

City Council Meeting
October 17, 2022

The Fergus Falls City Council held a regular meeting on Monday October 17, 2022, at 5:30 pm in the City Council Chambers. Pastor Jim Johnson gave the invocation, and the Pledge of Allegiance was recited. Mayor Schierer called the meeting to order at 5:34 pm and the following council members were in attendance: Hicks, Fish, Hagberg, Kvamme, Rufer, Thompson and Gustafson. Arneson was absent.

Approval of Agenda

A motion and second were made by Hicks and Thompson to approve tonight's agenda with the addition of a letter of intent for the ShopKo parking lot and the removal of the HVAC equipment request for the golf course from the consent agenda and the motion carried.

Housing Tax Rebate 728 Oak Trail

A public hearing was opened for a housing tax rebate for a single-family home at 728 Oak Trail valued at \$450,000. As no one appeared, the hearing was closed. Hagberg offered **Resolution #196-2022** approving a housing tax rebate for 728 Oak Trail as requested by Gordon and Marie Fuchs, which was seconded by Rufer and was adopted with Hicks voting in opposition.

Housing Tax Rebate 3216 Pebble Shores Drive

A public hearing was opened for a housing tax rebate for a single-family home at 3216 Pebble Shores Drive valued at \$1,800,000. As no one appeared, the hearing was closed. Hicks commented on his opposition of these larger valued homes receiving the tax rebate and felt those funds would be better spent helping those struggling to get into lower valued homes. Kvamme agreed and said he would conform with the council's previous commitment to the tax rebate program but asked the council to review the program and goals. The city has agreed to follow the county's program through 2024, and the program is also available for rehabbing older homes and replacing aging housing stock. The new Communications Manager will assist in spreading the word about those aspects of the program. Fish offered **Resolution #197-2022** approving a housing tax rebate for 3216 Pebble Shores Drive as requested by Dustin and Stefani Christensen, which was seconded by Rufer and was adopted with Hicks voting in opposition.

Consent Agenda

The following items were approved under **Resolution #198-2022** by Rufer: Motion approving the minutes of the October 3, 2022, council meeting and work session, and the October 12, 2022, Committee of the Whole meeting. Motion approving the following licenses: Minnesota Lawful Gambling Permit for Fergus Falls Sertoma Club raffle on February 12, 2023, at the Eagles Aerie 2339; Tobacco Elevate (new 2022), Casey's General Stores (Union and Vernon-2023), M & H (2023); Mechanical J Brothers Mechanical Plus (2022); Full On Sale Liquor Eagles Aerie 2339 (2023). **Resolution #199-2022** initiating and combining PI 5347, 5348, 5349, 7212, 7213, 7214, 8227, 8228 & 8229 into City Project 5960, the street reconstruction and utility project on Linden and Laurel; Ordering the Preliminary Engineering Report for CP 5960; Accepting Patchin Messner's professional services proposal for appraisal services in the not to exceed amount of \$9,000. **Resolution #200-2022** accepting Patchin Messner's professional services proposal for appraisal services not to exceed \$11,000; Accepting Terracon's professional services proposal for geotechnical exploration services not to exceed \$8,900 for CP 5959, the Stanton Avenue reconstruction project. Motion directing the City

Attorney to draft an update to City Code Chapter 152, Stormwater Management. Motion establishing a sub-committee of the Natural Resources Advisory Committee for geese management and water quality issues at Lake Alice. **Resolution #201-2022** waiving the monetary limits on municipal tort liability established by Minnesota Statutes, Section 466.04. The resolution was seconded by Gustafson and was adopted.

Phase I Downtown Riverfront Project

During the 2020 legislative session the city received \$1,750,000 in state bonding for Phase I of the Downtown Riverfront project. In order to receive reimbursement for the funding, the city needs to provide a detailed accounting of the matching sources of funding. The resolution would need to be sent to the Minnesota Department of Employment and Economic Development and Minnesota Management and Budget to complete the grant agreement process. Gustafson offered **Resolution #202-2022** approving matching sources for the state bond funds grant agreement for the Phase I Downtown Riverfront Project, which was seconded by Fish and was adopted.

Resolution of Accounts

Fish offered a resolution authorizing the payments and claims in the amount of \$2,034,438.75, which was seconded by Hagberg and was adopted.

TIF District Term Sheet

Prior to entering into a Development Agreement for the former mill property, the city must define the terms of the proposed TIF District. The developer, Kevin Bartram, is proposing a two phased project with the first phase to be a redevelopment of the historic mill building into a 24-unit boutique hotel, which is estimated to cost \$7,660,000. The developer is requesting a Redevelopment TIF District be created to aid with the redevelopment of the site. The project will be utilizing historic tax credits to help with the redevelopment and the project successfully received a \$130,000 grant from DEED that requires a 50% match from the city, which can come from TIF assistance. The duration of the TIF assistance will be a 21-year term with the anticipated \$63,256 in TIF revenue generated annually. This TIF revenue stream could be able to support a TIF pay-as-you-go principal note of \$788,000 based on a 4.5% interest rate and the developer has agreed to the terms. Kvamme offered **Resolution #203-2022** approving a term sheet for the development agreement of the TIF District for the former flour mill project, which was seconded by Hagberg and was adopted.

Letter of Intent City Parking Lot ShopKo

Earlier this year the city terminated a Purchase Agreement with River's Edge Development for the city-owned parking lot adjacent to the former ShopKo business after the developer determined their project was no longer feasible. A new request has come in from GoodNeighbor Properties LLC for this parking lot. They requested entering a letter of intent with the city to secure the city-owned parking lot for future development. Future development would be contingent on the results of a market analysis the developer would conduct. GoodNeighbor and River's Edge Investments are in private conversation about the larger Shopko lot. Mayor Schierer spoke about the possible future development and the exciting opportunities and investment that developers like GoodNeighbor and Kevin Bartram are making in our downtown. Fish offered **Resolution #204-2022** authorizing staff and the City Attorney to enter a letter of intent between GoodNeighbor Properties LLC and the City of Fergus Falls for the city-owned parking lot adjacent to the former Shopko building, which was seconded by Rufer and was adopted.

The meeting adjourned to a closed meeting at 5:54 pm for attorney-client privilege as permitted by MN Stat. Sect. 13D.05, subd.3(b).

Lynne Olson

Open Forum

Russ Hall, no address provided suggested the city work with local utilities to bury the power lines along Lincoln Avenue to prevent power losses in this business corridor when the power goes down. He suggested a better disposal system for recovered stolen bicycles and asked the city to consider other sources of communication to broadcast council meetings as many people cannot afford cable service.

John Strauch, 519 W Vasa Avenue spoke about the maintenance issues at the RTC and asked the city to patch up a hole in the roof of the south side of the structure. He encouraged the current and future council's to not neglect the building, but rather find a long-term solution.