

The Cannon Falls City Council met in a regular session on Tuesday, September 21, 2021, in the City Council Chambers. Present were Mayor John Althoff and Council Members Bill Duncan, Steve Gesme, Matt Montgomery, Mary Jill Bringgold, Laura Kronenberger, and Derek Lundell. Also present were Neil Jensen, City Administrator; Dan Howard, Public Works Director; Mitch Althoff, Police Officer; Laura Qualey, Community & Economic Business Specialist; Dianne Howard, Zoning Administrator; and Sarah Schwarzhoff, City Attorney.

- Call to Order Mayor Althoff called the City Council meeting to order at 6:30 p.m. He expressed appreciation for the cards and emails he received during his recovery. He also thanked Mayor Pro Tem Gesme for filling in during his absence.
- Roll Call Roll call was conducted. All members were in attendance.
- Pledge of Allegiance Mayor Althoff led in the recitation of the Pledge of Allegiance.
- Approval of Agenda A motion was made by Council Member Gesme, seconded by Council Member Duncan and unanimously carried, to approve the Agenda as presented.
- Consent Agenda
- A. Just and Correct Claims – Accounting Period Ending September 17, 2021
 - B. Meeting Minutes for September 7, 2021, City Council Special Meeting
 - C. Meeting Minutes for September 7, 2021, City Council Meeting
 - D. Resolution 2575, Authorizing Budget Transfers for Funding of Fire Truck
 - E. Approve Disposal of 1991 Ford Pumper Truck
 - F. Approve Public Works Employee Maintenance I Hire
 - G. Resolution 2576, In Support of Goodhue County ARPA Funds Being Utilized for Fire Department, First Responder, and EMS Mobile and Portable Radio Purchases
 - H. Introduction and First Reading of Ordinance 378, an Ordinance of the City of Cannon Falls, Minnesota, Amending City Code Chapter 152 Relating to Sexually Oriented Uses
- A motion was made by Council Member Bringgold, seconded by Council Member Montgomery and unanimously carried, to approve the Consent Agenda as presented.
- Council Business:
- GreenSmith Builders, LLC Request for Lot Split City Administrator Jensen provided background information and referenced information received from GreenSmith Builders.

Aaron Smith, CEO of GreenSmith Builders, discussed the company and referenced its goal to be the greenest builder in Minnesota. He discussed the proposed development project in the Hayes Addition. Next steps and the project timeframe were discussed.

A motion was made by Council Member Duncan, seconded by Council Member Montgomery, to approve the lot split as requested. When asked about anticipated home prices, Mr. Smith commented regarding the current housing market and provided a range of \$499,000 to \$599,000 for single family homes. A vote was conducted, and the motion carried unanimously.

Resolution 2577,
Approving Business
Subsidies in the Form
of Tax Increment
Financing Et Al for the
Keller-Baartman
Properties XIV, LLC
Housing Project 2021,
Located at 415
Hickory Drive

Mayor Althoff referenced information and a list of questions provided by the Planning Commission Chair relating to the proposed project and the requested Council actions.

Community & Economic Business Specialist Qualey provided background information and summarized discussion by the EDA. She stated that the Finance Committee has reviewed the requested subsidies, including waiving of the WAC and SAC fees, estimated at \$128,000; an interfund loan of up to \$70,000 to be used for miscellaneous expenses; and coverage of building permit fees of up to \$40,000. Ms. Qualey summarized discussion with Goodhue County representatives with regard to covering the building permit fees from a new construction project fund grant or an interfund loan to be recouped through the TIF.

Actions requested from the Cannon Falls City Council relating to the approval of business subsidies were clarified.

A motion was made by Council Member Montgomery, seconded by Council Member Bringgold, to adopt Resolution 2577, approving business subsidies in the form of tax increment financing for the Keller-Baartman project. A vote was conducted, and the motion carried by a vote of 5:1, with Council Member Kronenberger voting nay.

Other Actions
Relating to the Keller-
Baartman Properties
Project

- 1) Resolution 2578, Approve Rezone and Development Stage for Keller-Baartman 79-Unit Apartment Complex at 415 Hickory Drive

Zoning Administrator Howard provided background information, stating that the property is currently zoned B-2. She detailed the proposed units and parking spaces.

Ms. Howard stated that the developer is requesting rezoning of the property to R-4 along with a PUD process in order to seek exceptions to the R-4 zoning regulations. She reviewed current City Code regulations relating to the percentage of efficiency apartments, the minimum square footage for efficiency apartments, the maximum apartment building height, the number of parking stalls per unit, and the development density. She discussed proposals by Keller-Baartman relating to these items.

Ms. Howard stated that the City Council is being asked to adopt a resolution approving the rezone and development stage with the exceptions as listed, or as modified per Council discretion.

Council Members asked about a change from market rate units to low to moderate income units. Ms. Qualey indicated that the term market rate refers to the fact that the rents are not subsidized. She noted that 40% of the units would be reserved for tenants who meet certain maximum income guidelines.

