

CITY OF WACONIA
February 18, 2020

Pursuant to due call and notice thereof, the regular meeting of the City Council of the City of Waconia was called to order by Mayor Bloudek at 6:00 p.m. The following members were present: Kent Bloudek Nicole Waldron, Marc Carrier, Charles Erickson, Pete Leo.

Staff Present: Susan Arntz, Lane Braaten, Craig Eldred, Mike Melchert, Nicole Meyer, Jackie Schwerm, Ann Meyerhoff, Chris Nelson.

Visitors: Steven & Lynette Mueller, Gary & Donna Schmitt, Brian Falk, Chad Bijou, Michelle Bijou, Lynette Gilliland, Al Lohman, Charles Schmitt, Samantha & Brent Nemec, Randy & Avis Hammer, Mark Fredrickson, Jan & Larry Wirtz,

Pledge of Allegiance was led by Mayor Bloudek,

ADOPT AGENDA: Motion by Erickson, seconded by Carrier to adopt the agenda as presented. All present voted aye.
MOTION CARRIED.

VISTOR'S PRESENTATION: None

PUBLIC HEARING: Annexation Petition – 9555 County Road 10 East

Lane Braaten stated that Lynette Gilliland, C/O Trustee for Raymond Schmitt Family Trust and Eugenia Schmitt Trust (the “Petitioner”) has submitted an Annexation Petition to annex 9555 County Road 10 East located off County Road 10 (the “Property”). The land proposed for annexation owned by R & E Schmitt Trusts C/O Janice Wirtz is described as PID number 07.0191160. The afore-mentioned parcel is currently located in Laketown Township, Minnesota and the annexation has been submitted in association with a contemplated Interlaken 8th Addition residential development by Pulte Homes.

The procedure for approving an annexation by joint resolution requires the following actions and is summarized below:

1. A petition to annex is submitted to the City by the owner of the property requesting annexation into the City.
2. A municipality by joint resolution with a township may designate an unincorporated area as in need of orderly annexation.
3. The City must hold a public hearing and give 10 days’ notice of the intent to include property in an orderly annexation area must be published in a newspaper of general circulation in both the township and municipality.
4. The Council, upon a review of the information, may adopt the joint resolution designating the area as being appropriate for annexation approving the annexation request and file said approval with the Chief Administrative Law Judge, the Township, the County Auditor and the Secretary of State upon approval.
5. The annexation is final on the date the request is approved by the Chief Administrative Law Judge.

Upon application to annex by the Petitioner, staff has completed the necessary public hearing requirements. Public notice was published in the Waconia Patriot on January 30th, 2020. Public hearing notices were sent to Laketown Township and all affected property owners. As of the date of this report, no public hearing comments have been received regarding this annexation request.

Laketown Township approved the Orderly Annexation Joint Resolution at their regular meeting on January 27th, 2020 via a 3-0 vote.

CITY OF WACONIA
February 18, 2020

Braaten explained that at this time reimbursement between the Developer and the Township has not been resolved. The Township will be meeting on Monday, February 24, 2020 and hopes to have this resolved by then. Braaten asked to table item until March 2, 2020 City Council Meeting.

Lynette Gilliland came forward and thanked the Council for their consideration in this annexation.

Avis Hammer, 9460 County Road 10, expressed that they would like verification that they are not included in this annexation.

Motion by Erickson, seconded by Carrier to close the public hearing. All present voted aye. **MOTION CARRIED.**

Motion by Carrier, seconded by Erickson to table Resolution 2020-57, Joint Resolution Stipulating To Amendment of Orderly Annexation Agreement No. 76-47 and to Orderly Annexation of Property until March 2, 2020 Regular City Council Meeting. All present voted aye. **MOTION CARRIED.**

ADOPT CONSENT AGENDA

- 1) Approve February 3, 2020 City Council Meeting Minutes.
- 2) Authorize Payment of February 18, 2020 Expenditures.
- 3) Rink Management Services Corporation Expenditures for Safari Island Community Center Incurred in 01/2020.
- 4) Rink Management Services Corporation Expenditures for Waconia Ice Arena Incurred in 01/2020.
- 5) Lodging Tax Reimbursement.
- 6) Use of Streets – Walk on Waconia.
- 7) Resolution No. 2020-53, Purchase of Pickup Chassis & Appurtenant Equipment.
- 8) Resolution No. 2020-54, Water Supply Signature.
- 9) Resolution No. 2020-55, 2nd Amendment to Declaration for Waconia West Industrial Park.
- 10) Resolution No. 2020-56, Application for Carver County Water Management Organization Storm Water Grant Funds.
- 11) Resolution No. 2020-59, Contract for Anti-Virus Software.

