MINUTES

Mankato City Council
Regular Meeting
February 24, 2025 - 6 p.m.
IGC - Mankato Room

1. **Call Meeting to Order**

Roll Call

Members Present: Jessica Hatanpa, Kevin Mettler, Mike Laven, Dennis Dieken, Michael McLaughlin, Jenn Melby-Kelley, and Mayor Najwa Massad.

Staff Present: City Manager Susan Arntz, Community Development Director Mark Konz, Interim Public Works Director Karl Keel, Associate Director of Housing and Economic Development Nancy Bokelmann, and City Clerk Renae Kopischke.

Pledge of Allegiance

2. **Approval of Agenda**

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

3. **Approval of Minutes**

Mr. Dieken moved and Mr. Mettler seconded a motion to approve the minutes of the Regular Meeting of February 10, 2025 as written. The motion carried unanimously.

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

June Reichert, 405 North 5th Street, mentioned a proposition that was brought to the Council regarding the use of AI, and expressed concerns about the privacy and discrimination of AI use and police integrity that comes with it; touched on the potential of people being wrongly charged and how it could erode the integrity of the police as well as trust; and mentioned the use of AI and how the human aspect is lost and urged the Council to reconsider the use of AI.

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 pulled item 5.C. Ms. Hatanpa moved and Ms. Melby-Kelley seconded a motion to approve the Consent Calendar as amended. With all members voting in favor, the motion carried.

A. Motion approving on-sale intoxicating liquor license (Class R), and Sunday liquor for HGI of Mankato LLC (Hilton Garden Inn), DBA Olives, 20 Civic Center Plaza.

B. Motion approving on-sale intoxicating liquor license (Class B), Sunday liquor, and optional 2.m. license for US2, Inc. DBA as Social House, 509 South Front Street.

C. Mr. Laven supported the referral to the planning commission and requested that staff work closely with the applicant in regard to the traffic flow. Mr. Konz noted that they are looking at possibilities for housing and commented on transit options.

Mr. Laven moved and Mr. Mettler seconded a motion referring a request for Land Use Plan amendment to the Planning Commission per Section 9.02 of the Mankato City Charter. The motion carried unanimously.

D. Resolution accepting feasibility report and ordering project for Capital Improvement Number 11138; Mayo Clinic Health System Event Center Arena Lobby and Concourse Roof Replacement.

E. Resolution accepting the Minnesota Department Transportation (MnDOT) Transportation Economic Development (TED) grant and authorizing the City Manager to execute a grant agreement with the State for City costs associated with the U.S. Highway 169 project.

F. Resolution authorizing the City Manager to enter into a Cooperative Construction Agreement with Blue Earth County for the construction of the Victory Drive Signal and Lighting Improvements project.

G. Resolution authorizing the City Manager enter into a grant agreement with the FAA Contract Tower Competitive Grant Program for the Air Traffic Control Tower Project

H. Set April 14, 2025, as the date of public hearing for establishment of Development District No. 48 and Tax Increment District No. 48-1 (830 North Broad Street).

6. **Public Hearings**

A. Mr. Konz reported that a request was submitted by Habib Sadaka for an amendment to the certificate of design compliance and a variance to reduce the front yard setback on the Madison Avenue side from 15 feet to 0.92 feet. He noted that the property consists of three parcels (824, 826, and 830 North Broad Street, and 225 Madison Avenue), which will be combined into a single zoning lot. He mentioned that the applicant's original request included a three-story mixed-use building, and a variance for the setback was previously approved by the Council and lapsed when the project was not completed. He added that the request reflects modifications from the previously approved design in June 2023, including a reduction from three stories to two stories (for office space, eliminating the previously approved residential use) and the removal of the Broad Street parking area, which eliminates the need for one of the prior variances. He touched on the exterior materials and the lighting as well as landscaping and screening.

Mr. Konz stated that the variance request seeks a reduction in the building setback along Madison Avenue to 0.92 feet and commented that previous approvals for similar setbacks were granted in 2008 and 2023 but have since lapsed. He indicated that the variance consideration involves three key factors: reasonableness, uniqueness, and essential character. He summarized that reasonableness is demonstrated by alignment with past variances and the property's intended use, uniqueness arises from the narrow lot dimensions and sloped topography, and the essential character is preserved through compliance with B-1 Community Business District zoning and adherence to Mankato's Urban Design Guidelines, which prioritize building placement along the street edge with parking positioned at the rear.

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

<u>Ms. Hatanpa moved and Mr. Laven seconded a motion to approve the Resolution approving a Certificate of Design Compliance for a new structure located in the Highway Gateway Overlay District and; Resolution approving a variance to reduce the front yard building setback on the Madison Avenue side of the property from 15 feet to 0.92 feet (830 North Broad Street etc.)</u>. The motion carried unanimously.

B. Mr. Keel stated that this is a improvement hearing on Capital Improvement Project 11125; 2025 Petitioned Alley Improvements; and 11131; 2025 Resurfacing, Miscellaneous Sidewalks and Alley Improvements. He indicated that on January 28, 2025, staff sent letters to 91 properties abutting the projects notifying the residents of the February 12, 2025, informational meeting where staff presented the proposed plans, estimated costs, and proposed assessments for the projects. He mentioned that eight residents attended the meeting with one person objecting to the project. He provided an overview of the projects and funding sources.

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

Mr. Dieken moved and Mr. Mettler seconded a motion to approve the Resolutions receiving a feasibility report, ordering improvements, preparation of plans, specifications, and ordering advertisement for bids and declaring cost be assessed and ordering preparation of proposed assessment on Improvement Project 11125, 2025 Alley Improvements (with petition); and the Resolutions receiving a feasibility report, ordering improvements, preparation of plans, specifications, and ordering advertisement for bids and declaring cost be assessed and ordering preparation of proposed assessment on Improvement Project 11131, 2025 Resurfacing, Miscellaneous Sidewalks and Alley Improvements. The motion carried unanimously.

