

State of Minnesota
Counties of Scott & Le Sueur
City of New Prague



City Council Meeting
Monday, November 7, 2016

Mayor Nickolay called the meeting to order at 6:00 P.M. with the following members present: Nickolay, Bruzek, Jirik, Ryan, Tuma

Staff Present: Mike Johnson, Ken Ondich, and Mary Jo Hruby

Mayor Nickolay amended the Agenda by adding to the Consent Agenda Items - Agenda #6 D. *New Prague Historical Society Temporary On-Site Liquor License.*

It was moved by Jirik and seconded by Ryan to approve the Amended Agenda. All voted in favor of the motion except Bruzek who was absent. (4-0)

* *Council Member Bruzek arrived at 6:02 P.M.*

Planning/Community Development Director Ondich reviewed the request for amending Conditional Use Permit #C2-2015 regarding an overflow parking condition at 410 Central Ave. N., as proposed by ISD #721. On December 7, 2015, the School District received approval for Conditional Use Permit #C2-2015 which allowed an educational campus to locate in an existing building with additions at 410 Central Ave. N. (known as the Central Education Campus or CEC) One of the conditions for approval is the School District owned land shall be reserved and available for possible event overflow parking if it is determined within the first year of full operation of the CEC site that traffic congestion due to lack of parking is documented. Since that time, construction has been on-going at the CEC and the adjacent middle school. One of the final items of construction has recently been brought forward which involves the expansion of the existing bus garage located at 105 7th Street NE. The bus garage is proposed to be expanded onto the existing tennis courts located to the east of the existing bus garage. This would require the existing tennis courts to be re-located. The School District is proposing to move the tennis courts to the former hockey rink parcel located on 1st Ave. NW and alternately utilize expanded parking at the bus garage for overflow parking for the CEC and Middle School Sites. The Planning Commission held a Public Hearing on October 26, 2016 and recommended approval with the eight findings and three conditions listed in the staff report.

Tim Dittberner, ISD 721 Superintendent, reviewed with the Council the parking spaces at the CEC and the Middle School and additional parking spaces by the bus garage.

It was moved by Bruzek and seconded by Tuma to approve RESOLUTION #16-11-07-01 RESOLUTION OF THE NEW PRAGUE CITY COUNCIL APPROVING AN AMENDMENT TO CONDITIONAL USE PERMIT #C2-2015 REGARDING AN OVERFLOW PARKING CONDITION AT 410 CENTRAL AVE. N. IN THE RL-90 SINGLE FAMILY RESIDENTIAL ZONING DISTRICT, AS PROPOSED BY ISD #721, APPLICANT. All voted in favor of the motion. (5-0)

Planning/Community Development Director Ondich reviewed the Amendment #2 for Grant Contract #NR-744 with the Minnesota DNR. This 1987 grant was issued to the City for improvements made to the School District

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owned property at the NW quadrant of the intersection of County Road 37 and Columbus Ave. N. The improvements included recreational fields which exist today. The tennis courts while not funded by the grant are located within the grant project boundary which made them subject to the terms of the original DNR grant agreement. In order to allow for the expansion of the School District bus garage onto the tennis court area, the recreational land needed to be replaced at an equal size. The former hockey rink area on 1st Ave. NW owned by the School District is the same size as the tennis court area and the DNR has drafted an amendment to the original grant agreement to allow 1.34 acres of land to be swapped from the original tennis court area to the former hockey rink area.

It was moved by Nickolay and seconded by Ryan to approve Amendment #2 for Grant Contract #NR-744 with the Minnesota DNR. All voted in favor of the motion. (5-0)

Planning/Community Development Director Ondich reviewed the request for Conditional Use Permit #C3-2016 to allow a small brewery with taproom and also outdoor seating for a restaurant and drinking establishment, located at 1306 1st Street NE in the B-2 Community Commercial Zoning District as proposed by Giesenbrau Bier Co. The Planning Commission held a Public Hearing on October 26, 2016 and recommended approval with the eight findings and 10 conditions listed.

Discussion was held on landscaping guidelines and whether to amend the Conditional Use Permit to require tree planting by adding condition #11 - *The two existing trees on the south side of the building must be replaced if they are removed, an additionally three trees must be added on the south and west side of the existing parking lot if feasible.* Discussion was also held on amending the Ordinance and having a landscaping policy to follow in the future.

