



CITY COUNCIL AGENDA

June 22, 2015

6:30 PM

*City of Norwood Young America
310 Elm Street West, PO Box 59, NYA MN 55368
(952) 467-1800*

1. Call Meeting of Economic Development Authority to Order

1.1 Pledge of Allegiance

2. Approve Agenda

2.1 Approve minutes of May 26, 2015

3. Adjournment

1. Call Meeting of City Council to Order

2. Approve Agenda

3. Introductions, Presentations, Proclamations, Awards, and Public Comment (Individuals may address the City Council about any non-agenda item of concern. Speakers must state their name, address, and limit their remarks to three minutes. The City Council will not take official action on these items, but may refer the matter to staff for a future report or direct that the matter be scheduled for a future meeting agenda.)

4. Consent Agenda (NOTE TO THE PUBLIC: All those items listed as part of the Consent Agenda will be approved by a single motion, unless a request to discuss one of those items is made prior to that time. Anyone present at the meeting may request an item to be removed from the consent agenda. Please inform the Council when they approve the agenda for this meeting.)

- 4.1 Approve minutes of May 26 and June 9, 2015 City Council meetings
- 4.2 Approve payment of Claims
- 4.3 Hire Chris Niesen, Public Works Operator I
- 4.4 Approve Lawn Abatement Contract
- 4.5 Resolution 2015-14, Economic Development Commission Appointment and Member Removal
- 4.6 Appointing Swimming Pool Part-Time Seasonal Personnel
- 4.7 Approve Street Closing for National Night Out Event

5. Old Business

- 5.1 Lions Building Addition Agreement
- 5.2 Hotel Market Study Report

6. New Business

- 6.1 Ordinance No. 262, Home Occupations
- 6.2 Sealcoating Bid Proposals
- 6.3 Resolution 2015-15, Revolving Loan Approval
- 6.4 Willkommen Park – Old Town Buildings Forensic Evaluation Proposal

7. Council Member Reports

8. Mayor’s Report

9. Adjournment

***The following informational items have been included in the Council packet for informational purposes, council review and discussion. No action is required by the City Council:**

UPCOMING EVENTS

- July 8 Economic Development Commission – 6:30 p.m.**
- July 9 Senior Advisory Committee – 9:00 a.m.**
- July 13 City Council – 6:30 p.m.**
- July 21 Park and Rec Commission – 5:30 p.m.; Planning Commission – 7:00 p.m.**
- July 27 EDA and City Council – 6:30 p.m.**

Norwood Young America Economic Development Authority Meeting Minutes
May 26, 2015

President Tina Diedrick called the meeting to order at 6:30 p.m.

EDA Present: Tina Diedrick, Mike McPadden, Dick Stolz, Jim Keller

EDA Absent: Carol Lagergren

City Staff Present: City Administrator Steve Helget, City Clerk/Treasurer Diane Frauendienst, Public Works Director Brent Aretz

Also Present: Heidi Hoks and Paul Ericsson of Carver County Library, Municipal Development Group Cynthia Smith-Strack, Paul Lano, LaVonne Kroells, Mark Blazevic

All in attendance stood for the Pledge of Allegiance.

Approve Agenda:

Motion: DS/MM, all in favor to approve the Agenda as presented.

Approve minutes of April 27, 2015

Motion: JK/MM, all in favor to approve the minutes from the EDA meetings on April 27, 2015.

Adjournment

Motion: DS/JK all in favor to adjourn at 6:32 p.m.

Respectfully Submitted,

Diane Frauendienst
City Clerk

President

Norwood Young America City Council Minutes

May 26, 2015

Council Present: Tina Diedrick, Mike McPadden, Dick Stolz, Jim Keller

Council Absent: Carol Lagergren

City Staff Present: City Administrator Steve Helget, City Clerk/Treasurer Diane Frauendienst, Public Works Director Brent Aretz

Also Present: Heidi Hoks and Paul Ericsson of Carver County Library, Municipal Development Group Cynthia Smith-Strack, Paul Lano, LaVonne Kroells, Mark Blazevic

Mayor Tina Diedrick called the meeting to order at 6:33 p.m.

