

**MINUTES OF A STUDY SESSION OF THE PRINCETON CITY COUNCIL HELD ON
JULY 2, 2013, 4:30 P.M. IN THE CITY HALL COUNCIL CHAMBERS**

Mayor Paul Whitcomb called the meeting to order. Council members present were Thom Walker, Dick Dobson, Jules Zimmer and Victoria Hallin. Staff present was Administrator Mark Karnowski, Finance Director Steve Jackson, Community Development Director Carie Fuhrman, Public Works Director Bob Gerold, Police Chief Brian Payne and City Clerk Shawna Jenkins. Absent was Liquor Store Manager Nancy

New and Expanded Business Discussion

Fuhrman stated the staff has been discussing the former Arcadian Homes sight and wanted to get the Council's thoughts and ideas. An RFP was sent out with no responses. MN Housing Authority has provided some ideas on how to make that property more marketable and ways to supplement the cost of the water. The feedback staff received was that Developers tend to stay away from a site if they see that it needs any infrastructure work.

In regard to Aero Business Park, the EDA has a few interested businesses that are looking to expand, but they are getting comments on the high price. The EDA is hoping to be able to negotiate the price a bit.

Fuhrman added that she met with the Sherburne County EDA and they gave her some names of individuals who work with development expansion and could do a study of the site. If the council would be interested, she could start some of the background work needed to do a study.

Whitcomb commented that the City has a lot tied in Aero Business Park so the City is at point where it will need to be discounted somewhat to get the property moving. Walker added that the EDA has discussed that as well and they are okay with that doing that.

Whitcomb feels a study would be a good idea.

Walker added that while at a Grow Minnesota meeting at USDP last week that had to do with employees, it was noted that most do not live here. He asked if the infrastructure could be financed for the SAC and WAC. Whitcomb said he believes TIF could be used for those costs. Fuhrman agreed and said if TIF could be used for the infrastructure, it would likely make the site more attractive to developers.

Karnowski added that schools and counties can participate in TIF, but they are sometimes reluctant to do so. However, schools may sometimes be more agreeable if it was industrial area that would not add more kids and cost to the school district.

Public Safety Building Technology Bids

Officer Frederick reported that over the past two months the IT committee has been working with numerous companies to identify the technology portion of the building. The IT portion of the building includes telephones, data boxes, cabling, door access, interview room (police department), building security surveillance, TV/monitor cabling and speaker systems cabling for the radio system.

The committee broke the IT quote into 7 projects; nine companies either bid the entire project or various parts of the projects. From the nine original companies it was narrowed down to five which they scheduled presentations with. After the presentations were completed, the IT committee met and discussed the positives and negatives of each company and their quotes. The quotes ranged from \$145,000.00 down to approximately \$120,000.00. After a lengthy discussion and adjusting the needed items within the project, the IT committee recommended the following four companies:

SimplexGrinnell for the door access

Loeffler Companies for cabling, telephone, building security surveillance, Police Department interview room, speaker cabling for the radio system and TV/monitor cabling.

Contract Hardware Company for the door strikes and **Kellington Construction Inc.** for installing the door strikes.

The total cost for the IT portion of the Princeton Public Safety Building is \$122,852.00.

- \$32,250.00 of forfeiture funds are accessible for a portion of the police department interview room recording system that could be deducted from the above total cost. This would bring the total cost for the IT costs of the building to \$90,250.00.
- There are funds in both the Police Department's budget originally set aside for the purchase of 800 MHz radios (and support) and in the "K-9" fund that can be used to cover the balance should there not be enough left over in the Public Safety Building's contingency fund.

Karnowski said the It Committee has spent many hours researching the options. He added that Frederick discovered in talking to other cities, we can justify using quite a bit in forfeiture funds. He said Jackson has reported that there are sufficient forfeiture funds. Jackson said when the City originally planned on the 800 MHz radio update; the worst case scenario was budgeted for. With the fire department and police departments work, they have been able to transfer over for much less. Also, Officer Cedarberg got a lot of contributions and donations for the K9 unit, so there are some funds available in that forfeiture funds that were originally set aside for that.

Hallin asked if there were funds available from the Fire Departments Building Fund. Karnowski replied that those have been added in for the building already.

Zimmer asked what was budgeted for the K9 unit. Jackson said there was \$58,000 set aside from the Capital Funds, and all the donations received went directly to the K9 fund.

