

**MINUTES OF A REGULAR MEETING OF THE PRINCETON CITY COUNCIL HELD ON
SEPTEMBER 24, 2020 7:00 P.M.**

Mayor Brad Schumacher called the meeting to order and led the Pledge of Allegiance to the Flag. Council members present were Jack Edmonds, Jenny Gerold, Jules Zimmer and Jeff Reynolds. Others present: City Administrator Robert Barbian, Finance Director Steve Jackson, Police Chief Todd Frederick, Community Development Specialist Stephanie Hillesheim, Public Works Director Bob Gerold, Police Chief Todd Frederick, Clerk Shawna Jenkins, Liquor Store Manager Nancy Campbell, Fire Chief Ron Lawrence, Wastewater Plant Manager Chris Klinghagen and Attorney Damien Toven.

AGENDA ADDITIONS/DELETIONS

Barbian suggested switching the order of the closed session and hold the portion for the Anderson Land Donation first, since the Anderson's will be zooming into the meeting.

J Gerold would like to add a City Administrator Review under Unfinished Business.

REYNOLDS MOVED TO APPROVE THE AGENDA AS AMENDED. J GEROLD SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY

CONSIDERATION OF MINUTES

CONSENT AGENDA

- A. Permits and Licenses - None
- B. Personnel
 - 1. Police Chief Todd Frederick Step increase effective 10-1-20
- C. Donations and Designations

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

OPEN FORUM

Kevin Gerrard would like to pick up where it left off regarding the CUP violations at the car lot across from his house. He picked up the Police Report that stated there are no violations. Toven has informed him that there is no criminal behavior or ordinance violations at that property.

There are a lot of things going on with that property, and there are a lot more than 2 conditional use permits. He feels that there has been a breakdown in paperwork and not everything was provided to the Attorney. He asked to be put on the agenda for the Planning Commission. Barbian asked him to write everything down, and he showed up for the Planning Commission on the 21st expecting to be on the agenda.

He said Barbian told him he forwarded the request to the City Attorney. He was told he was welcome to stay for the meeting. He is upset that he was not added to the Planning Commission Agenda.

Barbian responded that there were 2 requests. One was to be put on the Planning Commission and the second was to review the property file. He forwarded those to attorney Toven. He did

inform him that the item he wanted on the agenda is being handled by the City Attorney. These issues have been researched extensively, and no violations have been found.

Schumacher stated that the Planning Commission handles permits, plans, site plans, lot splits, etc. and there is an application process, usually with an associated fee to be heard by the Planning Commission. Barbian added that the Planning Commission is not there to handle complaints. J Gerold said the Police and Attorney handles the complaints.

Toven said he does not have a right to be on a Planning Commission agenda. The data request he recently submitted was to go through the property file, which he understands has already been done.

Officer Minks was called to the sight when Gerrard called the police. He collected information and entered the report. Toven then goes into the system to review the information and evidence and makes a determination whether there are any violations.

Toven stated that the investigation is complete and there are no violations. He knows Gerrard feels there is, but it has been investigated thoroughly and there are none. This is the 5th or 6th time he has come to the Council with this, and the Council is done with this issue.

Tim Hennagir from the Union Times reported that he has heard concerns on the Ballot Question and how the non-city PUC customers cannot vote.

PUBLIC HEARINGS

A. Modification of Development District 9, Establishment of TIF 9-2- Affordable housing

The City of Princeton (the "City") received an application from the Briggs Companies (the "Developer") for public financial assistance to assist with the development and financing of certain project costs for the construction of two apartment buildings, constructed in phases, include approximately 49 rental units in each of the two buildings (the "Project"). The Project is proposed to be market rate with an affordable component.

The first building of the Project will be located along First Street and the second building will be located just behind the first building, on a site that is owned by the Developer. The first building is proposed to be completed and at 50%occupancy by 2022 and full occupancy by 2023. The second building is proposed to be completed and at 50%occupancy by 2024 and full occupancy by 2025. The Developer's plan and timing is contingent on receiving public financial assistance to assist with the affordable component of the market rate building, among other items.