Approve Agenda

Motion: DS/MM; all in favor to approve the agenda as presented.

Introductions, Presentations, Proclamations, Awards, and Public Comment:

None

Heidi Hoks, Director of the Carver County Library System informed the council on the state of the County Library System and introduced Branch Manager Paul Ericsson. Ericsson gave an overview of the offerings and services available at the library.

Consent Agenda

Motion: JK/MM; all in favor, to approve the consent agenda, with the deletion of Check #24421

Approve minutes of May 11, 2015

Approve payment of claims

Approve hiring Assistant Pool Manager

Public Hearings:

At 6:53 p.m., Mayor Diedrick opened the public hearing to hear public comment regarding amending Chapter 20 of the City Code regarding the Norwood Young America Fee Schedule. Administrator Helget stated that the proposed change to the Fee Schedule is to change the state surcharge fee from \$5.00 to \$1.00 as stated in State Statute. There was no public comment.

Motion: DS/MM, all in favor to close the public hearing at 6:56 p.m.

Old Business

Pavilion – Forensic Investigation Report, Helget stated that in December 2014 the Council approved a forensic investigation of the pavilion because of some structural concerns of city staff. Mark Blazevic from Encompass shared the results of the investigation, stating that they investigated the building and found that there has been some settlement around the interior piers under the building most likely caused by excavation close to the footing causing the floor to sag and gapping to occur in some places. It also appeared that the floor framing was undersized for the type of usage of the building. During the investigation it was noticed cracks in the walls and the walls are leaning about 2 inches. The recommendation is to replace the interior piers and to strengthen the walls. Council directed City Staff to solicit architectural proposals.

New Business

Ordinance No. 263 – Amending Chapter 20 – 2015 Fee Schedule regarding Building Permit State Surcharge:

Motion: DS/JK, all in favor to adopt Ordinance 263, an ordinance amending the fee schedule in Chapter 20 of the Norwood Young America City Code regarding the state surcharge for fixed fee building permits, with the effective date to be July 1, 2015

Motion: DS/MM, all in favor to approve the summary of Ordinance #263 for publication in the Norwood Young America Times.

Southwest Paving CUP Amendment – Resolution 2015-13: Community Development Cynthia Smith-Strack presented information on the CUP amendment request received from Greg Brakefield of Southwest Paving. The request is for the requirement of a complete perimeter fence be removed, and additional landscaping on an existing berm be allowed. Smith-Strack stated that the planning commission held a public hearing on the request on May 19. No public comment was received. The planning commission voted to recommend the Council approve the CUP amendment.

Motion: MM/JK, all in favor to approve Resolution 2015-13, a resolution approving a Conditional Use Permit amendment for the property at 700 Railroad Street West.

Minnesota OSHA Inspection: Administrator Helget reported that on May 5, a representative from Minnesota OSHA requested a tour of the city buildings to perform an inspection. As a result of the inspection, the city was cited for one infraction which was fixed to comply with OSHA standards. Helget also stated that the city has been fined \$157.50 for the infraction.

Motion: MM/DS, all in favor to approve the Expedited Informal Settlement Agreement with Minnesota OSHA and allow for the payment of the infraction fine.

AWAIR Program: Administrator Helget reported that the Safety Committee met and reviewed the AWAIR Program (A Workplace Accident Injury Reduction Program). As part of the City's safety program the AWAIR Program is required to be implemented. It outlines what the duties and responsibilities are to provide a safe workplace. The program had been previously developed but never officially implemented.

Motion: MM/JK, all in favor to approve the AWAIR Program.

Council Member Reports

MM: Reported on Stiftungsfest planning, stating that music is all arranged

DS: Nothing to report

JK: Reported that the park and recreation commission are discussing how to use a \$5000.00 gift from YA Corp to be used in the parks.

