



## MINUTES

Mankato City Council  
Regular Meeting  
September 9, 2024 - 6 p.m.  
IGC - Mankato Room

1. **Call Meeting to Order**

Roll Call

Pledge of Allegiance

2. **Approval of Agenda**

Ms. Hatanpa moved and Mr. Mettler seconded a motion to approve the agenda as written. The motion carried unanimously.

3. **Approval of Minutes**

Mr. Dieken moved and Ms. Hatanpa seconded a motion to approve the minutes of the Regular Meeting of August 26, 2024 as written. The motion carried unanimously.

4. **Public Open Forum (15 Minutes)**

Arleace Green, 101 Mariette Street NW, #700, Atlanta GA, Small Business Administration Public Affairs Specialist, reported on programs available for the Mankato community to assist with the recovery from the flooding event (Website: [disaster.customerservice@sba.gov](mailto:disaster.customerservice@sba.gov)).

5. **Consent Calendar**

**NOTE: All items listed under the Consent Calendar will be enacted by one motion. There will be no separate discussion of these items. If a Council Member wishes to discuss any of these items, they may ask that the item be removed from the Consent Calendar. Removed item(s) will be discussed and acted upon by separate motion.**

Mr. Laven moved and Ms. Hatanpa seconded a motion to approve the Consent Calendar as written. With all members voting in favor, the motion carried.

- A. Motion approving Proclamation designating September 5-8, 2024, as Mankato Pride Celebration Days in the City of Mankato.
- B. Motion approving Proclamation designating September 17-23, 2024, as Constitution Week in the City of Mankato.
- C. Motion approving Proclamation designating November 1, 2024, as Extra Mile Day in the City of Mankato.
- D. Resolution approving an amendment to the Planned Unit Development to allow for a use to operate an outdoor physical therapy area within the medical campus (1431 Premier Drive); by request of Orthopedic and Fracture Clinic.
- E. Resolution approving the Final Plat for Hotel Mankato Redevelopment (101 East Main Street, 121 and 123 East Main Street, and 118 South 2nd Street).
- F. Resolution approving a Certificate of Design Compliance for the construction of a new, approximately 5,200 square foot structure in the Highway Gateway Overlay District (1896 Adams Street); by request of Civil Site Group.
- G. Resolution approving a Certificate of Design Compliance for the construction of a new, approximately 10,700 square foot structure in the Highway Gateway Overlay District (Lot 3, Block 2, Victory Commercial Park).
- H. Resolution approving the Mankato Regional Airport Disadvantaged Business Enterprise (DBE) Program Participation Plan for federal funding through fiscal year 2025.
- I. Set October 15, 2024, as the date of public hearing for an ordinance rezoning property to R-T, Residential Transition; and for amendments to the Institutional Overlay District and the approved campus plan (1918 South Riverfront Drive); by request of Jacob Hummer.

6. **Public Hearings**

- A. Mr. Konz reported that the property owner is requesting a variance from Section 10.13, Subd. 6, of the Mankato City Code, to reduce the rear yard setback from 25 feet to 15.2 feet in the R-1, One-Family Dwelling District to construct a 26' x 29.5' garage addition. He stated that the property contains a single-family dwelling with an attached garage.

He noted that along with the surveyed site plan, the applicant submitted their response to the five questions set forth in the League of Minnesota Cities Land Use Variance.

Mr. Konz explained that according to Minnesota Statute §462.357 Subd. 6(2) variances shall only be permitted when: (1) The variance is in harmony with the general intent and purpose of the Ordinance; (2) The variance is consistent with the comprehensive plan; and (3) The applicant establishes that there are practical difficulties, which is measured by meeting ALL of the following: a. The property owner proposes to use the property in a reasonable manner not permitted by the official controls; b. There are circumstances unique to the property not created by the landowner; and c. The variance will not change the essential character of the area.

Mr. Konz added that case law exists in which the courts find that if the record upon which the decision is made does not contain evidence supporting that practical difficulties exist, or doesn't demonstrate alignment with the comprehensive plan or the intent of the Ordinance, then the variance should not be approved. He summarized the practical difficulties and analysis relating to reasonableness, uniqueness, essential character, harmony with the intent of zoned areas set forth in the ordinance, and with consistencies with uses set forth in the Comprehensive Plan.

