

**CITY OF MARSHALL
CITY COUNCIL MEETING
M I N U T E S
Tuesday, June 25, 2024**

The regular meeting of the Common Council of the City of Marshall was held June 25, 2024, at City Hall, 344 West Main Street. The meeting was called to order at 5:30 P.M. by Mayor Robert Byrnes. In addition to Byrnes the following members were in attendance: Craig Schafer (via Zoom), Amanda Schroeder, Steve Meister, John Alcorn, James Lozinski and See Moua-Leske. Absent: None. Staff present included: Sharon Hanson (via Zoom); City Administrator; Pamela Whitmore (via Zoom), City Attorney; Jason Anderson, Director of Public Works/ City Engineer; Jim Marshall, Director of Public Safety; Lauren Deutz, Economic Development Director; Scott Truedson, Wastewater Supervisor; Cassi Weiss, CVB Director; Ilya Gutman, Plans Examiner; Dean Coudron, Public Ways Supervisor; and Steven Anderson, City Clerk.

Consider Approval of the Minutes from the Regular Meeting Held on June 11th

There were no requests to amend the minutes from the regular meeting held on June 11.

Motion made by Councilmember Meister, Seconded by Councilmember Schroeder to approve the minutes. Voting Yea: Mayor Byrnes, Councilmember Schafer, Councilmember Meister, Councilmember Schroeder, Councilmember Alcorn, Councilmember Moua-Leske, Councilmember Lozinski. The motion **Carried. 7-0.**

Moratorium on the Operation of Cannabis Businesses- 1) Public Hearing 2) Consider Ordinance Establishing a Moratorium on the Operation of Cannabis Businesses

The City of Marshall prohibited (via a moratorium through Ordinance 23-015) almost all business operations related to hemp-based products. The two exceptions were that hemp-based beverages may be made at a brewery or distillery and an exclusive liquor store may sell hemp-based beverages. The moratorium established in Ordinance 23-015 was set to expire July 2024. It was estimated that the Office of Cannabis Management would begin issuing licenses in early 2025 but seemed unlikely based on the OCM rulemaking progress so far. Along with the proposed registration ordinance, there were proposed amendments to existing zoning, and the repeal of the current moratorium. Staff recommended adopting a new moratorium on the higher-level cannabis products until the OCM has finalized its regulatory scheme. Councilmember Lozinski clarified that the moratorium was being put into place to give OCM a change to complete their rulemaking process before licenses were issued. Attorney Whitmore added that OCM was allowed to begin issuing preliminary licenses and if a moratorium was not in place a business might have been able to receive a preliminary license from OCM that might have later not met our zoning regulations.

Motion made by Councilmember Schafer, Seconded by Councilmember Meister to close the public hearing. Voting Yea: Mayor Byrnes, Councilmember Schafer, Councilmember Meister, Councilmember Schroeder, Councilmember Alcorn, Councilmember Moua-Leske, Councilmember Lozinski. The motion **Carried. 7-0.**

Motion made by Councilmember Moua-Leske, Seconded by Councilmember Alcorn to adopt Ordinance 24-011 Establishing a Moratorium on the Operation of Cannabis Businesses and authorize its summary publication. Voting Yea: Mayor Byrnes, Councilmember Schafer, Councilmember Meister, Councilmember Schroeder, Councilmember Alcorn, Councilmember Moua-Leske, Councilmember Lozinski. The motion **Carried. 7-0.**

Approval of the Consent Agenda

Motion made by Councilmember Lozinski, Seconded by Councilmember Schroeder to approve the items on the consent agenda. Voting Yea: Mayor Byrnes, Councilmember Schafer, Councilmember Meister, Councilmember Schroeder, Councilmember Alcorn, Councilmember Moua-Leske, Councilmember Lozinski. The motion **Carried. 7-0.**

