

**MINUTES OF A REGULAR MEETING OF THE PRINCETON CITY COUNCIL HELD ON  
FEBRUARY 25, 2016 7:00 P.M. IN THE CITY HALL COUNCIL CHAMBERS**

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Mayor Paul Whitcomb called the meeting to order and led the Pledge of Allegiance to the Flag. Council members present were, Thom Walker, Victoria Hallin, Dick Dobson, and Jules Zimmer. Others present: Administrator Mark Karnowski, Development Director Jolene Foss, Police Chief Todd Frederick, Public Works Director Bob Gerold, Liquor Store Manager Nancy Campbell, Fire Chief Jim Roxbury, Clerk Shawna Jenkins, Engineers Mike Nielson Jeff Row and Attorney Damien Toven and Kelli Bourgeois.

**AGENDA ADDITIONS/DELETIONS**

**CONSIDERATION OF MINUTES**

- A. Regular Meeting Minutes of February 11, 2016

WALKER MOVED TO APPROVE THE REGULAR MEETING MINUTES OF FEBRUARY 11, 2016. DOBSON SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY

**CONSENT AGENDA**

**A. Permits and Licenses**

1. Princeton Lion's Club Gambling permit for April 9, 2016
2. Princeton Chamber Gambling permit for June 11, 2016
3. Princeton Chamber Gambling permit for September 24, 2016
4. Princeton Chamber Gambling permit for November 26, 2016
5. Princeton Chamber Gambling permit for December 8, 2016

**B. Personnel**

**C. Donations/Designations**

HALLIN MOVED TO APPROVE THE CONSENT AGENDA. ZIMMER SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY

**OPEN FORUM**

**REPORTS OF OFFICERS, BOARDS, AND COMMITTEES**

- A. EDA Board Meeting of January 21, 2016
- B. Park Board meeting of January 25, 2016

**PETITIONS, REQUESTS, AND COMMUNICATIONS**

**ORDINANCES AND RESOLUTIONS**

- A. Resolution 16-08 – Calling for a Public Hearing on TIF 7.1

Foss reported that this Resolution is to establish a Tax Increment Financing district for the old Arcadian Homes site. Central Minnesota Housing Partnership proposes to acquire vacant land to develop a Low Income Housing Tax Credit multi-family property in response to the City of Princeton's request for proposal. The Developer has requested the use of TIF to facilitate development of affordable housing in the City.

HALLIN MOVED TO APPROVE RESOLUTION 16-08 CALLING FOR A PUBLIC HEARING ON THE ESTABLISHMENT OF TAX INCREMENT FINANCING DISTRICT NO. 7-1 (HOUSING DISTRICT) FOR THE CITY OF PRINCETON, MINNESOTA. WALKER SECONDED THE MOTION.

Walker asked what the duration of the TIF would be. Foss replied that it is not finalized, but they are looking for 15 years. Whitcomb asked if they were the only ones that sent in an RFP. Foss confirmed they were, and this was the second RFP that was done for the site.

THE MOTION CARRIED UNANIMOUSLY

B. Resolution 16-09, Ordinance 732 – Rezoning of Annexed Land

Foss advised that this is the land that the School District requested to be annexed into the City. They are looking to rezoning the land to R-1 Residential.

DOBSON MOVED TO APPROVE RESOLUTION 16-09, REZONING THE SCHOOL DISTRICT LAND TO R-1 RESIDENTIAL, AND ORDINANCE 732 AMENDING THE FUTURE LAND USE PLAN AND ZONING MAP. HALLIN SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY

C. Resolution 16-10, Rezoning of 32146 136<sup>th</sup> St NW

Foss advised that the Planning Commission held a public hearing on the rezoning of this land on February 22, 2016. It was approved to rezone this property from A-1 Agricultural to MN-2 Industrial. Karnowski added that many years ago, the Council passed the Adult Use Ordinance and it will be allowed in MN-2, so we will be brought into compliance with state law.

WALKER MOVED TO APPROVE RESOLUTION 16-10, REZONING 32146 136<sup>th</sup> ST NW FROM A-1 AGRICULTURAL TO MN-2 INDUSTRIAL. DOBSON SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY

D. Ordinance 730 – Gas Station Canopy Lighting – FIRST READING

Foss reported that this ordinance amendment will simply add Gas Station Canopy Lighting to the Sign ordinance.