TD: reviewed the coming events including meetings. She also thanked everyone who took part in the Memorial Day program.

Wilfred Neumann, 13575 Tacoma Avenue, requested the city do more dust control on Tacoma Avenue.

Adjournment

Motion: MM/DS; all in favor to adjourn the meeting at 8:03 p.m.

Respectfully Submitted,

Diane Frauendienst
City Clerk-Treasurer

Mayor

Norwood Young America
City Council Minutes
Special Meeting
June 9, 2015

Council Present: Tina Diedrick, Dick Stolz, Carol Lagergren

Council Absent: Mike McPadden, Jim Keller

City Staff Present: City Clerk/Treasurer Diane Frauendienst

Mayor Tina Diedrick called the meeting to order at 8:45 a.m.

Approve Agenda

Motion: DS/CL; all in favor to approve the agenda as presented.

Introductions, Presentations, Proclamations, Awards, and Public Comment:

None

Consent Agenda

Motion: CL/DS; all in favor, to approve the consent agenda,

Approve hiring Seasonal Administrative Assistant I

Approve hiring Lifeguards

Old Business

None

New Business

None

Council Member Reports

None.

Adjournment

Motion: CL/DS; all in favor to adjourn the meeting at 8:47 a.m.

Respectfully Submitted,

Diane Frauendienst
City Clerk-Treasurer

Mayor

CITY OF NORWOOD YOUNG AMERICA

**VOUCHER LIST / CLAIMS ROSTER
and CHECK SEQUENCE**

To Be Approved: June 22, 2015

Pre-Paid Claims **\$32,179.14**

(Check Sequence #24440; 503161-503176; 503177-503194)

Claims Pending Payment **\$178,024.21**

(Check Sequence #24441-24539)

Grand Total **\$210,203.35**



June 22, 2015

CITY COUNCIL MEMO

To: Honorable Mayor Diedrick and Members of the City Council

CC: Steve Helget, City Administrator

From: Diane Frauendienst, City Clerk

RE: Approve Hiring Public Works Operator I

At the April 27th Council meeting the Council approved advertising to fill the vacated Public Works Operator position.

Eleven applications were received for the position. Five candidates were interviewed by the Personnel Committee and Public Works Director Brent Aretz. The interviewing committee recommends appointing Chris Niesen to the Public Works Operator I position, and compensating him per the Norwood Young America Salary Chart at Pay Grade 5, Step 6. Starting date will be no later than July 7, 2015.

RECOMMENDATION: A motion to appoint Chris Niesen to full-time Public Works Operator 1 position for the Public Works department at Pay Grade 5, Step 6 of the City of Norwood Young America Salary Chart plus benefits as defined in the Employee Handbook. The appointment is conditioned on the candidate passing the appropriate background check.

City of Norwood Young America

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STAFF MEMO

City Council City of Norwood Young America

To: Honorable Mayor Diedrick and Members of the City Council

From: Alicia Menzel, Administrative Assistant

CC: Steve Helget, City Administrator
Diane Frauendienst, City Clerk/Treasurer

Date: June 22, 2015

Agenda Item: 2015 Lawn abatement contract with Dave's Season-All

Requested Action(s): Approve Agreement and Contract for Lawn Abatement Services with Dave's Season-All

Background:

Staff is seeking approval to renew the contract for long grass/weed abatement services with Dave's Season-All for the 2015 season. This would be the City's fifth year contracting with the company, who has also held the contract for cemetery mowing in the past before Public Works took that over. They will charge \$65/hr for abatement services, this is the first year the rate has increased since we began contracting with them in 2011. The abatement costs will be invoiced to the property owner upon completion of the abatement. Any unpaid invoices at the end of the year will be assessed to the property taxes.

Recommendation:

Approve a contract with Dave's Season-All for 2015 Lawn Abatement Services

Attachments:

Dave's Season All Quote

Lawn Abatement Contract

AGREEMENT AND CONTRACT FOR LAWN ABATEMENT SERVICES

THIS AGREEMENT is made and entered into this _____ day of _____, 20____, by and between the City of Norwood Young America, Minnesota ("City") and Dave's Season All, a Minnesota Corporation ("Contractor").

