

Pursuant to due call and notice thereof, a regular meeting of the North Mankato City Council was held in the Municipal Building Council Chambers on June 18, 2018. Mayor Dehen called the meeting to order at 7:00 p.m. asking that everyone join in the Pledge of Allegiance. The following were present for roll call: Mayor Dehen, Council Members Whitlock, and Steiner, City Administrator Harrenstein, Finance Director McCann, Attorney Kennedy, Community Development Director Fischer, and City Clerk Van Genderen. Absent: Council Member Norland, Council Member Freyberg, and City Engineer Sarff.

**Approval of Agenda**

**Council Member Steiner moved, seconded by Council Member Whitlock, to approve the agenda as presented. Vote on the motion: Whitlock, Steiner, and Dehen aye; no nays. Motion carried.**

**Approval of Council Meeting Minutes**

**Council Member Steiner moved, seconded by Council Member Whitlock, to approve the minutes of the Council meeting of June 4, 2018. Vote on the motion: Whitlock, Steiner, and Dehen aye; no nays. Motion carried.**

**Consent Agenda**

**Council Member Steiner moved, seconded by Council Member Whitlock, to approve the Consent Agenda.**

- A. Bills and Appropriations.
- B. Res. No. 53-18 Approving Donations/Contributions/Grants.
- C. Approved Parade Permit for Final Stretch Inc., Triathlon on August 12, 2018, from 8:00 a.m. to 1:30 p.m.
- D. Approved Large Group and Audio Permit for Ulrich Celebration of Life on June 30, 2018, from Noon to 10:00 p.m.
- E. Approved Seasonal Extension of Patio Premise for the American Legion at 256 Belgrade Avenue.
- F. Approved Amendment to Site Lease Agreement.
- G. Res. No. 54-18 Appointing Election Judges.
- H. Approved On-Sale Intoxicating, and Sunday On-Sale Liquor License for Twin City Lodging, LLC located at 1111 Range Street.

**Vote on the motion: Whitlock, Steiner, and Dehen aye; no nays. Motion carried.**

**Public Comments Concerning Business Items on the Agenda**

Stefanie Jaquette, 519 Wheeler Avenue, appeared before Council and questioned the Wingert development agreement signed on May 7, 2018. She questioned the valuation of the lots proposed by Wingert, the unpaid assessments and the location of the agreement on the Consent Agenda.

Discussion was held that no items were on the Business Agenda. It was allowed that the items discussed would be considered part of the Open Forum.

Lucy Lowry, 2263 Northridge Drive, appeared before Council and questioned the Marie Lane extension stating only one property was being assessed for the road, while she believed ten properties would benefit.

Tom Hagen, 927 Lake Street, appeared before Council and stated he wanted the Council to give him \$35,000 to develop a vacant lot on Cornelia Street.

**Business Items**

**None.**

**Open Forum**

**City Administrator and Staff Comments**

City Administrator Harrenstein stated incentives are sometimes viewed as favoritism, but Cities use incentives, allowed by State Statute, to draw in businesses and increase tax bases. An example would be the work completed in the North Port Industrial Park. The incentives used, such as TIF agreements, attracted users to the area and the long-term view allowed the agreements made 9 or 10 years ago to provide an increased tax base that the City is benefitting from today. City Administrator Harrenstein stated the North Gate Subdivision was financed by the City. The City participated and held the debt hoping the developer would build the homes and the City would recoup the investment. Some lots were not developed, and in 2015 the City issued an RFP in hopes of getting the lots developed. The City was able to sell the lots for \$25,000 each and since then all of the lots have been sold and are now on the tax roll. The lots associated with the Coventry Heights development agreement were financed by taxpayers, and no taxes have been paid on the remaining vacant lots for five years. City Administrator Harrenstein noted that while the county assessed the lots at a much higher rate, he did not think they had accounted for the fact the lots have been vacant for 13 years, the onerous private covenant and additional issues that make building on the lots difficult. He stated he had communicated with the Council the details of the development agreement and placed it on the consent agenda. City Administrator Harrenstein noted one of the remaining lots in the area was purchased by the neighbor and that lot was not going to be developed, which did not increase the value of the property or the tax base. Mayor Dehen stated the lots were citizen financed lots.

Mayor Dehen noted the City no longer finances infrastructure and future developers will be paying for the infrastructure and the road in the development. He stated that per standard assessment procedures, the City assessed a portion of the Marie Lane extension to the single existing house on the existing road and the developer will pay the assessment on Outlot E. The other homes along the extension will not be assessed as the road improvement will not increase the value of their property since their access is onto Park View. City Administrator Harrenstein noted tax abatement was considered to pay for the Marie Lane Extension. Currently, the City is not pursuing abatement, but it can still be considered. City Attorney Kennedy noted the City no longer does 429 projects where the City funds the project up front and collects the money through assessments. This has slowed some development of the City as the developer must be responsible for the infrastructure and some subsidy is sometimes given to assist. Mayor Dehen noted the City has been able to increase the tax base which has made it possible to not raise property taxes. Attorney Kennedy stated the Council has never set an amount to direct staff as to what can go on the Consent Agenda. The Council could set an arbitrary number, but the assumed accusation that something underhanded was sent through the Consent Agenda is just not the case. Lucy Lowry requested clarification on why the homes in the development were not assessed for the road and why the developer thought he would be assessed. Mayor Dehen stated the properties do not abut the Marie Lane extension the City is financing and cannot be assessed. He noted that while the Jefferson Avenue reconstruction estimated assessment was \$27,000 per household, the City capped the assessments at \$6,000 because the value of the homeowner's property did not increase by \$27,000.

City Administrator Harrenstein thanked the library staff for their work on Art Splash.

City Administrator Harrenstein reported Caswell Park would host the Chinese National Team the week of June 19-22.

City Administrator Harrenstein thanked all participants in the Police Chief hiring process.

Finance Director McCann noted the Audit would be presented at the July 2, 2018, Council Meeting and things improved in 2017; he said it was the hard work of the Council and City Administrator. He stated the budget process has started.

City Clerk Van Genderen thanked the Street and Parks Department for their help in putting on Art Splash. She thanked Library Director Heintz and her team for their hard work.

**Mayor and Council Comments**

There being no further business, on a motion by Council Member Steiner, seconded by Council Member Whitlock, the meeting adjourned at 7:45 p.m.

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Mayor

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City Clerk