Motion by Waldron, seconded by Carrier to Adopt the Consent Agenda as presented. All present voted aye. **MOTION CARRIED.**

COUCIL BUSINESS: RFL Loan Request – 1 Collision Waconia, LLC

Nicole Meyer indicated that City staff received an application from Chad Bijou of 1 Collision Waconia, LLC. Chad plans to purchase the commercial building located at 524 Elm Street South and renovate the space into a collision and autobody repair center. As part of the renovation, Chad will also be purchasing the property north of the commercial building located at 500 Elm Street South. This property is currently a residential rental property. If additional parking is required for the collision and autobody repair center, the residential property is planned to be demolished. A traditional 10- year revolving loan has been requested for \$149,999. The total project costs for acquisition, renovations, and equipment for the auto repair center are approximately \$2,087,907. Along with the City of Waconia revolving loan, Chad is in the process of securing funding for the project from Minnesota Bank and Trust and the Small Business Administration. Staff has reviewed the loan application and supporting documentation to generate the following business summary and overview:

- Financial projections support the debt coverage.
- The property being improved is located in the business districts identified in the loan policy.
- Security for the loan has been offered with a third mortgage on the business property and first mortgage on the residential property that will be purchased by Chad. The City's Revolving Loan Policy requires loans to be at a maximum of 90% loan to value. Appraisals were completed on both properties. The total valuation of both properties is \$2,323,000. (Residential Property - \$170,000 and Commercial Property

CITY OF WACONIA
February 18, 2020

with Improvements - \$2,153,000). At 90% loan to value, the maximum for all loans for the project is \$2,090,700.

- The interest rate for the loan will be determined by the final loan to value. The total loan to value for all financing, including the City's loan is \$1,951,999. This is 83% loan to value of both properties. The interest rate will be determined by the Wall Street Journal prime rate plus 2%. The total interest rate today would be 6.75%.

According to all the information received by the loan applicant, staff recommends approval of a \$149,999 revolving loan for a term of ten (10) years with the following conditions:

1. The revolving loan of \$149,999 is amortized for ten (10) years according to the RLF policy with the interest rate being calculated based on the final loan to value. The loan to value cannot exceed 90% of the total property valuation as determined by a property appraisal.
2. Confirmation from additional financing sources with Minnesota Bank and Trust and the Small Business Administration for participation in the project.
3. Letter of commitment from the applicant to complete the project during the proposed project duration.
4. Execution of the required loan closing documents to include, but not limited to, promissory note, mortgage on real property, personal guaranty, and direct payment authorization.

Motion by Carrier, seconded by Waldron to Adopt Resolution 2020-58, Approving the Revolving Loan Request for Chad Bijou with 1 Collision Waconia, LLC. All present voted aye. **MOTION CARRIED.**

2020 Legislative Priorities

Susan Arntz shared that Council has a copy of the draft 2020 Legislative Priorities for the City. These are issues that will be followed closely and the positions of the City Council will be shared with the public and our local legislators. This list is not intended to be comprehensive of all issues of importance for the community, but a list of priorities for the organization.

During the legislative session, other issues may arise that require the City's attention. In those situations, the Staff and Council will consider its approach or response to the issue on a case by case basis. There likely will be issues where we can share experience to lend value to the discussion and will want to provide that input. The Council should discuss whether they wish to testify on behalf of the City vs individual members testifying on their own, representing the city's perspective.

Motion by Erickson, seconded by Waldron to Adopt 2020 Legislative Priorities. All present voted aye. **MOTION CARRIED.**

ITEMS REMOVED FROM CONSENT AGENDA: None

STAFF REPORTS: Land Braaten presented the 2019 Land Use Summary to the Council.

BOARD REPORTS:

Councilmember Erickson – No Report

Councilmember Leo – The Commission on Aging will be will have first in an educational series on February 26, 2020 – Scams and Fraud.

Councilmember Carrier – No Report

Councilmember Waldron – Will be attending the Chamber board meeting.

Mayor Bloudek – No Report.

ANNOUNCEMENTS:

Winter Parking Reminder – Just a little less than 2 months left. Winter parking is in effect from midnight to 8:00 a.m. If you have extra vehicles that need to stay on the street, please call the sheriff's office at 361-1231. It may be accommodated but in the case of extreme storms it may not be allowed. If there are cars violating the ordinance they will likely be ticked or towed.

CITY OF WACONIA
February 18, 2020

ADJOURN:

Motion by Carrier, seconded by Waldron to adjourn the meeting at 6:31 p.m. All present voted aye. **MOTION CARRIED.**

Kent Bloudek, Mayor

ATTEST:

Ann Meyerhoff, Office Assistant