Walker questioned the \$2000 for running the additional 180 feet. Frederick replied that there is currently some discussion with Greystone and the Electrical contractor in regard to that and he hopes the extra \$2000 will not be needed.

Zimmer asked where the project is now that the Technology aspect is known. Jackson responded that with the contingency, there would be about \$3000 left if everything is the same from here on out.

HALLIN MOTIONED TO AWARD THE CONTRACTS TO:
SimplexGrinnell for the door access

Loeffler Companies for cabling, telephone, building security surveillance, Police Department interview room, speaker cabling for the radio system and TV/monitor cabling.

Contract Hardware Company for the door strikes and **Kellington Construction Inc.** for installing the door strikes.

DOBSON SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY

Baldwin Annexation Proposal

Karnowski reported that an annotated proposed annexation agreement that was submitted to the Mayor by the chair of the Baldwin Town Board. There have been no negotiations between the Township and the city about the new language in attached document. It is a unilateral proposal formulated solely by Baldwin Township.

The copy the city received did not specify what had been altered from the agreement that former Mayor Riddle had worked on with the Township and submitted to them last fall. Therefore, Karnowski said he took the liberty to compare the two documents. The following annotated copy identifies language that was in the Riddle version that is not in the latest Baldwin version by the ~~strikeout~~. New language proposed by Baldwin that was not in the Riddle version is identified by being in **red**. I believe the critical changes in the proposed language include:

1. The new proposal would prohibit the city from annexing property designated by the MPCA or Minnesota Department of Health as needing city water or sewer service until the state determines that the township is unable to correct the circumstances. Note that there is no timetable defining how long the township would have to attempt to correct the circumstances. Normally, such a finding by the MPCA or Dept. of Health (as was the case with the Sherburne County Mobile Home Park case) includes both the annexation for services option as well as an "on site" repair option as determination by the state.
2. The current Township proposal does not allow any annexation that is not immediately contiguous to the city. There are circumstances where that provision could impact a requesting property owner wishing to annex.
3. If Baldwin Township decides to attempt incorporation as a city and the city responds by filing a contested annexation for a portion of Baldwin Township (which is generally the standard), the newly proposed version restrict the city from including in that proposed annexation area any areas that Baldwin has designated as commercial or industrial. It also prohibits the city from including "areas of interest to Baldwin's growth" in the proposed annexation area.
4. The Baldwin proposal removes the previously agreed to dollar per acre figure for reimbursement after annexation.
5. The Baldwin proposal re-defines the definition of vacant land. That new definition would potentially result in a fairly significant increase in the amount of property tax dollars to be paid to the Township.

Mayor Riddle's 2012 agreement was based on the concept that an individual property owner should have the right to determine whether to annex or not and that, generally, that decision shouldn't be imposed by either the city or the township. The proposed Baldwin agreement appears to vacate that concept and the Township the right to determine what the property owner can or cannot do with their property.

Neither City Staff nor the City Attorney recommends that the City Council agree to the proposal as submitted.

AGREEMENT BETWEEN THE CITY OF PRINCETON AND THE TOWNSHIP OF BALDWIN REGARDING TAX REIMBURSEMENT FOR ANNEXATION.

WHEREAS, the City of Princeton ("CITY" and the Baldwin Township("TOWNSHIP") wish to cooperate to protect the rights of property owners to develop and use property in accordance with proper zoning and comprehensive plan layouts; and

WHEREAS, the CITY and TOWNSHIP wish to cooperate to provide for orderly land use and economic development; and

~~**WHEREAS**, the CITY and the TOWNSHIP wish to provide cooperation for annexation of areas of the TOWNSHIP by the CITY, as development is permitted to occur, and the extension of City services becomes available; and~~

WHEREAS, the TOWNSHIP and CITY have agreed to work cooperatively on development and tax reimbursement,

