen in a couple of weeks, which should eliminate the water in the basement issue.

Nuesse provided an update on the Cemetery Committee. She stated that they discussed moving forward with making improvements to the existing roadway system (getting some various options with pricing). They also discussed location, size, and design of a columbarium. A survey will be sent out within the month to get resident input on cremation burials versus traditional burials.

Jaszewski commented that the Council Candidate Forum has been scheduled for October 25th, which is also the same day as the next hospital board meeting.

Adm. Donabauer provided an update on the Shade Tree & Parks Committees. She stated that a tree planting event occurred recently in Four Seasons and Frenzel parks. It was noted that approximately 25 resident volunteers helped to plant 60 trees. The trees were purchased with funds from a community forestry grant through the DNR. Tree Trust and Conservation Corp helped with digging the holes and planting also.

Heiland commented that he had been approached by a couple of residents about the sound quality of the council meetings on the public access (Ch. 8) channel. He reminded those present to speak up and clearly into the mics on the table.

Adm. Donabauer explained that County Administrator, Roxy Traxler, has expressed interest in improving economic development within Sibley County and was seeking input from each city on how this can be done. She commented that a joint meeting could be held with the EDA Committee to discuss this further. Various concerns were expressed and comments were made with regards to how things were done under SEDCO versus the City's EDA consultant (overlap of similar services). Nuesse commented that the County could help with grant writing; broadcasting what the County is doing on both regional and national levels to attract business to the area; promoting aging in place and health care; and help cities retain the businesses they have. Mayor Nagel commented that the County could work on 'branding' this area, give the people a geographic destination to come to.

Wills commented on the unsafe (tripping) conditions starting to pop up along Main Street where the brick pavers have settled and there is now a gap between them and the sidewalk and/or curbing edges. It was his recommendation that the City should consider using a portion of the \$25,000 set aside for yearly sidewalk improvements to fix this problem.

Motion by Jaszewski, seconded by Battcher, and passed by unanimous vote to adjourn the regular meeting at 7:32 pm.

A Closed Meeting was called to order by Mayor Nagel at 7:34 pm.

The following item was discussed in detail (For the purpose to consider the sale of real property):

A) TSE Building (108 5th Ave NW, Hwy 5)

Adm. Donabauer stated that the purpose of the meeting was to determine a value on the recently donated TSE Building. Several parties have expressed interest in the building and the question “what is the sale price?” always comes up. The Council extensively discussed their intent on selling the building. City Attorney Arneson informed the Council that although the City received the building for free, it is considered a City asset. And when a government entity sells an asset, it is supposed to do it in a proper businesslike fashion, and not gift it to a private party, unless a city can justify it for economic development purposes (e.g. sell building for \$1 in an exchange for a legal commitment to bring additional jobs into the city). The City needs to demonstrate that it is not giving the building (tax dollars) away. After extensive discussion, the Council asked staff to obtain quotes, and availability, for a commercial appraisal.

Motion by Heiland, seconded by Nuesse, and passed by unanimous vote to adjourn the closed meeting at 8:29 pm

The Regular Meeting was called back into order by Mayor Nagel at 8:30 pm.

Motion by Battcher, seconded by Wills, and passed by unanimous vote to rescind the action to adjourn the regular meeting from earlier in the evening.

Mayor Nagel announced that after some discussion, the Council had decided to table any further action on the sale of the TSE Building until more information can be obtained.

Motion by Battcher, seconded by Nuesse, and passed by unanimous vote to adjourn the meeting at 8:32 pm.

City Administrator Liza M. Donabauer

Mayor Richard Nagel