

The Cannon Falls City Council met in a regular session on Tuesday, March 21, 2017, at 6:30 p.m. in the City Council Chambers. Present were Mayor Robby Robinson and Council Members Morris Mattson, Cedar Abadie, Mike Dalton, Ken Carpenter, and LeRoy McCusker. Also present were Ron Johnson, City Administrator; Lanell Endres, Assistant City Administrator; Dave Maroney, Community Development Director; Tom Bergeson, Public Works Director; Tim Malchow, Ambulance Director; and Joe Berg, Police Lieutenant.

- Call to Order Mayor Robinson called the City Council meeting to order at 6:30 p.m.
- Pledge of Allegiance Mayor Robinson led in the recitation of the Pledge of Allegiance.
- Resignation Letter from Council Member Berg Mayor Robinson read correspondence that he received from Council Member Lynne Berg indicating her need to resign from the City Council for personal reasons, effective immediately. Mayor Robinson reported that the vacancy will be addressed later in the meeting.
- Approval of Agenda A motion was made by Council Member Abadie, seconded by Council Member Carpenter and unanimously carried, to approve the Amended Agenda as submitted.
- Public Input Mayor Robinson introduced Goodhue County Board member Brad Anderson. Commissioner Anderson described what it was like to serve on the Board of Commissioners. He discussed a recent meeting with a legislative assistant for Representative Jason Lewis and a recent meeting with representatives of the Minnesota Department of Health and Human Services. He provided an update regarding the County Road 24 project. He reviewed trail planning activities.
- Council Member McCusker discussed the benefits of the County Road 24 project and commented with regard to future trail extensions. Commissioner Anderson commented that trail planning had been incorporated into the project design. He discussed how Goodhue County and Dakota County were working together on park and trail planning.
- Consent Agenda
- A. Just and Correct Claims – Accounting Period Ending March 17, 2017
  - B. Meeting Minutes for March 7, 2017, City Council Meeting
  - C. Second Reading and Adoption of Ordinance 350 and Approval of Summary Publication, Amending Title IX, Chapter 94, of the Cannon Falls City Code Concerning Animals
  - D. Interfund Transfer and Close Fund
  - E. Confirm Appointment of Samantha Meyer for Joint Planning and

Zoning Assistant Position

- F. Introduction and First Reading of Ordinance 351, Granting a Franchise to Mediacom Minnesota
- G. Purchase Ventilator with Bi-Level Support
- H. Resolution 2266, Approving Conditional Use Permit for Althoff Triplex
- ~~I. Approve Encroachment Agreement for Tilion Brewing Pulled by Council Member McCusker~~

A motion was made by Council Member Dalton, seconded by Council Member Abadie and unanimously carried, to approve the Consent Agenda, minus Item I.

Fire Department  
125th Year  
Anniversary

On behalf of the Cannon Falls Fire Department Relief Association, Fire Chief Todd Anderson discussed a request for funding toward the publication of a commemorative book detailing the 125-year history of the Cannon Falls Fire Department, at an estimated cost of \$2,910, and toward commemorative mugs, at an estimated cost of \$2,250. He described how the book would be updated from the one published for the 100th anniversary. He showed an example of a commemorative mug. He distributed and reviewed a tentative list of activities and displays that the members would like to offer on July 29 in celebration of the Fire Department's 125th anniversary. Chief Anderson thanked the Mayor and City Council for their consideration of this request.

It was discussed that these items would not be offered for sale. Mayor Robinson referenced information obtained from the City Attorney. Council Member Abadie asked who would receive these items. Chief Anderson reported that the books and mugs would be given out to members of the community. Council Member Dalton asked whether the Fire Department Relief Association would have a booth at the Cannon Valley Fair. Chief Anderson indicated that the Relief Association would have a booth at the Fair and plan to have the books available.

Mayor Robinson inquired with regard to the source of the funding. City Administrator Johnson indicated that a contribution from the City toward production of books and mugs, if approved by the City Council, would come from fund reserves. Assistant City Administrator Endres discussed potential discretionary funds available in the General Miscellaneous account, adding that she would need to determine the amount budgeted for this line item. Chief Anderson clarified that the City contributed \$2,500 toward the book that was printed for the 100th anniversary celebration.

Council Member McCusker spoke in support of the funding request. A motion was made by Council Member McCusker, seconded by Council Member Mattson, for the City to contribute up to \$2,910 toward the publishing of 500 48-page books and up to \$2,250 for commemorative mugs for the Cannon Falls Fire Department 125th anniversary celebration. Council Member Dalton indicated his intention to abstain from a vote on this motion. Council Member Abadie suggested exploring the possibility of using the book as a fundraising opportunity for the Fire Department Relief Association, adding that the City could front the publication costs. Administrator Johnson reported that, according to City Attorney Roger Knutson, if these items were sold this would not be an eligible contribution for the City. Council Member McCusker commented that the Fire Department Relief Association would most likely have a donation box available at community events. Administrator Johnson recommended that there be no reference to donations toward the books or the mugs, adding that he would clarify this with the City Attorney. Council Member Mattson spoke in support of the historical book. Council Member Mattson asked about T-shirt sales, and Chief Anderson provided additional information in this regard. A vote was taken, and the motion carried by a vote of 4:0:1, with Council Member Dalton abstaining from the vote.