- Introduction of Joint Airport Zoning Ordinance – Chapter 86, Article 86-VII
- Consider Request for Street Closure for Arts & Living Festival (09/28/2024-Saturday)
- Consider Authorization to Declare Vehicles as Surplus Property for the Marshall Police Department
- Military Surplus Equipment Program
- Consider Approval of the Bills/Project Payments

Pre-Development Agreement for Affordable Family Apartment Complex

The City of Marshall had been working with an established developer on the potential development of a 60-unit affordable housing family apartment complex on London Road. The project was initially approved in 2023 and included senior living and an affordable housing family apartment complex, but the application was not approved. Minnesota Housing indicated breaking the development into two phases might improve the scoring, so the developer opted to start with the affordable housing family apartment complex first. The developer would be applying for the Minnesota Housing Tax Credit funding to help support project costs which would allow the units to be at or below 50% Area Median Income. The City's most recent Housing Study, completed in 2021, indicated a need for 75 shallow-subsidy units, and 128 deep-subsidy units through 2030. A Pre-Development Agreement (PDA) would give the developer the option to acquire the property for \$325,000 and a cash incentive of \$325,000 would be made to the developer. The EDA also approved use of \$10,000 of the Statewide Affordable Housing Aid. The developer was also required to complete the Paris Road extension and in turn, the City would provide \$500,000 in Pooled TIF funds to support the project. The PDA also provides support to the developer's application to Minnesota Housing. Lyon County also supported the project by providing roughly \$225,000 in housing funds over the next two years.

Motion made by Councilmember Lozinski, Seconded by Councilmember Schroeder to approve the pre-development agreement for affordable family apartment complex with RLIC Land Holdings, LLC with a termination date of January 31, 2025. Voting Yea: Mayor Byrnes, Councilmember Schafer, Councilmember Meister, Councilmember Schroeder, Councilmember Alcorn, Councilmember Moua-Leske, Councilmember Lozinski. The motion **Carried. 7-0.**

Consider a Request for a Conditional Use Permit for a Triplex in a B-1 Limited Business District

Moriah Properties, LLC applied for a Conditional Use Permit to allow a third apartment in a building that was previously used as commercial space. The building was in a B-1 Limited Business District and within the limits of the Downtown District. Apartment buildings are Conditional Use within a Limited Business District. The former Automobile License Bureau was in this building along with two apartments. The bureau had moved to a new location on College Drive, and the owner wanted to replace the vacant space with another apartment to create a triplex. The building was in the downtown district, so yards, parking, and lot coverage regulations are not applicable. The lot was rezoned to B-1 Limited Business district in 1986 to allow business use. The Planning Commission conducted a public hearing on June 12, 2024, and unanimously recommended approval. Mayor Byrnes and Councilmember Lozinski both noted that the change in use would be much better suited for the neighborhood and traffic.

Motion made by Councilmember Lozinski, Seconded by Councilmember Alcorn to approve Resolution 24-063 granting a conditional use permit at 302 West Redwood Street for a triplex in a B-1 limited business district. Voting Yea: Mayor Byrnes, Councilmember Schafer, Councilmember Meister, Councilmember Schroeder, Councilmember Alcorn, Councilmember Moua-Leske, Councilmember Lozinski. The motion **Carried. 7-0.**

Consider the Request for a Conditional Use Permit to Install a Billboard at 1604 East College Drive

Wayne's tractor Repair applied for a Conditional Use Permit for a non-digital advertising sign at 1604 East College Drive. The applicant requested two panels, 17 feet by 20 feet each, installed at about 20-degree angle to each other to face traffic in both directions. The overall height of the sign was requested to be 30 feet. Each side was less than the maximum allowed length of 55 feet and there were no residential districts or other advertising signs within 100 feet of the proposed sign, so this request met the specific requirements for advertising signs. Section 86-49 Standard for Hearing included 15 specific criteria for granting a conditional use permit and this request satisfied all criteria. The Planning Commission conducted a public hearing on June 12, 2024, and unanimously recommended approval. Councilmember Lozinski expressed his concern with the number of billboards coming into the community. Lozinski would like the ordinance to be amended that billboards would be through an interim use permit so the billboard would not be allowed on the property forever. Attorney Whitmore explained that because billboards are an allowable use there wasn't much that could be done until the ordinance was changed.