WITNESSETH:

WHEREAS, the City is desirous of contracting with the Contractor for the performance of various services within the City of Norwood Young America to include:

1. Long grass/weed abatement services

WHEREAS, the Contractor is agreeable to rendering services on the terms and conditions hereinafter set forth.

NOW, THEREFORE, the parties hereto agree to general terms as follows and to the specific terms as set forth in the indicated appendices:

1. Terms of Agreement.

This Agreement shall commence on the date upon which it is approved and executed by both parties and remain in force and effect until December 31, 2015 or until canceled by either party upon ninety (90) days advance written notice, whichever is sooner. The last day of the contract is the last day the Contractor shall perform services.

2. Scope of Contract.

The Contractor agrees to provide long grass/weed abatement service for the City in accordance with the terms of this Agreement.

A. Abatement: The Contractor shall, upon written order (via e-mail or fax) cut and remove all long grass, weeds, and overgrowth. Generally accepted professional landscaping standards, methods, and equipment shall be used to accomplish the abatement.

B. Work Orders: Upon written order, the Contractor shall notify the City of the date and time the abatement will occur so the City may adequately notify the property owner. The abatement service is expected to be completed within 48 hours of assignment. If completion date needs to be extended due to weather, or other reasons, a written request shall be provided.

C. Specifications: The following specifications are defined as part of this Agreement:

- i. Services shall include cutting grass, not to exceed 2.5 inches, and weed abatement. If grass/weeds are excessively overgrown, or other conditions are present that are not in the scope of this Agreement, Contractor shall notify the City within 24 hours and will send bid and photos to request additional consideration.
- ii. All exterior holes, indentures, damage to the lawn or other areas of the property caused by the Contractor are to be repaired by the Contractor.
- iii. All items including but not limited to grass clippings, tree trimmings, and leaves are to be properly disposed of by the Contractor off of the property location.

3. Normal Business Hours.

Normal business hours are defined as: 8:00 am to 4:30 pm, Monday through Friday, except on holidays recognized by the City.

4. Independent Contractor.

It is acknowledged by and between the parties hereto that the Contractor is an independent contractor with the City in regards to the performance of services as provided in this agreement.

- A. Qualifications- The Contractor agrees that it will perform the duties pursuant to this Agreement and that all employees are experienced in performing services under this Agreement.
- B. Non-Employee Status- Personnel assigned to perform the Services to be provided by the Contractor pursuant to this Agreement shall be officers, employees, or sub-contractors of the Contractor. The Contractor assumes full responsibility for the actions of such personnel while performing services pursuant to this Agreement, and shall be solely responsible for their supervision, daily direction and control, provision of employment benefits and payment of salary (workers' compensation insurance, salary, retirement contributions, withholding tax, health insurance, and unemployment insurance). The City shall not be responsible to furnish any benefits to such personnel.
- C. Communications, Equipment and Supplies- The Contractor shall provide, at its sole expense, all necessary equipment, vehicles and supplies to carry out its obligations under this Agreement.
- D. Technical Requirements- At a minimum, the Contractor shall adhere to the following expectations:
 - i. The Contractor shall maintain e-mail and/or fax capability sufficient to handle the work capacity covered by this Agreement, and must be able to receive orders and order-related

communications via e-mail and/or fax during normal business hours.

- ii. The Contractor shall ensure that sufficient personnel and equipment are maintained and available to perform abatement services required by the scope of this Agreement.
- iii. The Contractor shall have identification badges for all employees who provide services. The badges must have the business name and address as well as the employee name and photograph. Badges must be worn outside of clothing so that they are visible.

E. Insurance and Indemnification requirements- The Contractor, in carrying out its obligation under this Agreement, certifies that it maintains Liability Insurance in an amount not less than \$1,000,000 and has added the City as additionally insured. The Contractor also maintains Workers Compensation Insurance. The Contractor has provided evidence of coverage to the City and will advise the City of any changes of coverage. Failure to do so may be ground for revocation of this Agreement.