1. Land may be annexed by the CITY, in accordance with this Joint Resolution, under any of the following circumstances:
 - a. Should the owner or owners of one or more parcels of land petition the CITY requesting annexation of their property, the CITY agrees to give written notice of such petition to the Town within 10 days of receipt of the petition. The TOWNSHIP shall have 45 days after notice of the petition to provide any comments to the CITY (in accordance with section 3), after which time the CITY may adopt a Resolution approving or disapproving the annexation. The CITY may choose to annex less property than described in the petition. The TOWNSHIP may waive the 45 day comment period in its **their** discretion;
 - b. The CITY or property owner(s) is ordered by the State Pollution Control Agency or Department of Health to provide sewer or water service to a portion of the TOWNSHIP for the protection of the public health and safety and/or because of immediate environmental concerns; **only after the state has deemed the Township as incapable of correcting said circumstances;**
 - c. The CITY, with TOWNSHIP approval, determines by resolution that land, right-of-way, or easements are needed for a public improvement project;
 - d. **All parcels must be contiguous in nature and no "island" annexations will be acceptable;**

- e. Pursuant to statutory annexation by ordinance procedures;
2. Other Annexations limited. The CITY will not initiate any annexation action other than provided in paragraph 1 above for any property within the TOWNSHIP except by agreement with the TOWNSHIP Board. Notwithstanding the foregoing, in the event an incorporation proceeding is initiated by any party for any part of Baldwin TOWNSHIP, the CITY then has the right to respond with an annexation action for part of Baldwin TOWNSHIP. **As long as it does not include or effect Baldwin's vital economic areas defined in the TOWNSHIP's Comprehensive plan such as the TOWNSHIP's commercial/industrial district or other areas of interest to Baldwin's growth.**
3. Reimbursement Payments. Pursuant to Minn. Stat. § 414.036, to alleviate the financial impact on the TOWNSHIP for the loss of property tax revenue resulting from the annexation of property ~~within~~ **from** the annexed area, the CITY agrees to make reimbursement payments to the Town according to the following schedule:
 - a. Vacant Land. For all unimproved lands annexed into the CITY under this Agreement, the CITY shall annually pay the TOWNSHIP ~~\$61.80 per acre of taxable land annexed. Said annual payments of \$61.80/acre~~ **the calculated tax value collected by the Township, per acre, at the time of annexation.** Said annual payments per acre of land annexed shall continue for the maximum statutory limit of eight (8) consecutive years starting in the year the CITY first collects property taxes on such annexed land. The cumulative acreage amount used to calculate the reimbursement payment for the year shall be rounded to the nearest whole acre. "Vacant Land" shall be defined as a parcel of property which:
 - 1) does not contain a structure, or
 - 2) which contains no more than one residential structure and is ten acres in size or greater **and the structure plus 2 acres will be considered non-vacant land.**
 - b. Non-Vacant land. For all parcels not fitting the description of vacant land above that are annexed into the CITY, the CITY shall annually reimburse the TOWNSHIP in the amount actually collected by the TOWNSHIP in property taxes on the annexed land at the time of annexation of said land for the maximum statutory limit of eight (8) consecutive years starting in the year the CITY first collects property taxes on such annexed land. Thereafter, the CITY will no longer reimburse the TOWNSHIP.
 - c. At the CITY'S discretion, it may make one payment equal to the total of the eight annual payments provided herein.
4. TOWNSHIP Approval. The TOWNSHIP agrees not to oppose any request by a property owner to annex by petition into the CITY for the duration of this agreement. **The Township does reserve the right to confer with the landowner during or after the 45 day comment period.**
5. Both parties agree that any items related to annexation that are not specifically addressed in this agreement will adhere to state statute at the time of the annexation

event, except that both parties agree to reserve the right to come to an agreement in writing that is mutually beneficial;

6. Modification/Amendment. This Joint Resolution shall not be modified, amended, or altered except upon the written joint resolution of the CITY and the TOWNSHIP duly executed and adopted by the CITY Council and the TOWNSHIP Board of Supervisors;
7. Termination. This Joint Resolution shall remain in full force and effect until one of the following conditions take place, whichever comes first:
 - a. Termination by mutual written joint resolution of the CITY and TOWNSHIP; or
 - b. ~~The Subject Area is annexed; or~~
 - c. July 1, 2022. **2023**

Karnowski commented that these changes were made with no discussion with Princeton Council or Staff.

WALKER MOTIONED TO TABLE THIS INDEFINATELY. DOBSON SECONDED THE MOTION.

Walker said he has commented many times in previous discussions that the township should not be denying annexation if a property owner requests it and this new agreement states they could do just that.

THE MOTION CARRIED UNANIMOUSLY

Public Works Lawnmower purchase

Gerold reported that as per the 2013 CIP budget, Public Works Director Bob Gerold is proposing that the city purchase a Ferris brand lawnmower from Marv's True Value Hardware.

