

**MINUTES OF A REGULAR MEETING OF THE PRINCETON CITY COUNCIL HELD ON
OCTOBER 25, 2007, 7:00 P.M. IN THE CITY HALL COUNCIL CHAMBERS**

Mayor Riddle called the meeting to order and led the Pledge of Allegiance to the Flag. Council members present were Mayor Jeremy Riddle and Councilors Paul Whitcomb, Dick Dobson, and Victoria Hallin. Councilor Lee Steinbrecher was absent. Staff present was Mark Karnowski, Steve Jackson, Tom Mismash, Brian Payne, Jay Blake, Dave Thompson, and Ann Bien. Also present was City Engineer Mike Nielson, SEH.

AGENDA ADDITIONS/DELETIONS

IT WAS THE CONSENSUS OF THE COUNCIL TO ADD THE FOLLOWING ITEM TO THE AGENDA:

Under Miscellaneous:

- A. State demographer information

IT WAS THE CONSENSUS OF THE COUNCIL TO DELETE THE FOLLOWING ITEM FROM THE AGENDA:

Under New Business:

- C. Personnel Policy Change

APPROVAL OF MINUTES OF THE STUDY SESSION OF OCTOBER 4, 2007 & REGULAR MEETING OF OCTOBER 11, 2007

HALLIN MOVED TO APPROVE THE MINUTES OF THE STUDY SESSION OF OCTOBER 4, 2007 AND REGULAR MEETING OF OCTOBER 11, 2007, AS WRITTEN. WHITCOMB SECONDED THE MOTION. ON THE VOTE: AYES - 4; NAYS - 0. THE MOTION CARRIED UNANIMOUSLY.

CONSENT AGENDA

A. Permits and Licenses

- 1. Parking Lot Lease Agreement with Richie's on the Rum

B. Personnel: None

C. Donations: None

WHITCOMB MOVED TO APPROVE THE CONSENT AGENDA. DOBSON SECONDED THE MOTION. ON THE VOTE: AYES - 4; NAYS - 0. THE MOTION CARRIED UNANIMOUSLY.

OPEN FORUM

No one was present for Open Forum.

PUBLIC HEARINGS

A. 10th Avenue and 2nd Street South Assessment Hearing

City engineer Mike Nielson, WSB, reviewed the project, explaining the needs (flooding along 10th avenue South, runoff into back yards adjacent to PUC, bituminous severely deteriorated, no sanitary sewer on 2nd Street South, and a dead end watermain) and the work that was done (new sidewalks along north side of 2nd Street South and on the west side of 10th Street, extension of sewer service, watermain looping, drainage improvements, street and storm sewer improvements). Nielson explained minimum requirements for the streets were used and the actual cost for the project is over \$80,000 under the feasibility cost.

Nielson went on to review the assessable parcels and what they will be assessed for. He explained how the assessments were calculated and how they can be paid.

Karnowski explained the notice of public hearing mailed to assessed properties.

The meeting was opened to public comment and questions.

Myron Doose, 111 9th Avenue South, presented a written objection of his assessments. He pointed out the prior condition of the intersection of 2nd Street South and 10th Avenue, stating the pavement had gone "completely to hell" because of the heavy equipment of the PUC and delivery trucks to the PUC. He stated he does not feel the PUC is taking enough responsibility and he thinks more of the community, via the PUC, should be paying more of the assessments. He pointed out the difference in the amounts paid by the residences vs the PUC, adding he does not know who pays for tax forfeit property and the Mille Lacs County Historical Society does not have any money. He explained he had problems from runoff to his property from the PUC 7-9 years ago. He stated when he complained at that time, the Public Works superintendent said there were bigger problems around town and let it go, so Doose filled it in with dirt. He stated the residences along 9th Avenue are being charged quite low and he is paying quite a bit more, so he does not feel their runoff is being considered in the runoff. He stated he assumes the road is made to take the heavy equipment traffic of the PUC and the neighboring residences are having to pay for it. He stated he did receive a benefit of the sidewalk, which he did not previously have, but the south side of 2nd Street South, which had a sidewalk, now has none. He stated he thought the flooding was a problem of the PUC, but then found out they were having a problem with their septic. He stated they should have had to connect to 1st Street. He stated he thinks the assessments are high for three residents when the problem was created by the PUC and the drainage is mostly PUC's problem.

Riddle asked when the street was constructed or worked on. Nielson did not know. Thompson said it was never really constructed (bituminous), just sealcoated.