The cost for the Project (inclusive of 98 units, both buildings) is estimated at approximately \$15.4million in today's dollars. See Exhibit A for more information on the estimated Project cost, based on the Developer's pro forma. The Developer's request for public financial assistance is to assist with the extraordinary costs, including public improvements, and the cost to be provide the affordable housing units. The Developer has represented that it will not undertake the Project as proposed without public financial assistance. The timing of commencement of the Project has not been confirmed, but for planning purposes is anticipated to begin in 2021.

This memorandum provides a review of the request based on Northland's analysis of the Developer's application for assistance, including sources and uses of funds and operating pro forma for the Project. It is Northland's opinion that the Project as proposed, which includes indoor

parking, is unlikely to occur but for the proposed public financial assistance, inclusive of the tax increment financing. Without the assistance, the Project is not expected to achieve the level of debt service coverage and returns needed to secure the necessary private financing and equity.

The present value of the tax increment revenue available to reimburse the Developer for project costs on a pay-go basis over a 15-year term is approximately \$2.8million. The future value of the total payments to the Developer, with interest at 3.0%, is estimated at \$3.6million. The Developer requested a 25-year term. The additional 10 years would provide approximately \$1.6million of additional tax increment revenues to reimburse project costs. Based on Northland's analysis, the additional 10 years of assistance may not be necessary for the project based on current assumptions.

This conclusion may change as the assumption for project costs are refined and updated by the Developer, including estimates for public improvements and development fees, for example.

The Developer's anticipated source of funds for the Project (as shown in the application) includes a combination of mortgage, contribution of the land, and deferral of the general contracting and development fees.

Public Financial Assistance

Due to the extraordinary costs associated with acquisition and development of the Project, the Developer is seeking public financial assistance from the City in the form of pay-go tax increment financing assistance. The tax increment revenue is proposed to come from the establishment of Tax Increment Financing District No. 9-2 (the "TIF District") within the existing Development District No. 9.

The City plans to consider approval of the establishment of the TIF District, following a public hearing on September 24, 2020. The City will not consider approval of an agreement with the Developer for the financial assistance until a later date. Proposed terms for assistance have not been presented or agreed to by the Developer. The specifics for the Projects are subject to change.

The proposed plan for the TIF District is for the City to retain 100%of the increased net tax capacity from the Project to pay certain eligible project costs. The City may retain up to 10%of the tax increment derived from the Property to reimburse the City for the cost of administering the TIF District. The City may determine to use tax increments to pay for City costs incurred that are directly related to the housing project and/or to reimburse the Developer for eligible project costs. Eligible project costs may include land acquisition (the Developer is planning to establish a separate legal entity to own and manage the Project), costs of site preparation, street and utility improvements directly related to the housing.

Exhibit B provides a summary of the estimated potential tax increment cash flow from the TIF District, based on certain assumptions. State law provides that the increase in property taxes from the captured tax capacity (from the increase in market value) applied against the local tax capacity rates may be captured to assist the Project. Referendum market value taxes and the State of Minnesota property tax for commercial property (not applicable for residential property) are not captured for tax increment financing.

To reimburse the eligible costs incurred by the Developer, the City may determine to issue, and the Developer may purchase a Tax Increment Financing Revenue Note (the "TIF Note") in a maximum principal amount. Based on a 15-year term for the assistance, the maximum estimated principal amount is \$2.8million. The TIF Note will be payable solely from net available semi-annual tax

increments. Net available semi-annual tax increments are estimated to be based on 90% of the tax increment collected from the Project within the TIF District, subject to final negotiation and agreement with the Developer. The TIF Note is assumed to bear simple, non-compounding interest from the date that the City determines paid invoices, as paid by the Developer, in compliance with the terms of an agreement, at an estimated 3.0%, from the date of issue per annum. As noted, the terms for the TIF Note are preliminary for planning purposes and have not been negotiated with the Developer.