Mr. Konz indicated that staff held an administrative hearing regarding the variance request on August 28, 2024. In attendance at the meeting were property owners, Shawn Griffiths and Denise Schweim, contractor, David Miller, City of Mankato Planning and Zoning Administrator, Molly Westman, City of Mankato Planner, Sydney Deprenger, and Director of Community Development, Mark Konz. He mentioned that staff explained the criteria for evaluating the variance for conformance with Minnesota Statute §462.357 Subd. 6. No additional comments related to the proposal were submitted, but the applicant did reaffirm the reasons for the request.

Brief discussion on criteria involved and making sure that appropriate distances exist between properties.

Ms. Hatanpa wondered about the possibility of a detached garage. Mr. Konz responded to some of the concerns, which included two garage doors as well as limited access.

Mayor Massad opened the public hearing. There being no one wishing to speak, Mayor Massad closed the public hearing.

Mr. Laven moved and Mr. Dieken seconded a motion to approve the Resolution denying a request for a variance from Section 10.13, Subd.6.C. of the Mankato City Code to reduce the rear yard setback from 25 feet to 15.2 feet in order to construct a 26' X 29.5' attached garage addition (129 Uriah Court). The motion carried unanimously.

- B. Mr. Konz stated that the applicant, HDR, on behalf of Mayo Clinic Health Systems is requesting an amendment to the Institutional Overlay and approved campus plan. He reviewed the process for establishing an Institutional Overlay District, the major elements included in the original Master Plan as well as provided a history of the amendments to date.

Mr. Konz noted that the areas in blue on the campus map will be rezoned to IO-Institutional Overlay, and under the institutional Overlay District, the properties depicted in the Campus Plan would be zoned to Office Residential. He stated that the only uses allowed are restricted to those depicted on the Campus Master Plan and the permitted uses must conform to the conditions in the resolution establishing performance standards. He added that the properties obtained by Mayo Clinic include the corner of Dickinson Street and Main Street where lots are being rezoned to the OR Office Residential and Institutional Overlay District. He mentioned other areas to the north of Main Street, where residential properties are being rezoned to fit with the Institutional Overlay District.

Mr. Konz explained that properties not included in the rezoning, but depicted in the Campus Plan Boundaries, may be added to the district by the Council at the request of the property owner, provided the property area conforms to the conditions of approval. He stated that properties outside the Campus Plan may not be added to the district, unless the Council approves revising the plan.

Mr. Konz summarized the modifications to the existing, approved Institutional Overlay for the Mayo Clinic Mankato Campus which included conversion of a parking lot, internal green space options, a radiology addition and bulk oxygen relocation, monument and wayfinding signage, future specialty clinic vertical expansion as well as the proposed relocation of Verizon's antennas.

Mr. McLaughlin inquired about a couple of the lots and if they would remain as is and wondered if there would be an option to move any of the houses. Mr. Konz stated that the lots will remain as it and there are no plans to relocate any of the houses.

Brief discussion on the neighborhood engagement that took place.

Mayor Massad opened the public hearing. There being no one wishing to speak, Mayor Massad Closed the public hearing.

Mr. Dieken moved and Ms. Hatanpa seconded a motion to approve the Ordinance rezoning properties to OR, Office Residential and adding properties to the Institutional Overlay District, and the Resolution approving an amended campus plan (1025 Marsh Street) Mayo Clinic Health System.

The motion carried unanimously.

- C. Ms. Kramlinger reported that on June 8, 2020, the Council adopted the City of Mankato 2020–2024 Consolidated Plan for utilization of Community Development Block Grant (CDBG) funding. She stated that the plan details how the expected funding will be used in conformance with CDBG guidelines. She noted that the fourth year of the plan ended on June 30, 2024. She reviewed the regulations that govern the program.