HALLIN MOVED TO INTRODUCE ORDINANCE 730. WALKER SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY

E. Ordinance 731 – Restaurant Definitions – FIRST READING

Foss reported that it was suggested that the restaurants have a more in-depth definition, so this amended ordinance will describe them in more detail.

HALLIN MOVED TO INTRODUCE ORDINANCE 731. ZIMMER SECONDED THE MOTION.

Karnowski added that the reason this is before the council is because the City's Ordinances allow restaurants to have a liquor license. With the previous wording, even a food truck would be able to serve liquor. This wording change prevents that possible problem.

THE MOTION CARRIED UNANIMOUSLY

**UNFINISHED BUSINESS**

- A. Proposed Odger’s Annexation
  - 1. Cancel March 10<sup>th</sup> Hearing
  - 2. Proposed Annexation update

Karnowski reported that when the Council adopted the resolution to proceed with the proposed Odgers annexation, the resolution included setting a hearing for March 10th.

Since the city subsequently found out that we are about 28 feet short of totally surrounding the Odger’s property, the city cannot use the ‘totally surrounded’ annexation procedure. Accordingly, a motion to cancel the proposed hearing would be in order.

In terms of Fiscal Impacts, there was some discussion about the impact on Princeton Township should the Odgers property be annexed into the city and a question about the impact on the city taxpayers for having to pick up the cost of the deferred assessments against that property.

According to the most recent available Mille Lacs County tax records, the portion of the property taxes for the 10 acre Odgers property that goes to the township is \$828.92.

Meanwhile, the amount the city has paid for the deferred assessments for the Odgers property is as follows:

	Annual P&I Payment±	Years Pd. Thru 2015+	Amount Remaining
'04 1st S&W Proj.	\$ 5,995.35	11	\$23,981.40
'05 21st Ave. Proj.	\$14,427.25	10	\$72,136.25

Karnowski stated that he talked to Ms. Odgers about the proposed annexation of her property. She’s currently in Lincoln Nebraska taking care of her parents. She does not anticipate coming back to Minnesota until toward the end of May.

Ms. Odgers requested that the city postpone any annexation hearing until she can be present. He informed her that the Council will be cancelling the scheduled March 10th hearing because the city discovered that we do not surround her property by 100%. He said he also advised her that there is another provision under state law that would allow annexation (because the city surrounds the property by more than 60%) but that process could take up to a year to complete.

Karnowski said he noted to her that the city was surprised by the Township notice regarding the pending subdivision and that the Council took immediate action to address the city’s concern that something may be happening on the property that the city may not support and/or does not conform to the city’s Comprehensive Plan and stressed that the Odger’s property is in a critical location given its proximity to the city’s ‘Big Box’ development area.

He said he went on to acknowledge that the city now understands that the subdivision was merely to separate the 2 acres the dentist office sits on from the balance of the Odgers property so it could be sold.

Karnowski added that he explained that the city's only intent was to protect the integrity of our comprehensive plan and to make sure there would be no use of the property that would be contrary to the city's Comp Plan was imminent.

He said he advised her that the city was looking at whether it may be possible, appropriate and/or legal to enter into some sort of orderly annexation agreement with both her and the dentists by which the property would come into the city but would be placed in the 'rural taxing district' whereby her (and possibly the dentists') property would remain taxed at the township rate for a period of years unless the property was further subdivided or built upon. Ms. Odgers appeared to be receptive to that concept.

He said he assured Ms. Odgers that the City Council and staff is 'pro-business' and, thereby, would try to work out some sort of reasonable process regarding the deferred assessments levied against the property. He told her the city certainly would not want the fiscal impacts of the assessments to jeopardize the dentists' ability to operate a successful practice.

Karnowski said he informed her that they would delay moving forward with proposed annexation until the city can complete its investigation regarding what the 'rural taxing district' options might be.

He suggested the city's goal would be to allow the proposed plat to move forward and not do anything to impact the proposed sale of the property while the city further investigates the options.

He added that the hope is that Ms. Odgers, the dentists and the city should be able to come up with some negotiated agreement that would allow the city to protect its Comprehensive Plan and not unreasonably interfere with Ms. Odgers and the dentists' plans. Again, she appeared receptive to that concept.