Review of Need for Assistance

Northland conducted a review of the Developer's application for financial assistance and pro forma as submitted to the City. Northland reviewed project cost estimates to ensure all anticipated sources and uses for the Project were properly included. Exhibit A provides information on the sources and uses of funds for the Project. Based on our review of the pro forma and under current market conditions, we find that the Project, as proposed, may not reasonably be expected to occur solely through private investment within the reasonably near future. Due to the costs associated with construction of the affordable housing units (among other extraordinary costs), the Project as proposed is feasible only through assistance, in part, from tax increment financing. This conclusion is supported by the following:

- The Developer plans for the estimated \$15.4million cost for the Project to be funded from a combination of debt \$13.1million (85.0%), and equity and deferred construction management and developer fees of \$2.3million (15.0%). The present value of the estimated future tax increment revenue from the TIF Note payments to the Developer reduces the effective cost of the Project by \$2.8million. Based on estimated net operating income, the effective return without the public financial assistance is not at a level the Project, as proposed, would proceed.
- The total average cost per housing unit is estimated at approximately \$157,000 (in today's dollars) for the construction of the 98 units, including the cost of the parking. Each building for the Project will include 13 studio units, 22 one-bedroom units, and 14 two-bedroom units. Based on Northland's experience with similar projects and given the location of the Project, we would expect total development costs to range between \$97,000 and \$160,000 per unit. The total per unit project cost is generally within this range.
- The estimated average gross monthly rent per unit for the first building, in the first stabilized year of the Project, is estimated at approximately \$1,054 per month (in year 2023). The Project is estimated to include three stories, with indoor and surface parking. Monthly average gross rents are estimated at \$636-\$950 for the studios, \$1,075 for a one-bedroom unit to \$1,200 for a two-bedroom unit. A minimum of 20% of the units are planned to be affordable at 50% of the average median income (AMI) for Mille Lacs County as of fiscal year 2020 is \$72,600). The annual total gross rental income for the first building is estimated at approximately \$620,000 in the first year of stabilized occupancy, before adjusting for estimated apartment vacancy and rental loss of 5%.
- The total annual expense, operating and non-operating, is estimated at \$5,125 per unit (after completion of both buildings). This includes a 5% management fee and approximately \$265 per unit (2%) for replacement reserve. This includes an estimated average \$3,091 per unit for real estate taxes. The contribution to reserves is reasonable and the projected total annual expense is within industry standards.
- The estimated average debt service coverage with tax increment financing is estimated to average 1.19X during the first five years of stabilized operations, and without tax increment assistance the average is 0.95X. The coverage for the mortgage without the tax increment is

not at a level that we would expect the Project, as proposed, to proceed. The financing of this type of project would be expected to be at a minimum of approximately 1.2X coverage.

- The deferred construction fee and developer fee is projected to be paid within the first ten years of operations. The beginning balance is estimated at \$1,025,000, and the pro forma assumes this balance will be repaid with interest at 3.0% rate.
- The estimated annual cash on cash return (net annual operating income divided by total development project costs with tax increment financing) is estimated to average 5.4% during the first five years of stabilized operations and 4.2% without tax increment assistance. The cash on cash return is reasonable for this type of project and the proposed source of financing.

Process for Approval

The first step in creating the TIF District is the adoption of a Tax Increment Financing Plan for the TIF District (the “TIF Plan”). The TIF Plan provides information about the Project to be funded with tax increment from the TIF district and authorizes the use of tax increment from the district to pay TIF-eligible project costs, among other items.

A tax increment financing district established by the City must be established within the boundaries of a Development District. The Development District is sometimes commonly referred to as a “Project Area”. The City has previously established Development District No. 9. The boundaries of the Development District are proposed to be set to be contiguous with the boundaries of the City. When a new tax increment financing district is established by the City, the Development Program for the Development District, may be amended and supplemented from time to time. The Development Program is a written plan that contains the statement of objectives for the Development District and contains the information set forth in Minnesota Statutes. The Development Program may be included in the same document that contains the TIF Plan, but the two plans are separate and must comply with respective statutory requirements. After the TIF District is established (TIF Plan adopted), the City may consider entering into a development (TIF) agreement with the Developer for tax increment financing assistance at a future date. The City plans for this to occur at a date following the public hearing date. The proposed terms of the agreement and project specifics are still under discussion between the City and the Developer.