Motion made by Councilmember Schroeder, Seconded by Councilmember Alcorn to approve Resolution 24-064 granting a conditional use permit at 1604 East College Drive to install a billboard. Voting Yea: Mayor Byrnes, Councilmember Schafer, Councilmember Meister, Councilmember Schroeder, Councilmember Alcorn, Councilmember Moua-Leske Voting Nay: Councilmember Lozinski. The motion **Carried. 6-1.**

Consider Approval of Significant Industrial User (SIU) Agreements with the Wastewater Treatment Facility

On October 5, 2022, the City of Marshall entered a Memorandum of Understanding (MOU) regarding sampling and the development of a Pollution Management Plan (PMP) for Per-and Polyfluoroalkyl Substances (PFAS). On March 1, 2024, the City of Marshall received a new NPDES permit that included a 15- year Schedule of Compliance (SOC) for sulfates and a 10-year chloride variance. The MPCA required all Publicly Owned Treatment Works (POTWs) to regulate their industrial users to prevent interference and pass-through of the POTW. This included industries that discharge greater than 25,000 gallons/day, consume 5% or more of the POTW's capacity, or can cause the POTW to violate its permit standards. The City of Marshall had SIU agreements with five local industries. Due to the City's new discharge requirements the SIU agreements needed to be updated to include a limit for chloride, cooperation with the City's Schedule of Compliance (SOC) for sulfate, and cooperation with the City's PFAS Management Plan. The new SIU agreements were created with input from the MPCA Pretreatment Coordinator, Flaherty & Hood Environmental Attorneys, and City Attorney Pamela Whitmore. Each agreement contained appendices that addressed the needs of individual SIUs. Staff had discussed the changes with our SIUs at meetings over the last several years and all our SIUs have agreed to and signed the new agreements.

Motion made by Councilmember Schafer, Seconded by Councilmember Meister to approve the Significant Industrial User agreements for the Wastewater Treatment Facility. Voting Yea: Mayor Byrnes, Councilmember Schafer, Councilmember Meister, Councilmember Schroeder, Councilmember Alcorn, Councilmember Moua-Leske, Councilmember Lozinski. The motion **Carried. 7-0.**

Consider Authorization for HVAC System Repairs in the Airport Arrival/Departure Building

The existing HVAC system at the arrival/departure building was failing and parts and supplies were no longer available. The HVAC control system was proprietary from Direct Digital Control so only one quote was received. Councilmember Lozinski asked about "output devices will be reused unless noted otherwise" and if a change order would be needed. Coudron addressed the question that Direct Digital Control came on site to look at the equipment and there shouldn't be additional cost to replace the output devices. Councilmember Meister questioned if the 18 Variable Air Volume (VAV) boxes needed to be recalibrated for \$2,550. Coudron informed the council that the 18 boxes would need to be recalibrated because of the age of the equipment and the recalibration would make the system more efficient. The HVAC system was original to the building and was built in 2002. Councilmember Alcorn verified if this was a budgeted item for \$40,000 and Meister asked where the remaining \$4,300 overage would be coming from. Coudron stated that adjustments would need to be made in the Airport budget.