6. Payment for Services

- A. Cost to City for Services - The City shall pay to the Contractor for services under this Agreement the following:
 - i. \$65 per hour, per person, not including tax where applicable, pursuant to the quote provided to the City dated 6/8/2015.
- B. Additional work under this Agreement- If conditions are present that are not in the scope of this Agreement, the Contractor will notify the City within 24 hours and will send bid and photos to request additional consideration.
- C. Reimbursement for Expenses- The Contractor agrees that it will seek no reimbursement for out-of-pocket expenses incurred in the performance of this Agreement.
- D. Payment for Additional Work- Work that may require additional fees above and beyond the scope of this Agreement, as referenced in Sections 2.C. and 6.B., shall not proceed without the written consent of the City. Invoices for additional work completed without a written order will not be paid.
- E. Billing- A separate invoice shall be prepared for each separate address and/or incident.

7. Assignment.

The Contractor shall not assign this agreement without the prior written consent of the City.

8. Hold Harmless and Indemnification.

The Contractor shall hold harmless and indemnify the City from any and all claims of any nature brought by others injured or damaged by the actions of the Contractor, its officers, employees, or agents.

9. Entire Agreement.

This Agreement, and its designated sections, contains the entire agreement between the parties and supersedes any and all agreement, written or oral, express or implied, pertaining to its subject matter. It may be changed only by written instrument signed by both parties and approval of the City of Norwood Young America City Council.

10. Choice of Law.

This agreement shall be governed and construed in accordance with the State of Minnesota Law.

IN WITNESS THEREOF, the Contractor and the City have executed this Agreement and agree to the terms and obligations contained herein this _____ day of _____, 20____.

CITY OF NORWOOD YOUNG AMERICA

DAVE'S SEASON ALL

By: _____
Steven Helget
Its: City Administrator

By: 
David Bleichner
Its: Owner

By: _____
Tina Diedrick
Its: Mayor



TO: Honorable Mayor Diedrick and City Council Members
FROM: Steve Helget, City Administrator
DATE: June 22, 2015
SUBJECT: Resolution 2015-14, Economic Development Commission
Appointment and Member Removal

Enclosed is Resolution 2015-14 appointing Doane Baber to the Norwood Young America Economic Development Commission and removing Mike Yeager from the EDC. Due to scheduling conflicts, Mr. Yeager is unable to attend the regular monthly meetings and has elected to step down from the EDC.

Mr. Baber has met with the Mayor and City Administrator and Mayor Diedrick recommends his appointment.

Suggested Motion:

Motion to approve Resolution 2015-14, a resolution appointing Doane Baber to the Norwood Young America Economic Development Commission and removing Mike Yeager from Norwood Young America Economic Development Commission

RESOLUTION 2015-14

A resolution appointing Doane Baber to the Norwood Young America Economic Development Commission and removing Mike Yeager from Norwood Young America Economic Development Commission

WHEREAS, the City of Norwood Young America has established an Economic Development Commission; and

WHEREAS, the City of Norwood Young America Economic Development Commission consists of nine (9) members: two (2) City Council members, one (1) Planning Commission member, one (1) representative of the Chamber of Commerce, and up to six (6) members of the local community representing, but not limited to, local business and industry; and

WHEREAS, the terms of certain Commissioners have expired or positions have been vacated; and

WHEREAS, the members of said Commission are appointed by the Norwood Young America City Council.

NOW, THEREFORE BE IT RESOLVED that the Norwood Young America City Council appoints Doane Baber to serve on the Economic Development Commission and whose term shall expire January 1, 2018.

BE IT FURTHER RESOLVED, that Mike Yeager is hereby removed from Norwood Young America Economic Development Commission.

Adopted by the City Council this 22nd day of June 2015.