Notice to County and School District

Before the public hearing and the establishment of a TIF district, the City must provide certain notices to the county and the school district, including providing a copy of a draft TIF plan. The county and school district may comment on the proposed TIF district but cannot prevent the creation of the TIF district. On behalf of the City, Northland submitted a letter and a draft copy of the TIF Plan for the TIF District to Mille Lacs County and Independent School District No. 477 on August 25, 2020 asking to receive written comments. As of the date of this memorandum no comments, written or oral, have been received by Northland.

Adoption of Modified Development Program and TIF Plan

Following the public hearing, the City Council may consider a resolution approving the modification to the Development Program for Development District No. 9 and the establishment of the TIF District within the Development District and the adoption of the TIF Plan relating thereto (the “Resolution”). The City Council may consider adoption of the Resolution on the same date of the public hearing (after closing the hearing) or a date following.

Sources of Funds	Total	% of total	Per unit
First Mortgage	\$13,106,685	85.0%	\$133,742
Other Private Funds (Cash/General Contracting)	\$1,312,945	8.5%	\$13,397

Developer Equity	\$1,000,000	6.5%	\$10,204
Total Sources of Funds	\$15,419,630	100.0%	\$157,343

Uses of Funds	Total	% of total	Per unit
Land Acquisition and Site Work	\$1,920,000	12.5%	\$19,592
Construction	\$10,939,970	70.9%	\$111,632
General Contracting	\$625,000	4.1%	\$6,378
Development Fee	\$400,000	2.6%	\$4,082
WAC and SAC	\$669,790	4.3%	\$6,835
Financing and Other Soft Costs	\$389,870	2.5%	\$3,978
Contingency	\$475,000	3.1%	\$4,847
Total Uses of Funds	\$15,419,630	100.0%	\$157,343

J GEROLD MOVED TO OPEN THE PUBLIC HEARING AT 7:35PM. REYNOLDS SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY.

Schumacher thanked Omdal for the very detailed memo and the parcel map that shows where this project will be located.

Edmonds stated that half of this parcel is wetland, and asked if that was included. Omdal responded that it is all one parcel, so it was put in as such. That may change with the developer moves forward.

REYNOLDS MOVED TO CLOSE THE PUBLIC HEARING AT 7:42PM. EDMONDS SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY.

Resolution 20-53 – Establishing TIF

REYNOLDS MOVED TO APPROVE RESOLUTION 20-53, APPROVING MODIFIED DEVELOPMENT DISTRICT NO 9, APPROVING THE MODIFIED DEVELOPMENT PROGRAM THEREFORE, ESTABLISHING TAX INCREMENT FINANCING (HOUSING) DISTRICT NO 9-2 AND APPROVING THE TAX INCREMENT FINANCING PLAN THEREFORE WITHIN THE DEVELOPMENT DISTRICT. J GEROLD SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY.

Resolution 20-54 – Interfund loan

REYNOLDS MOVED TO APPROVE RESOLUTION 20-54 AUTHORIZING INTERFUND LOAN FOR ADVANCE OF CERTAIN COSTS IN CONNECTION WITH TAX INCREMENT FINANCING DISTRICT NO 9-2. EDMONDS SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY.

PRESENTATIONS / SPEAKERS - None

FYI – REPORTS, ANNOUNCEMENTS, CORRESPONDENCE AND BOARDS / COMMITTEES

A. Solar Garden update

Zimmer reported that himself and Mayor Schumacher attended the ground breaking for the Solar Garden near Prairie Restorations. The event was very well attended. Schumacher added that we have a unique situation, as the chair of the airport board is also on the Baldwin Town Board. Due to the land being in an airport building zone, the Airport Board was involved in this as well. It is a

great use for this land. Hillesheim added that Mary Lou DeWitt put a lot of work into this project as well.

B. Princeton Public Utility Commission Agenda packet for September 23, 2020

J Gerold reported that PPU will begin hydrant flushing next week. Oct 4-10th is Public Power Week and they will be holding a public event on the 10th from 9am to noon.

PETITIONS, REQUESTS, AND COMMUNICATIONS - NONE

ORDINANCES AND RESOLUTIONS

A. Resolution 20-50 – Transfer of jurisdiction of subsurface sewage treatment systems to Mille Lacs County

DeWitt's memo advised that staff has met with Aaron Patrick, Environmental Specialist with MN Pollution Control Agency (MPCA). Per our conversation, the City needs to have a program in place for septic systems permits or give the permitting responsibility to Mille Lacs County and Sherburne County.

