

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 September 21, 2015. 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 Norland, Freyberg, Spears and Steiner, City Administrator Harrenstein, Finance Director Thorne, Attorney Kennedy, City Clerk Van Genderen, City Planner Fischer and Public Works Director Swanson.

Approval of Agenda

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

Approval of Minutes

Council Member Steiner moved, seconded by Council Member Norland to approve the minutes of the Council meeting of September 8, 2015. Vote on the motion: Norland, Freyberg, Spears, Steiner and Dehen aye. Motion carried.

Approval of Council Workshop Minutes

Council Member Norland moved, seconded by Council Member Steiner to approve the minutes of the Council Workshop meeting of September 8, 2015. Vote on the motion: Norland, Freyberg, Spears, Steiner and Dehen aye. Motion carried.

Consent Agenda

Council Member Steiner moved, seconded by Council Member Norland, to approve the Consent Agenda which included:

- A. Bills and Appropriations.
- B. Res. No. 73-15 Approving Donations/Contributions/Grants.

Vote on the motion: Norland, Freyberg, Spears, Steiner and Dehen aye; no nays. Motion carried.

Public Comments

None.

Business Items

Res. No. 74-15 Approving a Proposed Tax Levy.

Finance Director Thorne reported the proposed tax levy was in the amount of \$5,794,404 as outlined in the City Administrator's 2016 Proposed Budget. Finance Director Thorne indicated the tax levy is based upon maintaining a flat tax rate of 53.620% and capturing the dollars associated with new improvements and market value increases. The levy is \$27,300 more than the amount proposed in the August 17, 2015 Budget Workshop as the Nicollet County assessment abstract of real and personal property was not received by the City until late August. Council may adjust the levy down prior to the final adoption on December 21, 2015 but cannot increase the levy above the amount adopted in this Resolution. **Council Member Spears moved, seconded by Council Member Steiner to adopt Res. No. 74-15 Approving a Proposed Tax Levy. Vote on the motion: Norland, Freyberg, Spears, Steiner and Dehen aye; no nays. Motion carried.**

Approve a Comprehensive Plan Amendment: a Request from Commerce Drive Dental.

City Planner Fischer reported the request from Commerce Drive Dental was to amend Comprehensive Plan Figure 3-2 Future Land Use. Commerce Drive Dental owns a vacant 2.74 parcel

of property on Commerce Drive located between Commerce Drive Dental and Thin Film Technology. The property is currently zoned B-3, General Commercial. City Planner Fischer reported the applicants have been trying to sell the property for about six (6) years and have been unsuccessful. Commerce Drive Dental is requesting the Comprehensive Plan Figure 3-2: Future Land Use be amended to guide the property to either commercial or industrial use for marketing purposes. The change would allow the applicant to market the land as either commercial or light industrial. City Planner Fischer indicated if the Council approves the request the next step would be to set a Public Hearing for discussion on the proposed change to the Comprehensive Plan. **Council Member Steiner moved, seconded by Council Member Norland to approve the Comprehensive Plan Amendment. Vote on the motion: Norland, Freyberg, Spears, Steiner and Dehen aye; no nays. Motion carried.**

Res. No. 75-15 Setting Public Hearing on Proposed Amendment to the Comprehensive Plan Figure 3-2: Future Land Use. Council Member Freyberg moved, seconded by Council Member Norland to adopt Res. No. 75-15 Setting a Public Hearing on Proposed Amendment to the Comprehensive Plan Figure 3-2: Future Land Use. Vote on the motion: Norland, Freyberg, Spears, Steiner and Dehen aye; no nays. Motion carried.

Res. No. 76-15 Ordering a Moratorium on the Granting of New Rental Licenses within the City of North Mankato, Minnesota.

Administrator Harrenstein stated the moratorium would be for R-A, R1S, R1 or R2 and does not affect R-3, R-4 or the Central Business District (CBD), although it does include single family dwellings in the CBD, R-3 and R-4 districts. Administrator Harrenstein reported the moratorium does allow a waiver for up to five licenses that were contemplated in a sale initiated through legal instrument prior to the date of this resolution if it is passed. Council Member Steiner questioned the status of pending items. Administrator Harrenstein reported those would be processed. Attorney Kennedy indicated a moratorium must begin with little warning so licenses can be stopped until a study can be completed. Administrator Harrenstein indicated the purpose of the moratorium is to allow the continued development of a strong and vibrant community outlined in the Comprehensive Plan to be imagined. Rental properties are a threat to the community vision. Council Member Spears suggested the creation of a temporary rental license to accommodate those having difficulty selling or those out of town for a set period of time.