CITY OF NORWOOD-YOUNG AMERICA

Tina Diedrick, Mayor

ATTEST:

Diane Frauendienst
City Clerk-Treasurer



June 22, 2015

City Council Memo

To: Honorable Mayor Diedrick and Members of the City Council

From: Diane Frauendienst, City Clerk-Treasurer

Cc: Steve Helget, City Administrator

Re: Appointing Swimming Pool Part-time Seasonal Personnel

Applications have been received from individuals for employment at the West Carver Community Pool for the 2015 season. Additional employees would be helpful to cover the number of hours that the pool will be open. Below is the proposed swimming pool staff member for the 2015 swimming season, pending the applicants receiving proper certification.

Alexandra Storms

Recommendation: **Motion to appoint an additional pool employee for the 2015 West Carver Community Pool Swimming Season.**

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June 22, 2015

CITY COUNCIL MEMO

To: Honorable Mayor Diedrick and Members of the City Council

From: Diane Frauendienst, City Clerk

Cc: Steve Helget

Re: Approve Street Closing for National Night Out Event

City Staff has received a request to temporarily close a portion of Devonshire Drive between 534 and 538 Devonshire Drive, on August 4, from 6:00 to 8:30 p.m. for the purpose of a National Night Out event.

Recommendation: A motion to approve the closing of Devonshire Drive between 534 to 538 Devonshire Drive from 6:00 until 8:30 PM on Tuesday, August 4, 2015.

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TO: Honorable Mayor Diedrick and City Council Members
FROM: Steve Helget, City Administrator
DATE: June 22, 2015
SUBJECT: Lions Building Addition Agreement

Enclosed is a proposed agreement between the City and the Norwood Young America Lions Club. At the Council's April 13th regular meeting, representatives of the Lions Club approached the City Council with a proposal to construct a 30' x 40' addition onto the Lions Building. As proposed, the Lions Club will be responsible for 100% of the cost for the building addition.

Since the City owns the building and property the Council consented at the April 13th meeting to establish a written agreement between the two parties identifying each party's roles in the construction of the addition to the Lions Building.

Suggested Motion:

Motion to approve the agreement between the City and the Norwood Young America Lions Club.

LIONS BUILDING ADDITION

This **AGREEMENT** is made, pursuant to Minn. Stat. 471.15 et. Seq, as of _____
_____, 2015, by and between the **City of Norwood Young America**, hereafter "**City**",
and the Norwood Young America Lions Club, hereafter "**Club**", a non-profit corporation
and existing under the laws of the State of Minnesota.

The parties agree as follows:

I. **PURPOSE/DESCRIPTION OF PREMISES.** **City** and **Club** enter into and
execute this Agreement for the purpose of documenting their respective roles in
construction of a building addition (the "Improvements") onto the City owned building,
referred to as the Lions Building, located in the Sports Complex, 417 Elm Street,
Norwood Young America. The Improvements are more particularly described in Exhibit
A attached to and made part of this Agreement.

CONSTRUCTION OF BUILDING ADDITION IMPROVEMENTS.

A. *Plans and specifications.* The **City** shall, at **Club's** sole expense, have plans
and specifications prepared for the Improvements. Such plans and specifications shall
be provided to the City Council for consideration and approval.

B. *Work requirements.* Promptly upon **City's** approval of the plans and
specifications for the Improvements, **Club** shall, at **Club's** sole expense, commence,
and shall thereafter diligently pursue to completion, construction of the Improvements.

C. *Cost.* All costs shall be borne by the **Club**. The **Club** shall reimburse the **City**
for any costs associated with the preparation of building plans and construction of
improvements.

III. **INDEMNIFICATION.** Club shall defend, indemnify, and hold City and its officers and employees harmless against any and all claims, liability, loss, or damage whatsoever, including reasonable attorney's fees and expenses recoverable under applicable law, which arise from or relate to or are caused by the negligent acts or omissions of Club or its employee or agents.

IV. **PARTIES BOUND.** The covenants and conditions contained in this Agreement shall apply to and bind the successors and assigns of all of the parties to the Agreement.