There are just a few septic systems in the City limits that are not able to hook-up to the City sewer system. Because of this limited number, staff believes it would be in the Cities best interest to turn over the authority for regulating and enforcing Subsurface Sewage Treatment Systems (SSTS) to Mille Lacs County and Sherburne County.

EDMONDS MOVED TO APPROVE RESOLUTION 20-50, TRANSFERING JURISDICTION OF SUBSURFACE SEWAGE TREATMENT SYSTEMS TO MILLE LACS COUNTY. J GEROLD SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY

B. Resolution 20-51 - Transfer of jurisdiction of subsurface sewage treatment systems to Sherburne County

EDMONDS MOVED TO APPROVE RESOLUTION 20-51, TRANSFERING JURISDICTION OF SUBSURFACE SEWAGE TREATMENT SYSTEMS TO SHERBURNE COUNTY. ZIMMER SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY

C. Resolution 20-55 – approve preliminary levy

Jackson presented the preliminary levy to the Council. He is proposing a 2.14% increase. Barbian added that it is a very tight budget and there are a few areas where we may be a little short.

Jackson expressed his concern with LGA being decreased, and that will greatly affect the budget. He has not heard any talk about decreasing this next years LGA, but it could be for the next year.

SCHUMACHER MOVED TO APPROVE THE PRELIMINARY LEVY AT THE 2.14% INCREASE. REYNOLDS SECONDED THE MOTION.

Edmonds stated he has never seen the preliminary levy so low. Zimmer said he thinks it was about

the same as the final levy that was approved last year, but his concern is passing this now and knowing it cannot be increased. If we do not get the LGA that is expected, we may be in big trouble. He would like to see it a little higher so there is some leeway. J Gerold agrees, she would like to increase it a bit just in case, and if can always be lowered when the final levy is approved in December.

VOTE 2:3. SCHUMACHER AND REYNOLDS IN FAVOR, EDMONDS, J GEROLD AND ZIMMER OPPOSED, THE MOTION FAILED.

EDMONDS MOVED TO APPROVE A 2.5% INCREASE. REYNOLDS SECONDED THE MOTION.

Zimmer asked what amount the 2.5% would be. Jackson calculated that it would just under \$10,000. Zimmer and J Gerold both said they would like to see it a bit higher, and know that the council will do there best to lower it in December.

VOTE 3:2 EDMONDS, REYNOLDS AND SCHUMACHER IN FAVOR, J GEROLD AND ZIMMER OPPOSED. THE MOTION CARRIED.

D. Resolution 20-56 – in support of the Bonding Bill

Barbian advised that it was requested for Cities to pass Resolutions in support of the bonding bill.

J GEROLD MOVED TO APPROVE RESOLUTION 20-56 IN SUPPORT OF THE BONDING BILL. REYNOLDS SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY.

UNFINISHED BUSINESS

A. City Administrator Review

J Gerold advised that several months ago, the Council appointed herself and Reynolds to an ad hock committee to gather some information. They are ready to present some information to the Council, and asked that it be added to the Study Session during a closed session.

NEW BUSINESS

A. EDA Bylaws Amendment

DeWitt's memo advised that the Economic Development Authority Board has updated their Bylaws at their September 17, 2020 meeting. The Board agreed to change the meeting dates from each month to every other month beginning February of each year. Special meetings can be called if there is Board approval needed on an item.

Another change is on Section 5, Order of Business:
Added to the list of seven items was: Forum for ideas
This gives the EDA Board the opportunity to pitch ideas and engage in a discussion regarding opportunities that may be beneficial to the economic community of Princeton.

The City Council will need to approve or deny the EDA Bylaw changes with a motion. Staff will relay the Council's decision to the EDA Board.

EDMONDS MOVED TO APPROVE THE EDA BYLAWS AMENDMENT. SCHUMACHER SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY.

B. Interim Use for Chicks – Resolution 20-52

Dewitt's memo reported that Julia & Daniel Knapp have submitted an Interim Use Permit application for the raising and keeping of chickens on their property located at 1412 16th Avenue North. The property is zoned R-1, Residential District.