John Dehn, 903 So. 2nd Street, pointed out his neighbor has 80 feet of frontage and he has 76 feet of frontage, yet the storm sewer cost factor shows him paying more and he would like an adjustment made. Nielson explained corner lots, which his neighbor has, have a reduction, so their front footage is adjusted. Dehn asked about sanitary sewer connections, why since he has two separate lots, only one received a connection but both are being charged. Nielson explained the theory is that Lot 11 is not buildable on its own and sanitary sewer service would have to come out from the side. Dehn stated that is possible at this time, but he may be adding property in the future to make it a buildable lot. He asked for a reduction since he already has sewer coming from 9th Avenue. Nielson stated he would have no objection to deferring the assessment with interest until a connection is made.

Dehn stated he has also seen an excess of heavy trucks using 2nd Street South and 10th Avenue. He stated two weeks ago he called the Police Department because of his alley being blocked. He explained trucks are parking there when they are not being used. Thompson stated that area is not a driveway, alley, or easement; although Dehn is using it as a driveway. Dehn said the driveway has been maintained by the City, so he has assumed it was to be used by him. He stated the trucks filling up with water can go elsewhere.

John Hewitt, representing the Mille Lacs County Historical Society, stated he was curious about the runoff factor. He stated their property is about 80% drainage and PUC is less, yet they are charged the same. Nielson explained it was divided by non residential vs. residential. He stated theirs could be adjusted down a little, but not in half.

Thompson commented that as far as runoff for the Historical Society, \$134,000 was spent prior to this project for runoff. He stated he was not working for the PUC when Doose had his drainage problem, but Doose's "dam" worsened the PUC's drainage problem. He stated it became a safety hazard and that is one reason the PUC petitioned for this project. He stated sewer was never afforded to the PUC because it was not put in the street; now they cannot repair their septic system and need to hook up to city sewer.

Karnowski reminded people of the process to appeal the amount of assessment. He advised the Council of several options they have – continuing the hearing to the next regular meeting to adjust figures or close the hearing and have staff relook at some of the issues brought up and then adopt the final assessment at the next meeting.

Hallin asked if the roads (2nd Street South and 10th Avenue) would have deteriorated the way they have if they did not have the heavy trucks use they have. Nielson explained roads deteriorate from sun, wet, cold, etc.; but roads are constructed for a specific weight. He stated what seems to be high traffic in this area is actually quite low compared to Rum River Drive. The only difference he sees is the width of the roadway. He agreed heavy trucks can have an impact, particularly on a sealcoat road.

Riddle clarified that if a written notice is not filed this evening, property owners cannot appeal. Karnowski also explained that all evidence to be considered at an appeal is to be presented tonight.

WHITCOMB MOVED TO CLOSE THE PUBLIC HEARING. DOBSON SECONDED THE MOTION. ON THE VOTE: AYES - 4; NAYS - 0. THE MOTION CARRIED UNANIMOUSLY.

Riddle explained the Council will not take action tonight and again recommended property owners present a written notice. Written notices were also received from John Dehn and the Mille Lacs County Historical Society.

REPORTS OF OFFICERS, BOARDS, AND COMMITTEES

A. Airport Advisory Board

- 1. Draft Minutes of October 9, 2007**
The above minutes were reviewed.

B. Planning Commission

- 1. Draft Minutes of October 15, 2007**
The above minutes were reviewed.
- 2. Illuminated Sign Ordinance**

Blake explained the illuminated sign issue came up because of the sign type requested for Belle Haven Addition. He explained that currently only external illumination is allowed in a residential zone. This ordinance authorizes the Planning Commission to consider other types of signs for a planned unit development.

HALLIN MOVED TO INTRODUCE ORDINANCE #608, AN ORDINANCE AMENDING CITY ORDINANCE #538, CHAPTER VII, SIGNS. WHITCOMB SECONDED THE MOTION. ON THE VOTE: AYES - 4; NAYS - 0. THE MOTION CARRIED UNANIMOUSLY.

- 3. PUD, CUP, and Preliminary Plat of River Town Apartment Homes (PUD)**

Blake reported the Planning Commission held a public hearing on October 15, 2007, to consider the preliminary plat of River Town Apartment Homes and the requested conditional use permit. He explained Briggs Company is proposing to construct three separate 38-unit buildings with market rate apartment homes to be leased. In order to place restrictions on the project, the Planning Commission required the project to be a Planned Unit Development. City Engineer Mike Nielson, WSB, reviewed the preliminary plat and made various recommendations. Briggs Company also applied for a conditional use permit to allow a structure greater than 30 feet in height in the R-3 zoning district.

The Planning Commission approved the PUD restrictions placed on the project as recommended by the city engineer in a memo dated October 3, 2007, the conditional use permit for a structure in excess of 30 feet in an R-3 multi-family residential district, and the preliminary plat.