Resolution 2267,  
Authorizing  
Preparation of TIF  
Plan-former  
Grandpa's Garage  
Event Center

Community Development Director Maroney provided background information regarding the proposed redevelopment of the former Grandpa's Garage Event Center into a local food center. He provided an overview of recommendations forwarded by the Economic Development Authority to the City Council, seeking authorization to initiate the preparation of a tax increment financing (TIF) plan for this project and the scheduling of a Public Hearing on May 16 prior to the City Council's consideration of authorizing the use of tax increment financing.

He described this as a two-step process. He discussed initiation of a TIF plan, which would include a detailed evaluation of the proposed project, the financial realities and expectations of the project, and the overall financing plan. He discussed the scheduling of a Public Hearing on May 16, following which action would be taken by the City Council. If approved by the City Council, the project would move forward with the authorization to use tax increment financing to assist with financing the proposed redevelopment of the former Grandpa's Garage property.

Director Maroney reported that this project proposed to use tax increment financing much the same way that this type of financing was approved for Strike Tool. He discussed tax abatement that was approved for the proposed GrandStay Hotel project. Director Maroney provided updates with regard to these two projects. He commented that redevelopment projects in the south end of the City in the Highway 52 corridor area will not likely be economically feasible without financial assistance through tax abatement or tax increment financing.

Director Maroney reported that the EDA had reviewed the proposed project and fully supported a recommendation to initiate the TIF process. The EDA had agreed to finance the costs associated with preparing the TIF plan, estimated at approximately \$12,000, for consideration by the City Council on May 16. If the project moved forward, the EDA would like to be reimbursed for this expense over time through the tax increment financing program. He reported that additional projects were likely to come forward.

Director Maroney reiterated that Resolution 2267, if adopted, would authorize preparation of a TIF plan and scheduling of a Public Hearing to be held on May 16.

Council Member Dalton inquired regarding the proposed project. David Olson, owner of the property, provided a project overview. He stated that plans for the building included a food retail area, a restaurant, a cheese processing facility, a patio area, and perhaps warehouse or office space. Mayor Robinson commented that a lot of work would be needed to renovate the building. Mr. Olson discussed challenges related to financing the cost of renovations while remaining competitive for vendors.

Council Member Abadie inquired with regard to the square footage of the building. Mr. Olson reported that the current building had approximately 16,000 square feet and would likely be expanded to approximately 18,000 square feet.

Council Member Mattson expressed support for the preliminary plans. Director Maroney distributed additional information depicting the floor plan and the site plan. Mr. Olson discussed various purposes for which the building could be utilized. Mayor Robinson discussed opportunities to provide cold storage for local businesses.

Council Member McCusker commented regarding the need for commercial investment in Cannon Falls but expressed concerns

related to continued use of tax increment financing and tax abatement. Mr. Olson described the situation as a “catch 22.” He discussed benefits to the community, including as job creation.

Council Member Dalton inquired with regard to financial impacts to the City. Director Maroney reported that various scenarios would be detailed by the tax increment financing plan. He added that it was anticipated that the building would at least double in value as a result of the project. He clarified that the property taxes paid based on the existing value of the property would remain intact.

A motion was made by Council Member Dalton, seconded by Council Member Carpenter, to adopt Resolution 2267, authorizing the preparation of a tax increment financing plan for the proposed project. It was clarified that the cost to prepare this plan, up to \$12,000, would be paid by the EDA and reimbursed over time by the tax increment financing program, subject to approval by the City Council. A vote was taken, and the motion carried unanimously.

Director Maroney commented that potential financing sources for this project have been explored, including discussions with Commissioner Brad Anderson.

Approve  
Transportation  
Alliance Fly-In

Administrator Johnson provided background information regarding the Transportation Alliance Fly-In. He explained that the cost for Mayor Robinson to attend this event, up to \$2,000, would be split with Goodhue County. Mayor Robinson commented that this event provides an opportunity to talk with legislators in Washington DC about transportation needs and funding. Council Member McCusker asked whether Mayor Robinson funds any of the costs himself. Mayor Robinson explained that his employment with Goodhue County allows him to represent both the City of Cannon Falls and Goodhue County and for the expenses to be shared by the two government entities.

A motion was made by Council Member McCusker, seconded by Council Member Abadie, to approve up to \$1,000 to cover approximately 50% of the fly-in expense for Mayor Robinson. Mayor Robinson asked whether any Council Members were interested in attending, and Council Members indicated their preference for Mayor Robinson to represent the City. A vote was taken and the motion carried unanimously.