The public hearing notice was sent to properties 350 feet from the site. On September 21st late in the afternoon three separate letters of non-support of the Interim Use Permit were received from neighbors. The letters are included in your packet. The Planning Commission held the public hearing on September 21st, 2020 and the applicant's addressed the letters.

During the discussion to the letters, it came to staff's attention that the applicants have three dogs and two cats. The Code of Ordinance, Title 5. Animals, states that no more than a combination of three domestic animals allowed on a property site in a combination of dogs and/or cats. The Planning Commission advised the applicants that two of the pets will need to be removed from the property site. The City of Princeton does not allow a kennel license that would allow more domestic animals and the applicants understood. They were not aware of the Ordinance.

Discussion followed on the maintenance and cleanup of the chickens. The applicants have been researching the best cleanup method for the manure and have determined that sand in the coop and run area will clump the waste and they will use a scoop to remove it and put it in the compost pile.

The applicants understood that one of the conditions for removal of the Interim Use Permit is if there are complaints the permit can be revoked.

ANALYSIS

The housing and keeping of chickens in the R-1 District requires an Interim Use Permit. Chapter VI.BB lists the review criteria for the housing of chickens:

No person shall own, keep, harbor, or have custody of any live chickens without first obtaining an Interim Use Permit in writing from the City, in accordance with the provisions of Section IV.6 of the Zoning Ordinance and subject to the following conditions:

- a. *The keeping of any poultry besides chickens is prohibited.*
Comment: This shall be a condition of approval.
- b. *Roosters are prohibited.*
Comment: This shall be a condition of approval.
- c. *No more than four (4) chickens shall be housed or kept on any one residential lot in any area of the city zoned R-1, R-2, or R-3.*
Comment: The applicant is requesting to have (4) chickens and understands this is the allowed limit, and will be a condition of approval.
- d. *Chickens shall only be allowed on single family home lots.*
Comment: This condition is met, still will be a condition of approval.
- e. *Outdoor slaughtering of chickens in city limits is prohibited.*

Comment: This shall be a condition of approval.

- f. Chicken fighting shall not be allowed within city limits.*

Comment: This shall be a condition of approval.

- g. Leg banding of all chickens is required. The bands must identify the owner's name, address, and telephone number.*

Comment: This shall be a condition of approval.

- h. Chickens shall not be housed in a residential house or an attached or detached garage.*

Comment: The applicant has provided a layout of a chicken coop and run area that will be installed, still will be a condition of approval.

- i. A separate coop is required to house the chickens. Coops must be constructed and maintained to meet the following minimum standards:*

- 1) Located in the side or rear yard.*

Comment: The applicant will have the coop located in the fenced area of their rear yard.

- 2) Meet the accessory structure setback requirements.*

Comment: The proposed location meets the setback requirements.

- 3) Construction shall be adequate to prevent access by rodents.*

Comment: Per the proposed coop design, it will be made out of plywood with 6'-foot walls and a depth of 10' feet, totaling 60' square feet. The wire run will have a roof where the chickens are contained and will be 7' feet long.

- j. A run or exercise yard is required to be provided and must be enclosed by a fence.*

Comment: The applicants back yard is fenced and the run area will have its own fencing.

- k. All premises on which chickens are kept or maintained shall be kept clean from filth, garbage, and any substances which attract rodents. The coop and its surroundings must be cleaned frequently enough to control odor. Manure shall not be allowed to accumulate in a way that causes an unsanitary condition or causes odors detectible on another property.*

Comment: This shall be a condition of approval.

- l. All food shall be stored in an enclosed, rodent proof container.*

Comment: This shall be a condition of approval.

- m. Dead chickens shall be disposed of according to the Minnesota Board of Animal Health rules, which require chicken carcasses to be disposed of as soon as possible after death, usually within 48 to 72 hours. Legal forms of chicken carcass disposal include off/site burial, off/site incineration or rendering, or off/site composting.*

Comment: This shall be a condition of approval.

Interim Use Permit Review Standards: When reviewing the application for an interim use, the City shall base its judgement on the following factors it may deem appropriate for the specific property. The interim use may be granted if:

1. *The proposed use is an interim use listed in the district in which the application is being*

made.