V. **ENTIRE AGREEMENT.** This Agreement shall constitute the entire agreement between the parties. Any prior understanding or representation of any nature preceding the date of the Agreement shall not be binding upon either party except to the extent incorporated in the Use Contract.

VI. **MODIFICATION OF AGREEMENT.** Any modification of this Agreement or additional obligation assumed by either party in connection with this Agreement shall be binding only if evidenced in a writing signed by each party or an authorized representative of each party.

IN WITNESS WHEREOF, each party to this Agreement has caused it to be executed on the date indicated below.

CITY OF NORWOOD YOUNG AMERICA

DATED: _____

By: _____
Its: _____

STATE OF MINNESOTA)

COUNTY OF CARVER)

The forgoing instrument was acknowledged before me this _____ day of _____ 2015, by _____ on behalf of THE CITY OF NORWOOD YOUNG AMERICA.

NOTARY PUBLIC

NORWOOD YOUNG AMERICA LIONS CLUB

DATED: June 2, 2015

By: Ed Magee
Its: NYA Lions Pres.

STATE OF MINNESOTA)

COUNTY OF CARVER)

The forgoing instrument was acknowledged before me this 2nd day of June 2015, by Ed Magee on behalf of NORWOOD YOUNG AMERICA LIONS CLUB.



Diane Frauendienst
NOTARY PUBLIC

EXHIBIT A

The Norwood Young America Lions Club will construct a 30' x 40' addition onto the Lions Building at the Sports Complex and will follow the plans and specifications as included with the City of Norwood Young America Building Permit for the project.



TO: Honorable Mayor Diedrick and City Council Members

FROM: Steve Helget, City Administrator

DATE: June 22, 2015

SUBJECT: Hotel Market Study Report

At the City Council January 26th regular meeting, the Council approved a proposal from Hospitality Marketers to conduct a study to determine the market feasibility for a hotel in Norwood Young America. Enclosed is a copy of their report and recommendations. The first phase of this study was to conduct field work which included interviewing City officials, local businesses, assessing the performance of other area hotels, and based on that data determine whether or not to proceed to the second phase which is the comprehensive market study.

One of main components of the first phase was to determine why people may be interested in staying at a hotel in Norwood Young America. The study concludes that people visiting NYA for social/leisure events and have a potential need for a hotel appears good. Whereas, business persons visiting and having a need for a hotel is only fair.

According to HMI, in order to sustain a 30 to 40 room hotel on an annual basis, a minimum of 60% annual occupancy must be maintained. Based on the data collected, NYA cannot support those levels.

Based on HMI's research findings, their recommendation is not to proceed with a comprehensive hotel market study at this time. Currently, Norwood Young America does not support a consistent lodging demand required on a nightly basis throughout the year to support the development of a new hotel.

The Norwood Young America Economic Development Commission has reviewed Hospitality Marketers report and based on the findings they recommend not proceeding with a comprehensive hotel market study at this time.

Suggested Motion:



Hospitality Marketers
International, Inc.

Management

Research

Marketing

FIELD RESEARCH REPORT

**Norwood Young America, Minnesota
APRIL, 2015**

Gregory R. Hanis, ISHC
President

ghanis@hospitalitymarketers.com
262-490-5063

Member of



*Professionally Serving the
United States & Canada
Since 1982*

*Offices in
Milwaukee, Wisconsin and
Fort Myers, Florida*

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Fort Myers, FL 33913

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Fax: 239-245-8161

hmi@hospitalitymarketers.com
www.hospitalitymarketers.com

Hotel Service Network

Prepared Exclusively For:

City of Norwood Young America, Minnesota

Prepared By:

Hospitality Marketers International, Inc.

**Gregory R. Hanis, ISHC
President**

**Michael R. Hool, ISHC, CPA
President, SHR
*An HMI Network Representative***

The following observations and recommendations are based on the initial Field Research performed for completing the Phase I Field Research Phase for a potential hotel development in the Norwood Young America, Minnesota market area. The intent of this document is to provide a recommendation for the direction of moving on to completing either a Community Hotel Overview Report or a Comprehensive Hotel Market Study.