C. Ms. Bokelmann stated that the Mankato Economic Development Authority (EDA) operates a public housing portfolio of 179 units and approved the disposition of units from Section 9 Public Housing into a long-term, Project-Based, Section 8 Housing Choice Voucher rental assistance that provides a stable and predictable annual subsidy. She noted that the EDA approved the application for the Section 18 disposition of 49 scattered site units on December 11, 2023, and the application was approved by the US Department of Housing and Urban Development (HUD) on September 5, 2024, and tenant protection project-based vouchers were provided to the EDA. She anticipated that the conversion will be completed in March 2025, and noted that the 130 units will be seeking disposition approval later this year.

Ms. Bokelmann explained that in conducting the title work for the public housing properties, it was identified that the properties are still deeded by the Housing and Redevelopment Authority of Mankato. She indicated that although program administration was transferred to the EDA on June 8, 1998, the City has no record of the HRA transferring HRA-owned property from the HRA to the EDA before dissolution of the HRA and the County Recorder and Registrar of Titles still show ownership of these properties in the name of the HRA.

Ms. Boklemann indicated that to complete the disposition of the public housing program and convey the properties to the City, there is a need to temporarily re-establish the Mankato Housing and Redevelopment Authority to transfer 49 units still held in the name HRA of Mankato, Minnesota by quitclaim deeds to the City with the remaining 130 units to be transferred from the HRA to the EDA, by quitclaim deeds.

Ms. Bokelmann concluded that the requested action is to re-establish, by resolution, the HRA as an independent corporation and political subdivision with such powers as are necessary or convenient to carry out the purposes of Minnesota Statutes Sections 469.001 through 469.047, particularly transferring properties still held in the HRA's name to the necessary other City bodies, including the City and the EDA, to address the shortage of decent, safe, and sanitary dwelling accommodations available to persons of low income and their families at rentals they can afford.

Ms. Hatanpa moved and Ms. Melby-Kelley seconded a motion to approve the Resolution declaring the need to re-establish the Housing and Redevelopment Authority in Mankato, Minnesota. The motion carried unanimously.

7. **City Manager's Report**

A. Mr. Keel reported on the improvement hearing on Capital Improvement Project 11120; Woodshire Drive. He stated that on December 9, 2024, staff sent letters to 21 properties abutting this project notifying the residents of the December 18, 2024, information meeting where staff presented the proposed plan, estimated costs, and proposed assessments for this project. He noted that ten residents attended the meeting.

Mr. Keel indicated that a public hearing was held on January 13, 2025, where representatives from the Twin Valley Council Boy Scouts (TVC) spoke regarding their concerns about the proposed project, and no other property owners spoke at the public hearing. He commented that following testimony from the TVC, the Council continued the hearing to February 10, 2025. He explained that on February 10, 2025, the Council heard additional testimony from the TVC and closed the public hearing; however, since the item required a super-majority vote to proceed and insufficient members were present, no action was taken by the Council and staff were directed to bring the item back for consideration at a future meeting.

Mr. Keel stated that as part of the next steps, staff will be working with an appraiser on the Special Benefit Analysis, and the report will be presented at the special assessment hearing. He touched on the minor modifications that were made to the documents previously shared with the Council that included an updated Feasibility Report clarifying that, on the proposed 28’ wide section of Woodshire Drive, parking would be prohibited on the north side of the roadway and parking allowed adjacent to the TVC property; and the updated memo clarifying that the most recent Pavement Condition Index for Woodshire Drive adjacent to TVC is 27 which was collected in 2023.

Mr. Keel summarized the resultant costs and funding sources for the project.

Ms. Hatanpa asked about the condition of the roadway and sidewalk along the hill.

Mr. Keel noted that the improvements were needed based on the condition of the roadway.

Mr. Dieken expressed concerns about the width of the roadway as far as plowing and parking. He referred to St. Paul’s roadways and indicated that he was not supportive of a narrowed street.

Discussion on roadway widths, parking, and traffic in the area.

<u>Mr. McLaughlin moved and Mr. Mettler seconded a motion to approve the Resolutions receiving the feasibility report, ordering improvements, preparation of plans, specifications and ordering advertisement for bid, and declaring cost to be assessed, and ordering preparation of proposed assessment and set date of assessment hearing on Capital Improvement Project 11120; Woodshire Drive</u>. The motion carried six to one, as Mr. Dieken voted against.

8. **<u>Reports of City Council Members</u>**

None.

9. **<u>Miscellaneous Business</u>**

Ms. Arntz recommended that the Council Work Session on March 3 and July 7 be canceled. <u>Mr. Laven moved and Ms. Hatanpa seconded the motion to cancel the Work Sessions scheduled for March 3 and July 7</u>. The motion carried unanimously.

View all city committee meetings by clicking on our City Calendar

Work Session, March 3, 2025, 6 p.m., Minnesota River Room (Canceled)

Housing and Redevelopment Authority Meeting, March 10, 2025, 5:45 p.m., Mankato Room

Regular Council Meeting, March 10, 2025, 6 p.m., Mankato Room (with EDA to follow)

Regular Council Meeting, March 24, 2025, 6 p.m., Mankato Room (Work Session to follow)

10. **Adjournment**

There being no further business before the Council, Ms. Hatanpa moved and Ms. Melby-Kelley seconded a motion to adjourn. With all members voting in favor, the meeting adjourned at 6:48 p.m.

Minutes Approved.

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Mayor Massad

ATTEST:

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Renae Kopischke
City Clerk