Karnowski stated that Attorney Bourgeois is doing some more research in the state statutes and staff will have some additional discussions with the property owners.

Hallin wanted clarification that 2 acres will stay with the dental office, and the other lot will be 8 acres. Karnowski confirmed that, and stated that Odger's has said she is not interested in selling or subdividing at this time. Therefore, staff is trying to work out an agreement that if the property was sold or a building permit was applied for, it would be annexed at that time.

Dobson said he likes the idea of trying to work something out with the property owner. Even if the property owner didn't initiate the annexation, it shows that the city is working with the property owner and protecting the city as well as the property owner. Hallin was impressed with the information provided and she agrees with waiting on this for now.

Whitcomb said the Dentists are very receptive with the plan. They are currently leasing the dental office, but may purchase it.

**HALLIN MOVED TO CANCEL THE MARCH 10<sup>TH</sup> ANNEXATION PUBLIC HEARING. DOBSON SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY**

Walker questioned if we have to rescind the previous motion. Toven replied that the clear way to do it was to have a resolution that rescinds the previous resolution. Karnowski added that if an agreement was made with the owners, that could include verbiage to rescind the previous resolution. However, being the wording in the previous resolution was that the prop-

erty would be annexed by ordinance, it is a moot point as it cannot be done.

B. Review bids on PFRD Slide in Grass Rig Unit

Karnowski advised that the fire department would like council approval to order the slide-in pump system for the Grass/Rescue Truck that we have on order.

They have received two quotes that meet their requirement of a Waterous Pump system and a 200 gallon lifetime warranty Poly tank. They specified the Waterous pump system because they have three of them with the oldest bought in 1992 and have never had a problem it. They specified the 200 gallon poly tank for the lifetime warranty and the fact that with the 200 gallons of water, equipment and members the truck will weigh 80% of the rated capacity of the truck giving us a better safety factor and less maintenance.

Both quotes include delivery and installation at our location.

The quotes are:

Kervida Fire - \$16,999.27

Fire safety USA - \$14,875.00

The Fire Department is requesting that the council approve purchase of the unit from Fire Safety USA for \$14,875.00.

Dobson asked how this cost compares to what is in the fund. Roxbury replied that they have adequate funds to purchase the unit.

DOBSON MOVED TO APPROVE THE PURCHASE OF THE SLIDE IN WATEROUS PUMP SYSTEM FROM FIRE SAFETY USA FOR \$14,875.00. HALLIN SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY

C. Round-a-bout at TH95 and 21<sup>st</sup> Ave N

Row reported that the City of Princeton, with Mille Lacs County and MNDOT was successful in securing Federal funding for improvements to the TH 95 Corridor. The project included the planning, design and construction of improvements on TH 95 from east of 13<sup>th</sup> Ave to West of CSAH 31 from the existing two land rural roadway to a 4 lane divided section with left and right turn lanes, a frontage road and replacement of the bridge over TH 169.

Currently a corridor Environmental Assessment (EA), corridor Staff approved layout and minor improvements have been completed. The project initially received \$1.2M in Federal funding of which \$740,253 is still available for improvements to the corridor. In addition to the Federal funding, MnDOT has committed a local match of \$236,000 and \$110,187 in TED funds are available bringing the total available to \$1,140,440.

The increasing traffic on TH95 along with the recent development of Walmart west of TH169 and south of TH95, has resulted in agreement that there is a need for additional improvements to the intersection of TH95 at 21<sup>st</sup> Ave North to improve safety and operations at the intersection. As long as these improvements are consistent with the approved EA and Layout the remaining Federal funds can be used to help construct them.

Hallin wanted clarification that even at the maximum estimated cost of 1.7 million, the City will need to come up with \$600,000. Nielson responded that they are estimating the City's share would be a bit over \$488,600. They would like to submit to MnDOT by this fall. Nielson added that giving contractor time to bid accordingly and at a time when the costs may be lower should be beneficial. There are many things to be discussed in the future, such as whether the road should be closed and detoured, one lane closed, working at night, etc. Row said those requirements can be built into the design of the project.