4. Conditional Use Permit for Sylva Manufacturing

Blake reported the Planning Commission held a public hearing on October 15, 2007, to consider the request of Larry Doose, president of Sylva Manufacturing, for a conditional use permit (CUP) to allow the expansion of his business onto the property recently subdivided by John and Shari Westling. He explained Sylva Manufacturing is a company which manufactures and stores wood chips. The exterior storage of sand, gravel, or other materials requires a CUP in the MN-1 Industrial zone. The site plan indicates the erection of a screening fence along the easterly portion of the property, using the same as those used on the existing facility. Equipment storage is planned for the westerly portion of the property. The proposal also calls for the filling of the manmade wetlands on the site. The Mille Lacs County SWCD has given approval for this action. Blake reported the Planning Commission approved the conditional use permit with the condition that there can be no more than 30 feet of height of non-processed materials on the site.

C. EDA

1. Draft Minutes of September 20, 2007

The above minutes were reviewed.

2. Christensen Hangar Purchase, Authorization to Proceed

Blake reported staff has been working with Elizabeth Christensen for the acquisition of her nine lots at the north end of the airport. Christensen has agreed to sell the land for \$1.24/sq. ft (x 32,250 sq. ft + \$40,000), the building for \$60,000, and commission of \$1,500, for a total of \$101,500. He explained in the past there has been no money to purchase the parcels, but with the formation of the Aero Tax Increment Financing (TIF) redevelopment district, there will be a potential funding source. One option is the City can issue a Tax Increment Financing Bond for the project, but there will be additional costs associated with the issuance. Therefore, staff is recommending the second option of the City authorizing a loan from the City's Capital Fund with payback from anticipated TIF revenue.

Whitcomb asked the condition of the buildings; Blake thought one building may be usable and could be moved to another location. Whitcomb asked if airport funds could be used for the cost of moving the building. Karnowski thought it may be possible, and it could be moved to another lot and sold.

DOBSON MOVED TO DIRECT STAFF TO PREPARE A PURCHASE AGREEMENT BETWEEN THE CITY AND ELIZABETH R. CHRISTENSEN FOR THE ACQUISITION OF THE PARCELS AND FINALIZE FUNDING FOR THE PURCHASE. HALLIN SECONDED THE MOTION.

Karnowski commended Blake on his work on getting this process moving. Riddle stated he also liked the capital fund loan financing. Blake added this also establishes a land price for future purchase of the other lots on the north end.

ON THE VOTE: AYES - 4; NAYS - 0. THE MOTION CARRIED UNANIMOUSLY.

3. Authorization to Modify JOBZ Zone

Blake reported Guy Miller and Jean Stassen Bowen own Biomatrix, a local firm currently operating from a building in Baldwin Township. They have purchased the former Bell Canoe building in the City's industrial park (a portion of Lot 3, Block 1, Princeton Industrial Park, PIN #90-401-0310) and plan to remodel to meet their needs. Sherburne State Bank is the local lending agency and they are working with the Initiative Foundation to provide gap financing. They are requesting the property be designated for JOBZ and an abatement plan for the City portion of their property taxes.

HALLIN MOVED TO APPROVE THE JOBZ DESIGNATION FOR BIOMATRIX. DOBSON SECONDED THE MOTION. ON THE VOTE: AYES - 4; NAYS - 0. THE MOTION CARRIED UNANIMOUSLY.

D. Park and Recreation Advisory Board

1. Draft Minutes of October 22, 2007
The above minutes were reviewed.

PETITIONS, REQUESTS, AND COMMUNICATIONS

A. Request for Place Sign at Old Liquor Store

Karnowski reported Marilyn Bue has requested permission to place a 2-sided advertising signboard for the First Tuesday Performance Series at the former liquor store parking lot one week before each concert and removing it the day after. The concerts are held on the first Tuesday of each month. Karnowski stated if this request is approved, it may not be the last. Whitcomb asked if First Tuesday understands that when the property sells, this agreement will become null and void. Karnowski answered they do.

WHITCOMB MOVED TO ALLOW THE FIRST TUESDAY PERFORMANCE SERIES TO PLACE A 2-SIDED ADVERTISING SIGNBOARD AT THE FORMER LIQUOR STORE PARKING LOT FOR ONE WEEK PRIOR TO EACH CONCERT. HALLIN SECONDED THE MOTION.

Payne explained a concern may be with the size of the sign and where it is place so it does not impede the sight of traffic.

WHITCOMB MADE A FRIENDLY AMENDMENT TO GET POLICE DEPARTMENT APPROVAL FOR SIZE AND LOCATION.

ON THE VOTE: AYES – 4; NAYS – 0. THE MOTION CARRIED UNANIMOUSLY.

