

Committee of the Whole Meeting
April 10, 2024

The Fergus Falls City Council met as a Committee of the Whole on April 10, 2024, at 7:00 am in the City Council Chambers. Mayor Schierer called the meeting to order, and the following council members were in attendance: Kvamme, Kremeier, Thompson, Rachels, Hicks, Fish and Job. Rufer was absent.

No Mow May

Members of the city's Natural Resources Advisory Committee introduced themselves and invited the council to engage them in conversations pertaining to conservation, protecting natural resources, and native planting. They shared information about upcoming Earth Day events and requested the city consider implementing No Mow May. This initiative would temporarily exempt certain property owners to City Code 95.04(C) which does not allow for grass to exceed 6 inches in height. Not mowing in May provides food sources for pollinators. All lawns must come into compliance on or before June 1. A motion and second were made by Hicks and Thompson to recommend the council allow a temporary exemption to City Code 95.04 (C) and the motion carried.

Workforce Housing Plan for 801 W Stanton

Community Development Director Klara Beck explained the efforts to tie multiple components of a project into an initiative to redevelop the site at 801 W Stanton Avenue into workforce housing. The city is seeking to acquire the property through a purchase agreement with Mark and Brenda Christopherson. The sellers will receive \$950,000 at the property closing if they fulfill the contract obligations including demolition of the buildings, resolving environmental issues, continuing with soil sampling as requested by the Phase I environmental assessment, removing the debris to the city's specifications, and selling the site in a buildable condition. The city has acquired a \$640,250 grant from DEED's Community Energy Transition Grant Program towards the acquisition. \$100,275 is available from the state's Statewide Affordable Housing Aid initiative and the same allocation will be received in 2024. The city is negotiating a loan agreement with the Christopherson's for \$500,000 to reduce debt on the property and cover the costs of demolition and it will be repaid upon closing. A public hearing will be held on April 15 to consider this business subsidy loan. Following the acquisition of the property, the city would work towards a workforce housing project on the site.

Various studies have shown a critical need for an additional 55-65 units of workforce housing. Rivers Edge LLC, an affiliate of D.W. Jones Inc. has demonstrated interest in acquiring the property after the city has purchased the property and submitted a Letter of Intent to redevelop the clean site into a 60-unit apartment complex to meet the identified need of workforce housing. A key aspect of their proposal is a request for Tax Increment Financing (TIF). At the public hearing on April 15 a financial analysis will be provided for this predicted 26-year district. TIF will be used as the local funding source for the Minnesota Housing Workforce's Housing Development Program to which River's Edge LLC intends to apply for financial assistance to facilitate the development of the workforce housing project. The deadline for the developer to submit their application is the end of the month. Due to the complexity of the adjoining issues, the council will not be asked to act on April 15 but rather consider the financial plan and public input. Beck suggested a special meeting of the City Council be called to consider the creation of this TIF district on April 24 at 7:00 am.

Beck explained by securing funding, leveraging partnerships, and adhering to strategic planning, the city can provide much needed moderate income housing options while revitalizing a dilapidated industrial site in an established residential neighborhood. A motion and second were made by Rachels and Hicks to recommend the council call for a special meeting of the City Council on April 24 at 7:00 am in the City Council Chambers; to authorize the city to enter into a purchase agreement of \$950,000 with Mark and Brenda Christopherson for the acquisition and cleanup of 801 W Stanton Avenue and to approve the negotiation and execution of a loan agreement with Mark and Brenda Christopherson for \$500,000 and the motion carried.

Mill and Overlay Project (PI 5377)

Plans and specifications are completed for PI 5377, the 2024 mill and overlay project. The proposed street resurfacing roadways are Sherman Street: Douglas to Channing; Sheridan Street: Adolphus to Channing; Mabelle Avenue: Adolphus to Channing and Adolphus Avenue: Sheridan to Mabelle. The estimated cost of the base bid is \$278,500 and if bids are favorable, Channing Avenue: Sheridan to Mabelle has been identified as an alternate. The city has budgeted \$324,400 for the work. A motion and second were made by Thompson and Fish to recommend the council accept the project plans and specifications and to authorize the advertising of bids and the motion carried.

Downtown Riverfront Project Phase II (PI 9767)

Initial plans for Phase I of the downtown riverfront project included fencing around the splash pad play area, but due to cost concerns this alternate was removed as the code does not require a physical barrier and green space separation between the splash pad and riverbank top. Concerns from the community have been brought forth regarding the safety hazards of young children playing in an area with a steep embankment to the river and Comstock Construction was asked to propose three options. Option I is a decorative steel fence like the fencing installed in Phase I of the project at a cost of \$70,425. Option II is a wooden cedar split rail fence at a cost of \$22,998.48 or Option III, the city could monitor usage and decide later. For safety purposes staff recommended Option I and explained there is \$219,100 remaining in the project's contingency budget, which the engineers are confident these funds won't be needed for other project uses. Kremeier agreed the more protective fencing was a safer option and suggested the city contribute the cost of the wooden fence and ask the fundraisers to cover the difference in pricing. Mayor Schierer felt it was hard to argue with safety if the funds are available. Fish felt the safety component was vital and the city should proceed with the steel fence as the money is available. Thompson agreed that the steel fence would match other components of the project, be a safer option and be less of a long-term maintenance concern. Hicks was concerned with using contingency funds if there is a gap in private fundraising.

Staff met with the fundraising committee yesterday and they have collected \$1,415,000 of their \$2 million goal to date. There are expectations of an additional \$379,500 to come in yet leaving a gap of \$205,000. They are still hopeful they will meet their goal and will continue their efforts. Rachels asked if this decision can be delayed until the May 6 meeting to see how the fundraising efforts continue. Staff was not sure if delaying the decision for an additional three weeks would give the contractors enough time to secure and install the fence in time for the large crowd anticipated at the May 30 grand opening, it felt would be wise to have all safety protocols in place before the facility is open. A motion and second were made by Fish and Kvamme to recommend the council accept Comstock's proposal for a decorative steel fence for Public Improvement 9767, the downtown riverfront project, Phase II and the motion carried.

DeLagoon Park Access Road (PI 5376)

Last year the city authorized the submission of a grant to the Minnesota DNR State Park Road Account Program to improve local access roads to state parks, campgrounds, public water access and eligible recreation areas. The city submitted a \$210,000 request to improve the DeLagoon Park access road and loop and was successful in receiving \$209,049. The remaining funds could be found within the Park & Recreation budget or the annual levied mill and overlay projects to complete the loop. A motion and second were made by Thompson and Fish to recommend the council initiate PI 5376, the DeLagoon Park access road improvement project and to authorize the acceptance of the state park road account offer in the amount of \$209,029 and the motion carried.

Fir and Friberg Roundabout (PI 5362)

The city and county are working jointly on the roundabout improvement project at Fir and Friberg Avenue. The agreement shows the city's project costs of \$730,000 plus any non-eligible municipal storm work which is determined by state aid review. The sanitary sewer and watermain replacements are estimated at \$180,000 which has been budgeted for 2024. The city submitted a Local Road Improvement Program application in December to help cover these costs and a \$790,000 grant has been awarded to the city. A motion and second were made by Job and Kvamme to recommend the city be authorized to accept the Local Road Improvement Program grant offer and the motion carried.

New Business

A motion and second were made by Fish and Kvamme to recommend the council reconsider televising the open forum, but to keep other aspects of the policy as agreed upon on April 1 and the motion carried.

The meeting adjourned at 7:46 am

Lynne Olson