Comment: The keeping of chickens is an Interim Use in the R-1 District.

2. *The date or event that will terminate the use can be identified with certainty and continued. Comment: The Planning Commission shall recommend to the City Council a date or event that will terminate the keeping of the chickens. Staff would recommend that the keeping of chickens terminate when the current property owners sell the property. The Interim Permit can also be reviewed upon complaints.*
3. *The interim use does not result in adverse effects on the public health, safety and welfare nor does it create additional pollution potential for ground and surface waters. Comment: If the listed conditions are met, the interim use does not appear that it will result in adverse effects on the public health, safety, and welfare, nor does it create additional pollution potential.*
4. *Permission of the use will not impose additional costs on the public if it is necessary for the public to take the property in the future.*
Comment: It does not appear the use will impose additional costs on the public if it is necessary for the public to take the property in the future.

CONCLUSION/RECOMMENDATION

Based on the findings that the proposed Interim Use appears to meet the standards for the keeping of chickens and the general review standards for the Interim Use Permit, as listed in the Zoning Ordinance, the recommendation is as follows:

The Planning Commission recommends to the City Council to approve the Resolution #20-52 for the Interim Use Permit to keep chickens at 1412 16th Avenue North if the applicants remove two of the domestic animals from their household without delay so they are in compliance with the Ordinance and subject to the following conditions (as listed in the Ordinance):

1. The keeping of any poultry besides chickens is prohibited.
2. Roosters are prohibited.
3. No more than four (4) chickens shall be housed.
4. Outdoor slaughtering is prohibited.
5. Chicken fighting shall not be allowed.
6. Leg banding of all chickens is required. The bands must identify the owner's name, address, and telephone number.
7. A separate coop is required to house the chickens. Coops must be constructed and maintained to meet the following minimum standards:
 - a) Located in the side or rear yard.
 - b) Meet the accessory structure setback requirements.
 - c) Construction shall be adequate to prevent access by rodents.
 - d) If the coop is 120 SF or larger, a building permit is required.
8. A run or exercise yard is required to be provided and must be enclosed by a fence.
9. All premises on which chickens are kept or maintained shall be kept clean from filth, garbage, and any substances which attract rodents. The coop and its surrounding must be cleaned frequently enough to control odor. Manure shall not be allowed to accumulate in a way that causes an unsanitary condition or causes odors detectible on another property.
10. All food shall be stored in an enclosed, rodent proof container.
11. Dead chickens shall be disposed of according to the Minnesota Board of Animal Health rules, which require chicken carcasses to be disposed of as soon as possible after death, usually within 48 to 72 hours. Legal forms of chicken carcass disposal include

- offsite burial, offsite incineration or rendering, or offsite composting.
12. The keeping of chickens terminates when the current property owners vacate the property.
 13. The Interim Use Permit can be reviewed upon complaints.

Zimmer stated that he knows there are a few with chickens in the city and he is not aware of any complaints.

EDMONDS MOVED TO APPROVE RESOLUTION 20-52 APPROVING THE INTERIM USE PERMIT FOR CHICKSN. J GEROLD SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY.

C. Approve Public Works Brush hog CIP Purchase

Public Works has a Brush Mower in the Park and Recreation CIP for purchase in 2020. Staff has received 2 quotes for this piece of equipment.

Virnig 60" Brush mower, RBV60-HF33
Crawford Equipment \$5,988.00
Midwest Machinery \$7,800.00

The Parks and Recreation has \$8,500 in the CIP for a brush hog purchase
Staff recommends approval to purchase the Brush hog from Crawford's Equipment for \$5,988.00

SCHUMACHER MOVED TO APPROVE THE PURCHASE OF THE BRUSH HOG FROM CRAWFORD'S EQUIPMENT FOR \$5988.00. EDMONDS SECONDED THE MOTION.

Edmonds asked what equipment this will work on. B Gerold responded that it will work on the skid steer and the Toolcat.

THE MOTION CARRIED UNANIMOUSLY.