The desired machine is the 2012 Ferris F800x/61 with a 30hp Yanmar Diesel engine for a MN state bid price of \$13,136.13. Also proposed is a 60" snow blower attachment (\$2,519.10) and the Cab enclosure (\$1,709.10).

With tax (1,193.13) the total comes to \$18,558.13.

ZIMMER MOTIONED TO APPROVE THE PURCHASE OF A 2012 FERRIS F800X/61 WITH 30hp YANMAR DIESEL ENGINE FOR A MN STATE BID PRICE OF \$13,136.13, ALONG WITH A 60" SNOW BLOWER ATTACHMENT FOR \$2,519.10, A CAB ENCLOSURE FOR \$1,709.10 FOR A TOTAL OF \$18,558.13 (INCLUDING \$1,193.13 TAX), AND APPROVE THE SALE OF THE OLD ONE AT AUCTION. HALLIN SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY

Disposition of old Fire Station Building

Karnowski reported that Construction of the new public safety building is cruising along nicely.

During the various discussions regarding the entire process, there has been conversation about what to do with the current Fire Station on 4th Avenue. The option that has been talked about most often is that the current building – once vacated by the PFRD - would then be used by the city's public works department. Still that proposed use has not been formally designated by the City Council.

Discussion points (pro and con) regarding the proposal include:

1. Some concern about having the public works department located in two places.
2. The fire station only has minimal off-street parking, so its value as a retail property might be limited.
3. If the property were sold, the proceeds could then be used toward making some substantial improvements at the current Public Works site.

Dobson asked Gerold how he proposes to set up both places. Gerold responded that his thought was to take the training room and turn that into offices for himself and Kohler. The shop would be used for mower and park maintenance equipment, and then the current site on the north side could be used for street equipment.

Dobson said he would like to see some decent office space Gerold and Kohler and thinks it would work well. Dobson and Zimmer both stated it could be sold down the road if it was not working out as planned.

Walker added that it seems like a reasonable way to go, and he wondered what to do with the current police department once the new building it finished.

DOBSON MOTIONED TO UTILIZE THE CURRENT FIRE STATION AS AN OFFICE AND PUBLIC WORKS STORAGE SPACE WHEN THE NEW PUBLIC SAFETY BUILDING IS DONE. HALLIN SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY

Rental of City Property to Hardrives

Karnowski reported Hardrives Inc of Rogers, MN has requested that the city rent them some of the area at the southeast corner of TH169 and TH95 for the storage and processing of the asphalt millings from their TH169 project. They intend to use the site beginning approximately July 15 through approximately September 1st (about 7 weeks).

They're offering to compensate the city for the use of the property by providing 400 ton of millings that I would propose the city use to provide a more permanent surface to the temporary road leading from Airport Road to the T-hangars.

Apparently the millings are valued at about \$6.80 per non-screened ton (about \$2,720.00).

If the Council is amenable to that type of trade, authority for the City Administrator to negotiate the terms of the deal would be in order.

WALKER MOTIONED TO APPROVE THE ADMINISTRATOR KARNOWSKI TO NEGOTIATE THE TERMS WITH HARDRIVES FOR THE USE OF THE CITY OWNED PROPERTY WHICH IS LOCATED AT THE SOUTHEAST CORNER OF TH169 AND TH95 FOR STORAGE AND PROCESSING OF ASPHALT MILLINGS. ZIMMER SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY

Princeton Wine and Spirits Grant Request - American Legion

Karnowski reported that the American Legion is requesting a donation for Fireworks.

HALLIN MOTIONED TO APPROVE THE REQUEST FOR \$1000 FROM THE PRINCETON WINE AND SPIRITS. ZIMMER SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY

USDP

Walker said last Friday he went on a site visit with the Chamber to USDP. The CEO had one request and that was to make change the street name to Rum River Lane. The reason they are requesting a name change is because they bought the website domain and would like the street name as Rum River Lane. He said he asked the CEO to send a request via letter over. Karnowski added that they have had other requests from other industrial park businesses and in that other case; it was a county road and not a city street. This is a different situation, but he said he is just leery of causing hard feelings.

ADJOURN

DOBSON MOTIONED TO ADJOURN THE MEETING AT 5:15 PM. HALLIN SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY

Respectfully Submitted,

Shawna Jenkins

ATTEST:

Paul Whitcomb, Mayor