

1) CALL TO ORDER

The meeting was called to order by Mayor Julius at 6:00 p.m.

Members Present: Mayor Julius, Councilmembers Novak, Berg, Timmerman and Styles

Members Absent: None

Also Present: City Administrator/Clerk Terry, Police Chief Juell, City Attorney Poehler, Planner Malecha, Finance Specialist Stewart, Deputy Clerk Jirak, City Engineer Revering, Scott County Commissioner Wolf, Jodi Lucast, Patrick Fischer, Rebecca Kurtz from Ehlers, Eugene Meger, Janelle Kuznia via Zoom and Tom Ryan via Zoom

2) PLEDGE OF ALLEGIANCE

Mayor Julius led the Council and audience in the Pledge of Allegiance.

3) ADOPT/APPROVE AGENDA

MOTION by Councilmember Berg, second by Councilmember Timmerman to approve the agenda.

APIF, MOTION CARRIED

4) PRESENTATION, PROCLAMATIONS AND ACKNOWLEDGEMENTS (PP&A)

None.

5) PUBLIC COMMENT

None.

6) CONSENT AGENDA

MOTION by Councilmember Novak, second by Councilmember Timmerman to approve the Consent Agenda.

- a. Approve Minutes of the February 22, 2024 City Council Meeting
- b. Approve Payment of Claims and Electronic Transfer of Funds
- c. Adopt Resolution 24-16 Granting Extension of Park I-35 Preliminary Plat
- d. Approve Grading Authorization Permit for Park I-35 Industrial Park
- e. Approve USA Inflatables Lease Agreement and Addendum to Inflatables Lease
- f. Authorize Purchase of Vehicles
- g. Approve Lease Agreement Between the City of Elko New Market and Mediacom Minnesota, LLC.
- h. Dakota Electric Franchise Agreement
 - i. Adopt Ordinance No. 288 Approving Franchise Agreement for Dakota Electric
 - ii. Adopt Ordinance No. 289 A summary of Ordinance 288 Approving Franchise Agreement for Dakota Electric
- i. Minnesota Energy Resources Franchise Agreement
 - i. Adopt Ordinance 290 Granting Minnesota Energy Resources a Natural Gas Franchise to Operate Within Corporate Limits

- ii. Adopt Ordinance 291 A Summary of Ordinance 290 Granting a Natural Gas Franchise to Minnesota Energy Resources

APIF, MOTION CARRIED

7) PUBLIC HEARINGS

None.

8) GENERAL BUSINESS

Direction Regarding Application for comprehensive Plan Amendment, R & F Properties, Applicant

City Administrator/Clerk Terry presented to the Council an application for a Comprehensive Plan Amendment from applicant, R & F Properties, LLC. The application includes a request to re-guide land owned by R & F Properties, LLC located both north of Market Place Boulevard (the commercial area), south of Market Place Boulevard (Elko Speedway and Ryan Contracting area), and also a request to create a new mixed-use land use designation within the land use chapter of the Comprehensive Plan.

Terry provided the background, how the property is guided in the 2040 Comprehensive Plan, and the Planning Commission recommendations from the February 27, 2024 Planning Commission Meeting. Terry further continued to share a concept plan submitted by the applicant, R & F Properties. Terry finished the presentation by asking for Council feedback on the requests one at a time. First, Terry asked if the Council supported the re-guidance of the property located to the south of Market Place Boulevard to medium density residential and low density residential.

Tom Ryan, owner of R & F Properties, LLC, was available via Zoom and discussed the future of the property he owns. Ryan stated he is preparing for the potential to redevelop the property, should any of the existing uses discontinue operation and presented a high-level concept plan depicting how the properties could potentially be redeveloped with the flexibility of what the market allows.

After Council discussion, Council was concerned with a reduction in commercially guided property. However, the Council supported re-guiding the property located to the south of Market Place Boulevard to medium density residential and low density residential.

Terry's next question for the Council regarded support for creation of a mixed-use land use category in the City's Comprehensive Plan, and re-guidance a portion of the property north of Marketplace Boulevard to this new mixed-use land category. The concept presented included a standalone multi-family building, a mixed-use building, and two standalone commercial buildings with drive-thru components.

Tom Ryan reminded the Council that in April 2023, Council did support the concept which included a mixed-use building for this parcel. Ryan continued, in his opinion, that more rooftops were needed before commercial property would come.

Council discussions took place on compromises associated with the extra flexibility being proposed.

After Council discussion, City Administrator/Clerk Terry summarized the Councilmembers feedback and stated that Staff can draft the language for a mixed-use district that reflects the concept presented of the western building to be entirely residential, the first floor of the eastern building to be commercial and the remainder of that property be commercial.

Authorize Construction Engineering Services for 2024 Old New Market Reconstruction Project and 2024 Pavement Rehabilitation Project

City Engineer Revering sought Council approval for Bolton & Menk to provide construction services to 2024 Old New Market Reconstruction Project and 2024 Pavement Rehabilitation Project.

MOTION by Councilmember Timmerman, second by Councilmember Berg to Authorize Construction Engineering Services, subject to award of the street projects, for 2024 Old New Market Reconstruction Project and 2024 Pavement Rehabilitation Project.

APIF, MOTION CARRIED

2024 Old New Market Street Reconstruction Project

City Administrator/Clerk Terry advised the Council of the bids on the 2024 Old New Market Street Project and sought Council approval in accepting the bid from Ryan Contracting Company of Elko New Market.

MOTION by Councilmember Timmerman, second by Councilmember Styles to approve Resolution 24-17 Accepting Bid for 2024 Old New Market Reconstruction Project.

APIF, MOTION CARRIED

2024 Pavement Rehab Project

City Administrator/Clerk Terry advised the Council of the bids received on the 2024 Pavement Rehabilitation Project and sought Council approval in accepting the bid from McNamara Contracting of Rosemount.