Ms. Kramlinger summarized the activities completed during the 2023 program year which operated from July 1, 2023, and ended June 30, 2024. She added that CDBG and CDBG-CV funds from prior program years were spent assisting 82 low to moderate income households with subsistence payments which helped to prevent eviction and homelessness.

Ms. Kramlinger touched on some of the activities underway, but not yet completed, which included: Park improvements to Lions Park; Owner-occupied housing rehabilitation is underway on six single family dwellings; and rehabilitation began in 2024 and is underway at Walnut Towers, which will preserve 86 units of existing affordable housing. She also noted that construction of Lewis Lofts began in 2024, which will create 64 units of affordable senior housing. She reviewed the funds obligated and spent during the program year and commented that the city has a total of eight years to expend funds from each program year.

Mayor Massad opened the public hearing. There being no one wishing to speak, Mayor Massad closed the public hearing.

Ms. Melby-Kelley moved and Mr. Mettler seconded a motion to approve the motion authorizing submittal of the Consolidated Annual Performance Evaluation Report (CAPER) for the Community Development Block Grant (CDBG) Program. The motion carried unanimously.

## 7. **Licenses**

- A. Ms. Whitmore stated that the property at 123 North Fourth Street is owned by River Bluff Suites, LLC and is currently licensed for 28 units (Rental License #934), which is set to expire on December 31, 2025. She provided a history of the actions to date arising out of continued code violations and unsafe health and public safety conditions that included the 504B action brought by the city and certain tenants which was filed with the Blue Earth County Court. She noted that on January 17, 2024, the Court entered an Order Accepting the Settlement Agreement and appointed Lighthouse Management as the Administrator of a number of properties, including 123 North Fourth Street.

Ms. Whitmore indicated that on August 7, 2024, the Administrator filed a report with the Court which concluded that the property is not economically viable in its current state, as it continues to have significant security issues, is unsafe for tenants, and continues to need repairs to comply with the City Code. She commented that the Court also ordered the defendants to work with the property Administrator and the city to transition tenants to alternative housing on or before October 15, 2024. She added that with this, the Court ordered the defendants to secure the property, not lease any of the units to new tenants until all city ordered repairs were completed with an approved inspection, and to obtain an updated and current rental license.

Ms. Whitmore referred to the following sections of the Mankato City Code:

- Section 5.42, Subd. 10, Inspection, indicates no rental license shall be issued by the city unless the property complies with the provisions of the City Code and the Mankato Housing Maintenance Code which pertains to such dwelling unit.
- Section 5.42, Subd. 15, Conduct on Licensed Premise includes the responsibilities of the license holder and language regarding revocation and/or suspension of rental licenses.
- Section 5.03, Subd. 8, states that "the City Council may either suspend, not to exceed 90 days, or revoke any license issued pursuant to this chapter, for good cause, including, but not limited to, a finding that the licensee has failed to comply with any applicable statute, regulation or ordinance relating to the operation of the licensee. No suspension or revocation shall take effect until the licensee has been afforded the opportunity for a hearing provided by the City Council."

Ms. Whitmore stated that a letter was sent to the property owner via regular and certified mail on August 28, 2024, notifying them of the Council's intent to consider the revocation of the rental license on September 9. She concluded that due to the property owners, and the Administrator's failure to comply with the City Code to correct deficiencies in the numerous violations, as well as the Administrator's determination of ongoing health and safety violations at the property and the Court's order requiring the vacation of tenants from the property and that it be secured, it is recommended that effective October 15, 2024, that the Rental License #934 for the property at 123 North Fourth Street be revoked.

Ms. Hatanpa inquired about the timeline for the clean-up of the property. Ms. Whitmore replied that deadlines would be established and noted how the order allows the process to continue forward with the necessary actions.

Mr. Laven moved and Mr. Mettler seconded a motion to approve the motion to revoke the Rental License at 123 North 4th Street - License #934 as of October 15, 2024. The motion carried unanimously.

8. **City Manager's Report**

- A. Ms. Whitmore provided an overview of the abatement process.