Motion made by Councilmember Schafer, Seconded by Councilmember Alcorn to authorize HVAC system repairs at the Airport Arrival/Departure Building. Voting Yea: Mayor Byrnes, Councilmember Schafer, Councilmember Meister, Councilmember Schroeder, Councilmember Alcorn, Councilmember Moua-Leske, Councilmember Lozinski. The motion **Carried. 7-0.**

Registration Requirements for the Sale of Intoxicating Cannabinoid Products and Amendments to Ch. 86 Zoning

Staff, along with the Legislative & Ordinance Committee, discussed getting a framework in place that retailers of Lower Potency Hemp based products could start selling those products in the City of Marshall before waiting for final Office of Cannabis Management rulemaking. The proposed ordinance created a registration system which complied with state law and enabled the city to know where these products are sold for purposes of compliance checks. Additionally, the proposed ordinance allowed the city to charge a registration fee to help offset the costs associated with compliance checks. The proposed ordinances also included proposed amendments to existing zoning which would prohibit retail sales of these

products in residential districts as “home sales” and created reasonable distance requirements between retailers selling these products and schools (500 feet from primary building as identified on a city-maintained map).

Motion made by Councilmember Lozinski, Seconded by Councilmember Moua-Leske to adopt Ordinance 24-012 Establishing Registration Requirements for the Sale of Intoxicating Cannabinoid Products, Amending Chapter 86, Repealing Ordinance 23-015 and authorize its summary publication. Voting Yea: Mayor Byrnes, Councilmember Schafer, Councilmember Meister, Councilmember Schroeder, Councilmember Alcorn, Councilmember Moua-Leske, Councilmember Lozinski. The motion **Carried. 7-0.**

Consider Appointments to Various Boards, Commission, Bureaus, and Authorities

The City Council met prior to the regular meeting and interviewed a candidate for an open position on the Economic Development Authority.

Motion made by Councilmember Meister, Seconded by Councilmember Schroeder to appoint Nick Schwarz to the Economic Development Authority with a term ending on May 31, 2027. Voting Yea: Mayor Byrnes, Councilmember Schafer, Councilmember Meister, Councilmember Schroeder, Councilmember Alcorn, Councilmember Moua-Leske, Councilmember Lozinski. The motion **Carried. 7-0.**

Commission/Board Liaison Reports

Byrnes	No report.
Schafer	No report.
Meister	EDA elected new officers and discussed housing funds for the pre-development agreement.
Schroeder	Planning Commission held public hearings for the Triplex Conditional Use Permit, Billboard sign Conditional Use Permit, Airport Zoning, and THC registration zoning amendments
Alcorn	No report.
Moua-Leske	Library Board discussed budgets. The CVB was working on finding a location for a hunting cleaning station, mostly aimed towards birds, but has not had much traction from local businesses yet.
Lozinski	No report.

Councilmember Individual Items

Councilmember Lozinski commented on the effectiveness of the diversion channel and retention ponds.

Mayor Byrnes mentioned the Juneteenth event and how well it went and on flood control. On June 24, 2024, the Redwood River crested to 15.98 feet which was the 3rd highest it had been since it was recorded. The City of Marshall had invested over the years in flood control, and they have paid off. The floods that occurred in 1957, 1969, and 1993 were below 15.98 feet and devastated the community. Jim Marshall, Director of Public Safety, commented on Emergency Management and preparedness.

City Administrator

This was the first year the City of Marshall was the main sponsor of the Juneteenth event and how well Third Street worked as a venue for the Juneteenth event.

Director of Public Works/City Engineer

Provided project updates on: Whitney Street, Mill & Overlay, Minnesota Highway 23 lift station, and Independence Park back parking lot.

City Attorney

No report.

Information Only

There were no questions on the Upcoming Meetings.

Upcoming Meetings

There were no questions on the Upcoming Meetings.

Adjournment

At 6:23 PM Motion made by Councilmember Meister, Seconded by Councilmember Lozinski to adjourn the meeting. Voting Yea: Mayor Byrnes, Councilmember Schafer, Councilmember Meister, Councilmember Schroeder, Councilmember Alcorn, Councilmember Moua-Leske, Councilmember Lozinski. The motion **Carried. 7-0.**

Attest:

Steven Anderson, City Clerk

Robert Byrnes, Mayor