MOTION by Councilmember Novak, second by Councilmember Timmerman to approve Resolution 24-18 Accepting Bid for 2024 pavement Rehab Project.

APIF, MOTION CARRIED

City Administrator/Clerk Terry noted to Council that both street bids came in under the City Engineer's estimate cost of the projects.

Authorize Issuance and Sale of \$3,370,000 General Obligation Bonds, Series 2024A

Rebecca Kurtz from Ehlers provided the Council with an overview for the issuance and sale of General Obligation Bonds. There was no Council discussion regarding the General Obligation Bonds.

MOTION by Councilmember Berg, second by Councilmember Timmerman to approve Resolution 24-19 Authorizing Issuance and Sale of \$3,370,000 General Obligation Bonds, Series 2024A.

APIF, MOTION CARRIED

Direction Regarding Establishment of an Economic Development Tax Increment Financing District

Rebecca Kurtz from Ehlers presented the concept of establishing an Economic Development Tax Increment Financing (TIF) District over the Park I-35 Industrial Park Property to City Council. Kurtz explained establishing a TIF District would allow the City to capture and use most of the increase in local property tax revenues from a new development, within a defined geographic area, for a defined period of time. An economic development TIF district would be used to gather funds from such industries as manufacturing, warehousing and research and development. With these funds, the City could reimburse itself for the cost of utility infrastructure or waived water and sewer connection fees associated with the development. Kurtz continued to explain the original tax capacity, what is excluded from TIF, types of TIF districts, Economic Development of TIF District, why TIF could be used for this project and the financial considerations and a Tax Abatement Option. Kurtz continued to explain to Council the tax abatement process and its similarity to TIF.

Councilmember Berg stated that Kurtz's presentation allowed him to understand TIF after all his years on Council.

City Administrator/Clerk Terry presented the Utility Fund Financial Impact Analysis regarding the use of TIF.

After both presentations, Council discussed the options of using TIF or Tax Abatement and Council agreed that neither option was appropriate at this time.

9) REPORTS

a) Administration

Discussion Regarding Municipal Cannabis Dispensaries

City Administrator/Clerk Terry explained the background as to what is happening at the State regarding Municipal Cannabis Dispensaries. Terry explained that cities do not have clear answers from the State and the municipalities have been slow to respond to the emerging topic of municipal dispensaries. Terry stated that while there does appear to be growing interest in the topic amongst other cities, the window to obtain legislation to provide priority licensing status for cities is rapidly closing. Terry further stated that to have a city obtain priority licensing status would require statutory changes and lobbying efforts to make the change. Staff sought direction from the City Council on this topic as a priority.

During Council discussion, Councilmember Berg stated that this change would likely be a matter of amending the bill which would require drafting the language for the change and submitting it to the bill's authors.

After Council discussion, Council agreed to have the City Attorney's Office draft language to submit to the revisors office to amend the bill to allow cities to be offered the opportunity to guarantee a license before private ownership in licensing cannabis

dispensaries. Staff will circulate this draft language to other cities also interested in priority licensing for cities.

Discussion Regarding Policy Position Regarding Preemptive Housing Legislation

City Administrator/Clerk Terry explained to Council various pieces of legislation proposed to undermine or eliminate the city's ability to do land use planning authority, especially regarding housing. Staff sought Council input on how Staff should proceed with policy position regarding preemptive housing legislation.

After Council discussion, Council determined that Staff and Councilmembers should push back and fight hard to lobby against this bill as necessary, including sending letters and testifying at hearings.

Commissioner Appointment Process

City Administrator/Clerk Terry stated to Council that this year three Commissioner seats are expiring. All Commissioners sought reappointment to their respective commission. Staff received three applications that were from the current Commissioners only. Staff sought Council input on how to proceed with the commissioner appointment process. After Council discussion, Council agreed to reappoint the Commissioners to their respective commissions without holding interviews.

- b) Public Works
February 2024 Monthly Report included in the Council Packet.
- c) Police Department
February 2024 Monthly Report included in the Council Packet.
Police Chief Juell updated Council on Elko New Market's participation in the funeral for the Burnsville Police and Fire Department Officers. Juell also updated Council on a potential police officer candidate that will be interviewed and the officers new staffing schedule.
- d) Engineering
No report.
- e) Community Development
Draft Planning Commission Minutes of the February 27, 2024 Meeting included in the Council Packet.
- f) Parks Department
Draft Parks & Recreation Commission Minutes of the March 9, 2022 Meeting included in the Council Packet.
- g) Community & Civic Events Committee (CCEC)
Draft Community & Civic Events Committee Minutes of the February 20, 2024 Meeting included in Council packet.

Councilmember Novak updated Council that at the last CCEC Meeting, Egg Hunt bags were filled and reminded Council that the Egg Hunt will be held on Saturday, March 23. Councilmembers are encouraged to come and help out.

h) Other Committee and Board Reports

i) Scott County Association for Leadership and Efficiency (SCALE)

City Administrator/Clerk Terry updated the Council on the SCALE meeting he attended.

1. Executive Committee

No report.

2. Service Delivery Committee

No report.

ii) I35 Solutions Alliance

Councilmember Berg updated the Council on the last I35 Solutions Alliance Meeting he attended which consisted of an update from the MNDOT Commissioners. Berg also stated that there will be no I35 Solution Meeting in April.

10) DISCUSSION BY COUNCIL

None.

11) ADJOURNMENT

MOTION by Councilmember Berg, second by Councilmember Timmerman to adjourn the meeting at 8:33 p.m.

APIF, MOTION CARRIED.

Respectfully submitted by

Lynda Jirak, Deputy Clerk