B. Parking Lot Letter

Karnowski reported the City received a letter from Norma Ovsak who apparently tripped over a section of the asphalt curb in the parking lot between 1st Street and 2nd Street North, west of 6th Avenue North (adjacent to Trinity Lutheran Church and First Congregational Church). She suggested the City remove the concrete (sic) dividers and replace them with painted lines. Karnowski explained the dividers are not of the removable concrete and help assure we maximize the parking spaces in the lot. They also help direct stormwater drainage. Ovsak also suggested the parking lot be lit better since it is often used in the evening. Karnowski explained that apparently only 2/3 of the lot is owned by the City and the balance belongs to one of the two adjacent churches. He suggested the adjacent churches could be contacted to see if they think it would be worthwhile for them to install additional lighting to assist their elderly church members as they leave the churches.

The Council asked if the dividers could be painted yellow, since they might show up better in the evening. Thompson suggested white since yellow means no parking. Payne agreed another color would help.

IT WAS THE CONSENSUS OF THE COUNCIL TO HAVE PUBLIC WORKS PAINT THE CONCRETE DIVIDERS IN THE PARKING LOT BETWEEN TRINITY LUTHERAN CHURCH AND FIRST CONGREGATIONAL CHURCH.

ORDINANCES AND RESOLUTIONS: None

UNFINISHED BUSINESS

A. Phil Knapp UDAG Loan Pay-off

Jackson reported Phil Knapp has requested a discount if he pays off his UDAG loan early. Jackson explained this type of discount has been approved by the Council on a couple of other UDAG loans in the past. The discount is the result of using 5% for the present value calculation as opposed to the 3% stipulated in the loan agreement. The premise for allowing the discount is that the City can deposit the pay-off amount at the current market rate and have at least as much as we would have if the payment went full term.

DOBSON MOVED TO APPROVE THE EARLY PAYOFF OF THE UDAG LOAN OF PHILIP AND SUSAN KNAPP AND AUTHORIZE THE EXECUTION OF THE SATISFACTION OF MORTGAGE. WHITCOMB SECONDED THE MOTION. ON THE VOTE: AYES – 4; NAYS – 0. THE MOTION CARRIED UNANIMOUSLY.

B. Insurance Policy – Excess Liability

Karnowski explained that it appeared the Council was not interested in approving excess liability insurance but official action was not recorded.

WHITCOMB MOVED TO NOT ACCEPT EXCESS LIABILITY INSURANCE. HALLIN SECONDED THE MOTION. ON THE VOTE: AYES - 4; NAYS - 0. THE MOTION CARRIED UNANIMOUSLY.

NEW BUSINESS

A. Defibrillator Grant Consideration

Karnowski reported Sgt. Backlund applied for and received a \$1,500 grant from the State of MN Department of Public Safety's Office of Justice Program to purchase another defibrillator.

DOBSON MOVED TO APPROVE RESOLUTION #07-59, A RESOLUTION AUTHORIZING EXECUTION OF A COOPERATIVE AGREEMENT BETWEEN THE CITY OF PRINCETON AND THE MINNESOTA DEPARTMENT OF PUBLIC SAFETY TO RECEIVE A \$1,500 DEFIBRILLATOR GRANT. WHITCOMB SECONDED THE MOTION. ON THE VOTE: AYES - 4; NAYS - 0. THE MOTION CARRIED UNANIMOUSLY.

B. Finance Department Third Quarter 2007 Update

Jackson reviewed the third quarter 2007 update memo. Basically, everything is looking as expected during the 2007 budget process. He pointed out the liquor fund shows a 20% increase in sales over last year.

C. Personnel Policy Change

This item was deleted.

MISCELLANEOUS

A. State Demographer's Estimates

Karnowski reviewed the State Demographer's projections for the City of Princeton, Princeton Township, and Baldwin Township. Princeton's population is projected to be 6,350 by 2035. It is currently 4,535.

BILL LIST – \$506,718.57

HALLIN MOVED TO APPROVE MANUAL CHECKS NUMBERING 57541 AND 57613 FOR A TOTAL OF \$158,013.88 AND THE ITEMS LISTED ON THE LIQUOR BILL LIST AND GENERAL CITY BILL LIST, WHICH WILL BE CHECKS NUMBERING 57616-57700, FOR A TOTAL OF \$348,704.69 AS SHOWN ON THE BILL LIST. WHITCOMB SECONDED THE MOTION. ON THE VOTE: AYES - 4; NAYS - 0. THE MOTION CARRIED UNANIMOUSLY.

There being no further business, DOBSON MOVED TO ADJOURN AT 8:35 P.M. HALLIN SECONDED THE MOTION. ON THE VOTE: AYES - 4; NAYS - 0. THE MOTION CARRIED UNANIMOUSLY.

Respectfully Submitted

Ann Bien, Deputy City Clerk

ATTEST:

Jeremy Riddle, Mayor