Council Member McCusker took a break from the meeting at 7:13 p.m. and returned at 7:14 p.m.

Resolution 2268,  
Declaring a Vacancy  
on the City Council

Mayor Robinson reported that Lynne Berg announced her resignation from the City Council on March 20. He reviewed Resolution 2268, which would declare a vacancy on the City Council due to the resignation of Lynne Berg.

A motion was made by Council Member Carpenter, seconded by Council Member Abadie and unanimously carried, to adopt Resolution 2268. Mayor Robinson expressed appreciation to Lynne Berg for her service to the City. He encouraged interested residents to apply to serve the remainder of the two-year term on the City Council. Council Member McCusker suggested contacting past City Council candidates to determine their interest.

Approve  
Encroachment  
Agreement for Tilion  
Brewing

Council Member McCusker requested additional information with regard to the encroachment area being considered for Tilion Brewing. Director Maroney provided additional background information and reported that this topic was discussed by the Public Works Commission. He commented that Tilion Brewing had been encouraged to forward a plan for landscaping or other improvements.

A motion was made by Council Member McCusker, seconded by Council Member Mattson, to approve the encroachment agreement for Tilion Brewing, as recommended by the Public Works Commission.

Staff Reports

Public Works Director Bergeson provided a reminder with regard to the hydrant flushing schedule. He also discussed street sweeping procedures.

Director Maroney reported regarding a \$2,000 grant awarded by the Statewide Health Improvement Partnership. He indicated that these funds would be used for development and promotion of the farmers' market and for further study of the food hub proposal.

Police Lieutenant Berg reported that it was National Poison Prevention Week and provided a reminder to keep poisonous substances out of the reach of children. He also referenced a medication collection box located outside the Police Department.

Administrator Johnson reported that the new Library Director, Nicole Miller, was scheduled begin her employment on April 3. He added that the new planning employee, Samantha (Sam) Meyer, would also start on April 3.

Administrator Johnson reported that he would be attending the League of Minnesota Cities Legislative Conference on March 23. He stated that he had appointments scheduled with Senator Mike Goggin and Representative Barb Haley. He indicated that he spoke with someone from the office of Representative Jason Lewis with regard to setting up temporary mobile office hours at the Cannon Falls City Hall during the first week of April.

Administrator Johnson reported that a community open house for discussion of the Lake Byllesby Regional Park Master Plan was scheduled to be held on March 30.

Mayor and Council  
Reports

Committee assignments were discussed prior to staff reports. Mayor Robinson recommended that Council Member Carpenter be assigned to the Personnel Committee and that Council Member Mattson be assigned to the Public Works Commission. A motion was made by Council Member Abadie, seconded by Council Member Dalton and unanimously carried, to approve the recommended appointments.

Council Member Dalton reported with regard to the Planning Commission meeting on March 13, during which a triplex proposal by Jim Althoff was reviewed and Janet Otte presented a concept plan.

Council Member Abadie discussed the requirement for Charter Cities to have a Charter Commission. She recommended a renewed effort to recruit citizen participation in a Charter Commission. Mayor Robinson expressed agreement with this recommendation. Administrator Johnson provided additional background information and reviewed the process of appointing Charter Commission members.

Council Member McCusker expressed sadness at the resignation of Lynne Berg and wished her well.

Council Member McCusker expressed concerns with regard to the former Lee Chevrolet property. Director Maroney reported that Cannon River Winery had a lease agreement with the EDA, which owned the property. He commented that the EDA was working with the winery with regard to potential expansion opportunities. He clarified that the EDA owned the building and that the winery was responsible for maintaining the building, adding that any improvements would require an amendment to the lease agreement. Council Member McCusker suggested that building concerns be discussed.

Council Member McCusker suggested scheduling a closed session during the next City Council meeting for discussion of personnel matters. Mayor Robinson stated that he would not be present during the April 4 City Council meeting and suggested scheduling the closed session during the City Council meeting on April 18. He indicated that he would consult with Administrator Johnson and the City Attorney with regard to the closed meeting process.

Council Member Mattson stated his understanding that new homes were being built in the area and suggested that residential development in Cannon Falls be encouraged.

Mayor Robinson reported that he has made four trips to the State Capitol to talk with legislators regarding various issues. He commented that Representative Haley and Senator Goggin have been very receptive and were willing to listen to constituents.

Adjournment

A motion was made by Council Member Carpenter, seconded by Council Member Mattson and unanimously carried, to adjourn the meeting. The meeting adjourned at 7:31 p.m.

Adopted by the City Council of the City of Cannon Falls on the 4<sup>th</sup> day of April, 2017.

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Lyman M. Robinson, Mayor

ATTEST:

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Ronald S. Johnson, City Administrator