D. Emergency medical Response unit purchase request – CARE's Funds

Lawrence advised that the Fire Department is looking to purchase an Emergency Response Unit with CARES funding. This response unit would be used for responding to medicals and other calls that the fire department respond too. This vehicle would carry all medical supplies and extra Covid-19 supplies. The Fire Chief would respond with this vehicle. He usually responds direct from home and arrive first on medical scenes. I am also the highest trained medical person (paramedic).

With the Covid issues happening right now, it has been very hard to locate a vehicle. We were informed on Wednesday afternoon that a 2020 F-150 was available. With the Covid rules in place, we have to purchase the vehicle and have it in house before November 15th. To order a new vehicle off the state bid, it would take 8-10 weeks putting us out of the time window. The price of this vehicle we found is approximately \$2000.00 more than the state bid but also has a few features that are not usually ordered with a state bid vehicle.

The total cost of the vehicle and to set it up with a topper, lights, siren, graphics, and bed slide, will not exceed \$56,600.00.

J Gerold asked if we are positive this will qualify for CARE funds. She is concerned if it was found

not to be, we would be stuck with the cost. Jackson said from everything he has read; it would qualify for CARE funds. If for some reason the city was audited and they found that the purchase did not qualify, we would have to pay that amount back.

Edmonds asked what will be done with the current command vehicle. Lawrence said it would still be utilized by the department as needed.

ZIMMER MOVED TO APPROVE THE PURCHASE OF THE 2020 F150 FOR AN EMERGENCY MEDICAL RESPONSE UNIT PURCHASE FOR NOT MORE THAN \$56,600 FOR VEHICLE AND NECESSARY ACCESSORIES. REYNOLDS SECONDED THE MOTION. THE MOTION CARRIED.

BILL LIST

ZIMMER MOVED TO APPROVE THE BILL LIST WHICH INCLUDES THE MANUAL CHECKS AS LISTED ON THE MANUAL BILL LIST FOR A TOTAL OF \$157,855.10 AND THE ITEMS LISTED ON THE LIQUOR BILL LIST AND GENERAL CITY BILL LIST WHICH WILL BE CHECKS 81764 TO 81832 FOR A TOTAL OF \$182,694.35. REYNOLDS SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY

MISCELLANEOUS

J Gerold asked if she can get a figure of the amount of CARE funds the city will be receiving. Barbian responded that the main topic of the Study Session next week will be the CARE's funds and the items that the departments have come up with for potential purchases.

Hennagir asked if Fairview's request will be considered. Barbian replied that Fairview and other requests that the city has received will be discussed at the Study Session.

Zimmer reminded the Council of the Ribbon Cutting at Riverside-Riebe Park that is scheduled for Monday at 4:30pm. Schumacher added that Jenkins has already posted that as a potential meeting.

Hillesheim stated that she has received another information request on the EDA Grant, so we know it is at least still in the works.

CLOSED SESSIONS

A. Anderson Land Donation

ZIMMER MOVED TO CLOSE THE MEETING AT 9:00PM. REYNOLDS SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY.

REYNOLDS MOVED TO ADJOURN THE CLOSED SESSION AT 10:03PM. J GEROLD SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY.

Toven reported that the Council has had extensive discussion on this land donation. They have provided direction to staff and they will be reaching out to the Anderson's in the next day or so.

B. Finance Director Position

ZIMMER MOVED TO CLOSE THE MEETING AT 10:05PM. J GEROLD SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY.

J GEROLD MOVED TO ADJOURN THE CLOSED SESSION AT 10:21PM. REYNOLDS SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY.

Toven advised that with Jackson retiring, staff has been undergoing the interview process with candidates. An offer will be made to the chosen applicant. Toven will check the laws to see if a name is released on department heads in the same time frame as administrators. Until he is aware of that, or the applicant accepts the position, the name will be kept private.

ADJOURNMENT

There being no further business:

ZIMMER MOVED TO ADJOURN THE MEETING AT 10:23PM. REYNOLDS SECONDED THE MOTION. VOTE 4:1, SCHUMACHER OPPOSED. THE MOTION CARRIED UNANIMOUSLY

Respectfully Submitted,

ATTEST:

Shawna Jenkins Tadych
City Clerk

Brad Schumacher, Mayor