It was moved by Ryan and seconded by Tuma to approve RESOLUTION #16-11-07-02 RESOLUTION OF THE NEW PRAGUE CITY COUNCIL GRANTING CONDITIONAL USE PERMIT #C3-2016 TO ALLOW A SMALL BREWERY WITH TAPROOM AND ALSO OUTDOOR SEATING FOR A RESTAURANT AND DRINKING, LOCATED AT 1306 1ST STREET NE, IN THE B-2 COMMUNITY COMMERCIAL DISTRICT, NEW PRAGUE, MINNESOTA with adding Condition #11. All voted in favor of the motion. (5-0)

City Administrator Johnson presented a Mutual Release Agreement between Sahler Properties, LLC and the City of New Prague Economic Development Authority. The New Prague Economic Development Authority and the City of New Prague entered into an Agreement with Sahler Properties, LLC for the purchase of Lot 1, Block 1, New Prague Business Park 11th Addition. Unfortunately, for various reasons the owner of Sahler Properties LLC attempted to remove herself from the purchase obligations associated with this Agreement and with a Conditional Use Permit that she had applied for as well. The City of New Prague incurred various legal and engineering bills associated with these matters. The New Prague EDA attempted to negotiate the return of a portion of the down payment on the proposed purchase

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agreement with Sahler Properties, LLC. This was eventually turned over to the City's insurance carrier whose legal representatives has ultimately negotiated a settlement with Sahler Properties, LLC. The terms of the settlement result in the City's EDA retaining \$3,500 of the \$8,500 property down payment with the balance being returned to Sahler Properties, LLC. The New Prague EDA approved the Mutual Release Agreement at a special meeting on November 2, 2016.

It was moved by Nickolay and seconded by Bruzek to approve the Mutual Release Agreement between Sahler Properties, LLC and the City of New Prague and the New Prague Economic Development Authority. All voted in favor of the motion. (5-0)

City Administrator Johnson provided an update on Chart Inc. Business Subsidy Issues. On November 3, 2016, City Staff had a conversation with Minnesota Department of Employment and Economic Development (DEED) concerning the Chart Inc. information provided to DEED. It appears that DEED will again be providing an additional request to Chart Inc. for further clarifying information for DEED to review as part of their decision making process. Because the issue associated with the Minnesota Investment Fund (MIF) Deed grant/loan is not resolved, it is the opinion of Mr. Johnson and City Attorney that this matter be continued in an effort to see what position/decision that DEED ultimately makes on this matter prior to the City Council having to make a final decision beyond the terms of the contract.

Mr. Johnson also provided a copy of the action item/resolution that was adopted by the Scott County Board of Commissioners on the Chart Inc. matter on October 4, 2016. Their Resolution "Authorized the Cancellation of the Contract for Private Development between Scott County and Chart Inc." dated November 1, 2012 and Rescinded Resolution No.'s 2012-174 Amended on October 25, 2015 as 2016-194 including the Business Subsidy Agreement for Chart Inc. The action on the County Board occurred prior to the submittal of any final job creation numbers by Chart Inc. that were due to the City-School-County at the end of the 1-year extension which was to occur on October 8, 2016. It does not appear the County will be continuing to provide any financial assistance under either of the two tax abatement programs under the Private Development Contract, nor will they require any reimbursement or repayment of any business subsidy payments by Chart Inc.

It was moved by Nickolay and seconded by Bruzek to approve the following consent Agenda items:

- A. Approve October 17, 2016 and October 24, 2016 Meeting Minutes
- B. Approve Claims for Payment
- C. Approve Parade of Lights request from New Prague Chamber of Commerce - (December 2, 2016)
- D. Approve New Prague Historical Society Temporary On-Sale Liquor License on December 2nd and December 3rd 2016 at both the Hotel Broz - 212 W. Main Street and the Refinery (retail store) - 210 W. Main Street.

All voted in favor of the motion. (5-0)

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Consensus of the Council is to meet on Monday, November 14, 2016 at 6:30 P.M. for budget workshop and canvassing the election results.

Mayor Nickolay and Council Member Ryan noted that Duane Proell, a consultant to assist and guide the Joint Powers Board on the Pool, will meet at the School on Wednesday evening, November 9th and also on Thursday morning, November 10th at 11:00 if anyone has any specific questions.

Council Member Ryan asked Staff to check with the City Attorney for an Ordinance on the issue of group homes for predatory sex offenders.

Mayor Nickolay noted that he along with Council Member Tuma and City Administrator Johnson met with Wade Brod, President Golf Management Enterprises, LLC. They are definitely still interested in providing service and Wade will be at the November 21st or December 5th City Council meeting to present to the Council.

It was moved by Nickolay and seconded by Ryan to adjourn the meeting at 7:36 P.M. All voted in favor of the motion. (5-0)

Charles L. Nickolay, Mayor

ATTEST:

Michael J. Johnson
City Administrator