Mr. Konz reviewed the code violations and issues to date at 1908 4<sup>th</sup> Avenue. He stated that staff had received numerous complaints over the years and had observed, from public rights-of-way and neighboring yards, significant code violations at the property. He noted that the property has had structures built on it which violate applicable setbacks, are located within the city right-of-way, encroach onto neighboring properties and occurred without obtaining appropriate building permits or encroachment licenses.

Mr. Konz indicated that in addition to the structure, fencing exists in the rear yard of the property for which a permit was pulled; however, no final inspection was approved because the fence is not compliant. He mentioned that the rear yard of the property has had additional fill added which appears to exceed 25 cubic yards for which no conditional use permit was pulled as required by City Code for substantial land alteration which significantly changes the documented contour. He added that there is also an accessory structure located in the rear yard of the property which does not meet the required setbacks and is located on a utility easement.

Mr. Konz explained that staff met with the property owner and entered into a Plan of Correction action dated February 10, 2023, regarding the violations at the property which the property owner still has not addressed. He commented that staff has continued to address the noncompliance issues with the property owner over the past 18 months.

Mr. Konz stated that staff obtained an administrative warrant on June 18, 2024, with docket number 07-CVF-24-2281, allowing the city to enter the property for purposes of inspection in order to enforce building code and state nuisance laws, including conducting a survey; taking measurements and photographs of the exterior of buildings, yard and curtilage; taking measurements and photographs of any and all fencing; conducting soil tests; and performing other such duties as are necessary document violations and may hold said evidence in custody according to law. He indicated that during that site visit, staff confirmed and documented the code violations on the property and also observed and documented additional nuisance violations in plain sight, including junk, appliances, piles of construction material, fuel tanks covered by tarps and junk vehicles sitting in the yard.

Brief discussion on the abatement process and the clean-up of the property.

Ms. Hatanpa moved and Mr. McLaughlin seconded a motion to approve the Resolution ordering the abatement of hazardous conditions, code violations, and public nuisances at 1908 4th Avenue. The motion carried unanimously.

- B. Mr. Skophammer reported that the Council discussed the 2025 Budget and was presented with information regarding the General fund, Debt Service fund, Transit fund, and Economic Development fund tax levies. He noted that during the August 26 initial preliminary budget overview, members of the Council asked staff to provide additional levy increases for Council consideration. He indicated that in addition to the initial payable 2025 levy discussion regarding 3%, staff also formulated three additional options for the Council that included increases of 3.5%, 4%, 4.5%.

Mr. Skophammer summarized the proposed levy increases and proposed tax rates for 2025. He mentioned that the Preliminary Levy for FY 2025 must be certified by September 30, 2024, to both Blue Earth and Nicollet counties, and commented that the Public Hearing for the proposed Final Budget is scheduled for Monday, December 2, 2024.

Brief discussion on the proposed levy increases with the consensus being a starting point of 4%. He noted that the proposed total levy increase at 4% would be \$964,127, with a proposed tax rate of 39.61%, and a total levy amount of \$25,067,296.

Ms. Hatanpa moved and Mr. Dieken seconded a motion to approve the Resolution adopting the Preliminary Property Tax Levy payable in 2025 at 4%. The motion carried unanimously.

- C. Ms. Arntz provided an update regarding the opening and use of Tourtellotte Pool for the 2024 season.

9. **Reports of City Council Members**

Mr. Mettler noted that he attended the Highland Park National Night Out on August 27 and how it was well attended and included representation by Minnesota State University, Mankato staff and students.

10. **Miscellaneous Business**

View all city committee meetings by clicking on our [City Calendar](#)

Council Community Investment Plan Bus Tour, September 12, 2024, 5 p.m., departs from the Intergovernmental Center

Community Investment Plan Open House, September 19, 2024, 6 p.m. - 8 p.m., Mankato Room

Regular Council Meeting, September 23, 2024, 6 p.m., Mankato Room (with Work Session to follow)

11. **Adjournment**

There being no further business before the Council, Ms. Hatanpa moved and Mr. Laven seconded a motion to adjourn. With all members voting in favor, the meeting adjourned at 7:38 p.m.

Minutes Approved.

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Mayor Massad

ATTEST:

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Renae Kopischke  
City Clerk