Council Member Bringgold referenced comments by Planning Commission Members who stated that the proposed development was not in compliance with the Comprehensive Plan and should therefore not be allowed. She provided her interpretation of the Comprehensive Plan. Ms. Qualey described the Comprehensive Plan as a big picture planning document and noted that this plan becomes less effective over time. She referenced information relating to affordable housing and the Council's authority in terms of zoning changes.

Council Members asked about the proposed parking stalls, and Ms. Qualey provided additional information in this regard. Bob Keller, one of the developers, discussed how the parking stalls would be utilized by tenants and guests. He also discussed the development of green space and other amenities over time. Storage space and common areas were discussed. It was noted that each unit will have laundry facilities.

Council Member Kronenberger asked about the units that would be reserved for tenants who meet income guidelines. Ms. Qualey and Mr. Keller provided additional information in this regard. The income verification process was reviewed.

A motion was made by Council Member Bringgold, seconded by Council Member Duncan, to adopt Resolution 2578, approving the

rezone and development stage for the proposed Keller-Baartman apartment complex at 415 Hickory Drive.

A vote was conducted, and the motion carried by a vote of 5:1, with Council Member Kronenberger voting nay.

- 1) Introduction and First Reading of Ordinance 379, an Ordinance of the City of Cannon Falls, Minnesota, Amending City Code Chapter 152 Rezoning Property at 415 Hickory Drive from B-2 to R-4 PUD and Approving Final Plans

Ms. Howard reviewed the ordinance adoption process, noting that the City requires two readings of every ordinance.

A motion was made by Council Member Duncan, seconded by Council Member Lundell, to approve the introduction and first reading of Ordinance 379. A vote was conducted, and the motion carried by a vote of 5:1, with Council Member Kronenberger voting nay.

Reports:

Council Committees /
Commissions /
Nonprofit
Organizations

Cannon Falls Areas Chamber of Commerce President Kyle Paulson reported that there are currently 184 Chamber members, including 12 new members. She summarized plans for 2022 events and activities. She discussed recent and upcoming events. She reviewed current and upcoming projects at Lake Byllesby. She discussed the city-wide garage sales. She reported that the Cannon Valley Senior Center will be hosting a community appreciation day on September 25.

Council Member Duncan discussed a recent Finance Committee meeting, during which the Public Works hire was discussed.

Council Member Duncan summarized discussion during a recent Planning Commission meeting. He expressed concerns with regard to how this meeting was managed. He stated that, contrary to the policy that was recently approved by the City Council relating to public meetings, the public input portion of the meeting was moved to the beginning. He noted that the Planning Commission also attempted to remove a discussion item from the Agenda without following the proper procedure.

Council Member Duncan suggested that the City Council consider adopting an ordinance whereby the City Council would establish the agenda format for all City meetings. He also suggested that the Council consider adopting an ordinance that would reduce the number of Planning Commission members from seven to five, add a

second Council Member to the Planning Commission, and designate a third Council Member to serve as an alternate on the Planning Commission.

Council Member Duncan suggested that discussion of the proposed ordinances be added to the agenda for the next regular Council meeting.

Chamber President Paulson summarized a recent meeting of the Library Board, during which long-range strategic planning was discussed.

Staff

Public Works Director Howard discussed recent projects.

Community & Economic Business Specialist Qualey reported that she is working on legislative advocacy efforts related to a State bonding request for funding toward the John Burch Park project. She stated that she has been working with local businesses on applications for Minnesota Main Street COVID-19 Relief Grant Program funding. She discussed the DNR Regional Trail Connection grant award. She reported that Goodhue County will be hosting a housing webinar series.

It was noted that everyone who recently received a SEMMCHRA letter should respond.

City Administrator Jensen welcomed Mayor Althoff back and stated that he looks forward to working with GreenSmith Builders.

Mayor and Council

Council Member Bringgold discussed the behavior of the Chair and procedural errors that were made during the recent Planning Commission meeting. She described some of the comments made by meeting attendees as racist remarks and provided examples.

Council Member Kronenberger discussed the benefits of community members responding to the SEMMCHRA letters.

Council Member Montgomery suggested adding discussion of public input to the agenda of a future work session. He discussed the purpose and benefits of a public comment period at the beginning of the meeting. He discussed how this is structured and managed by other communities.

Council Member Duncan discussed a recent public hearing for discussion of Ordinance 378 relating to sexually oriented land uses.

Mayor Althoff reviewed the upcoming meeting schedule.

Adjournment

A motion was made by Council Member Gesme, seconded by Council Member Duncan and unanimously carried, to adjourn the meeting. The meeting adjourned at 7:29 p.m.

Public Input

An opportunity for public input was provided following adjournment of the meeting.

Adopted by the City Council of the City of Cannon Falls on the 5th day of October, 2021.

John O. Althoff, Mayor

ATTEST:

Neil L. Jensen, City Administrator