DOBSON MOVED TO ACCEPT THE PROPOSAL FROM WSB TO BE THE ENGINEER FOR THE ROUND A BOUT PROJECT AT TH95 AND 21<sup>ST</sup> AVE N. HALLIN SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY

D. DNR AFSS Building Lease

Karnowski reported that Attorney Dove reviewed the proposed lease and feels the only component he questions is that the DNR can cancel the lease with a 30 day notice but a city's cancellation notice requirement is a year.

He said he notified the DNR of the attorney's concerns and, after some discussion, agreed to the cancellation notice being 1 year for both the city and DNR.

The lease rate is approximately \$3.86 per square foot which will be paid monthly at \$1,166.66 (approximately \$14,000/yr.) or just short of \$70,000 for the five year lease.

He added that having the DNR and their planes at the airport is a benefit to the city and surrounding communities.

HALLIN MOVED TO APPROVE THE 5 YEAR LEASE WITH THE DNR FOR THE AFSS BUILDING. ZIMMER SECONDED THE MOTION.

Dobson questioned what the helipad will cost. Karnowski responded that the City will not be covering that cost, the DNR will be handling that.

Dobson asked if this will eliminate the trailer that is usually stored. Roxbury and Karnowski replied that it would.

Whitcomb questioned if there was any interior remodeling that needed to be done. Karnowski responded that they had discussed that with the DNR and they will cover the costs, which they expect to cost about \$3,000. Walker asked what the previous lease was with the FAA. Karnowski replied that it was about \$60,000 per year. They are currently leasing about 20% of the building. Their lease expired last fall and he is working on a new one

THE MOTION CARRIED UNANIMOUSLY.

**NEW BUSINESS**

A. 2016 Airport Project

Karnowski reported that the Airport Advisory Board is recommending that the city move forward with constructing a new Taxiway to service a new hangar area that will be located be-

tween the fuel facility and the T-Hangars.

Assistant Airport Engineer, Shawn McMahon is proposing the following schedule for advertising and bidding of the project.

<b>Feb 25</b>	-	Seek approval to advertise project from City Council
<b>Mar 31</b>	-	Bid Opening
<b>June 15</b>	-	Receive wetland permit
<b>July 1</b>	-	Grant Application
<b>July 15</b>	-	Construction

The total project cost is estimated to be \$150,000, which includes construction, Engineering, administration and wetland permitting. Of that, 90 percent will be funded by the FAA, 5 percent by the MnDOT Aeronautics, and 5 percent (\$7,500) locally.

WALKER MOVED TO APPROVE THE 2016 PROJECT OF CONSTRUCTING A NEW TAXI-WAY. DOBSON SECONDED THE MOTION.

Dobson stated that this has been discussed for a few years and he would like to see this project done.

THE MOTION CARRIED UNANIMOUSLY

**B. March Study Session cancellation**

Karnowski advised that he does not have anything scheduled for the March 3<sup>rd</sup> Study Session and asked if the Council was in agreement to cancel the meeting

HALLIN MOVED TO CANCEL THE MARCH 3<sup>RD</sup> STUDY SESSION. ZIMMER SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY

**C. Quit Claim Deed and Description Correction**

Foss reported that she was contacted by Home Security Abstract. A property owner was going to sell her property and a discrepancy was discovered. Mike Trunk has verified that the property lines are correct, but an error was found in the description.

HALLIN MOVED TO APPROVE THE SIGNING OF THE QUIT CLAIM DEED TO CORRECT THE DESCRIPTION. DOBSON SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY

**MISCELLANEOUS**

Dobson wanted to notify the Council of the public hearings that the county will be holding regarding taxes. He feels the changes will hurt Princeton and some of the council should attend those hearings. He will report back when the meetings are going to be held.

**BILL LIST**

HALLIN MOVED TO APPROVE THE BILL LIST WHICH INCLUDES THE MANUAL CHECKS AS LISTED ON THE MANUAL BILL LIST FOR A TOTAL OF \$114,002.08 AND THE ITEMS LISTED ON THE LIQUOR BILL LIST AND GENERAL CITY BILL LIST WHICH WILL BE CHECKS 73263 TO 73304 FOR A TOTAL OF \$151,818.50. ZIMMER SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY

**ADJOURNMENT**

There being no further business:

DOBSON MOVED TO ADJOURN THE MEETING AT 7:45PM. ZIMMER SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY

Respectfully Submitted,

ATTEST:

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Shawna Jenkins  
City Clerk

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Paul Whitcomb, Mayor