Administrator Harrenstein introduced City Planning Analyst Intern Courtney Kietzer. Ms. Kietzer presented a PowerPoint on rental licenses in the City of North Mankato. Ms. Kietzer reported 15.2% of total residential properties in the City of North Mankato are rental and a study of the trend indicates a continued increase in rental units in both lower and upper North Mankato. Ms. Kietzer reviewed Chapter 4: Housing, Comprehensive Land Use Plan Policy 2.1.5 which states the City will “consider a policy that permits a limited number of rental units in a specified area to minimize turnover of owner occupied single family homes to rental units within established neighborhoods.” Ms. Kietzer stated City staff recommends a 10.5% restriction on all residential properties within the City’s residential zoning districts except for R-3, R-4 and all commercial and industrial districts. She reported staff requests input on whether or not the Council desires to issue any new rental licenses in districts above 10.5% concentration. Ms. Kietzer stated staff recommends a temporary rental license be created as part of the rental license program. **Council Member Freyberg moved, seconded by Council Member Steiner to adopt Res. No. 76-15 Ordering a Moratorium on the Granting of New Rental Licenses within the City of North Mankato, Minnesota. Vote on the motion: Norland, Freyberg, Spears, Steiner and Dehen aye; no nays. Motion carried.**

Consider Creating a Housing Rehabilitation Program.

Administrator Harrenstein introduced City Planning Analyst Intern Courtney Kietzer. Ms. Kietzer presented the Northside Revivals program. The housing rehabilitation program offers incentives to home owners completing major remodeling projects. Ms. Kietzer indicated the major goals were to revitalize the City's existing aging housing stock (defined as 35 years and older), encourage high quality construction to increase the value of the home, retain City residents and attract new residents and promote home ownership. Ms. Kietzer reported the program is for homes 35 years or older and which is 56.5% of North Mankato's housing stock. Qualifications for involvement in the program include a total project cost of \$35,000 or more, property must be homesteaded and the owner's primary residence. Eligible projects include interior and exterior upgrades. The program would consist of architectural and design assistance, incentive grants to homeowners and low interest loans. Mayor Dehen requested clarification on if the program was tied to the Community Development Block Grant (CDBG) and if there was income qualifications. City Planner Fischer reported this was a separate program but it would be possible for the two programs to work together with mandated income requirements. Council Member Spears requested clarification on the anticipated cost. Administrator Harrenstein stated staff anticipated capping the program at \$85,000 to include two loans for \$35,000 each and up to \$15,000 for the grants and test the program before increasing the program funding. Council Member Spears stated this was a redistribution of funds that did not benefit the majority of the citizens. Council Member Freyberg stated an income requirement should be tied to the program. Administrator Harrenstein stated income guidelines could be created to guide the program. Administrator Harrenstein indicated the City's goal is the preservation of the homes and neighborhoods. Council Member Freyberg indicated exterior improvements should be where the money is invested not on the interior. Administrator Harrenstein stated the grant requirements include exterior improvement requirements. Council Member Norland stated the program should not contain too many restrictions during the pilot year to allow understanding of how the program will work. Mayor Dehen indicated he would encourage the following requirements: allow homeowners to use the money to upgrade homes to meet code requirements, reclamation of multi-family homes to single family homes and tie the money to the CDBG program. **Council Member Norland moved, seconded by Council Member Steiner to direct staff to create a Housing Rehabilitation Program. Vote on the motion: Norland, Freyberg, Steiner and Dehen aye; Spears nay. Motion carried.**

City Administrator and Staff Comments

None.

Mayor and Council Comments

Council Member Freyberg requested clarification on the speed limit on Highway 14. City Engineer Sarff indicated he would work with the contractor to set an end work zone speed limit.

Mayor Dehen reported the Intergovernmental Minutes were included in the packet.

Mayor Dehen reported Bier on Belgrade will be held on Saturday, September 26th from 2 p.m. to 8 p.m.

Public Comments

None.

There being no further business, on a motion by Council Member Norland, seconded by Council Member Steiner, the meeting adjourned at 7:47 p.m.

Mayor

City Clerk