The scope of the market research was to assess the potential market feasibility of developing a limited-service or select service style hotel in the Norwood Young America market area. Research findings and recommendations will be provided in this Field Research report.

The Field Research was performed by Michael Hool on March 24, 2015. During this Field Research, meetings were held with community representatives. The subject market and the possible development sites for the hotel were toured.

Field Research was performed for the potential development of a midscale to upper midscale limited service style hotel. Discussions did not indicate that a specific brand/franchise or specific size had been identified at the time of the Field Research for the proposed hotel. Recommendations for the size and hotel brand are to be included in a future hotel market study report.

RECOMMENDATIONS

- At the time of this Field Research, and based on the research findings received and presented above, it is recommended that proceeding with completion of either a Community Overview Hotel Report or a Comprehensive Hotel Market Study be placed on hold.
- This recommendation is based on the fact that the Norwood Young America, Minnesota market does not appear to offer the consistent lodging demand required on a nightly basis throughout the year to support the development of a new hotel.
- This market could be reviewed in the future to assess the growth and diversity of lodging demand generators and support for hotel development. This growth and diversity needs to be developed in both the Corporate/Commercial and the Social/Leisure market segments. Lodging demand volume also needs to be established.

The following information in this report will support these recommendations. HMI will be available to review our findings and discuss what led us to this recommendation. We regret informing you of this recommendation. However, we felt it was in your best interest to report this accordingly.

POTENTIAL SUBJECT SITE REVIEW

Three separate sites were identified as potential sites for consideration. All three are located along US Route 212. Two are located at the intersection of Faxon Road and US 212. The third is less than one-half mile east of this intersection on the south side of US 212 in the West Metro Industrial Park. They are listed in no particular order of preference:

- The first site is approximately 1.5 acres. It is located in the West Metro Industrial Park's highway commercial lots along Railroad Drive on the south side of US Route 212. It is on the east side of the greater Norwood Young America market area.
- The second site is situated on Faxon Road in the northeast quadrant of the intersection of Faxon Road and US Route 212. It is comprised of two lots totaling approximately 2.45 acres and is currently occupied by a NAPA store and the vacant site behind NAPA.
- The third site is situated in the northwest quadrant of the intersection of Faxon Road and US Route 212. It is the current Sinclair Gas Station situated at this intersection and is approximately 1.92 acres.
- More details regarding these subject sites would be presented in a full Comprehensive Hotel Market Study. These details would include site description, land preparation, accessibility, visibility, support services, etc. At that time, a more specific recommendation of the preferred site could be made.
- However, based upon the preliminary research, the preferred subject site would be the third site described above because it is at the intersection of Faxon Road and US Route 212.

MARKET RESEARCH FINDINGS

The following are preliminary research findings for the greater Norwood Young America market area. This information would be presented in more detail in the Comprehensive Hotel Market Study. At that time, the Economics of the area, Lodging Demand characteristics, and Competitive Lodging Supply details would be presented. At this time, only a preliminary analysis of this data was performed.

- A significant part of the Field Research included meeting with city officials and key business leaders as well as a phone interview with the major employers in the Norwood Young America market area. The results of these discussions are presented in the chart below. It highlights the Market Segmentation Profiles identified on an annual basis for the greater Norwood Young America market area.

MARKET SEGMENTATION PROFILES		
	Demand Potential	
	Transient = T Extended= E Group= G	Subject Property Potential
Social/Leisure Markets		
Visiting Friends & Relatives	T, E	Very Good
Area Sites & General Tourism		
Area Events	T	
Stiftungsfest - 3 day event in August	T	Very Good
Area Recreation - (Boating, Hiking, Biking, Hunting, Fishing, etc.)	T	Fair
US Route 212	T	Good
Weddings	G	Good
Reunions	G	Good
Other	G	Fair
Amateur Youth Sports	T, G	Fair
	Potential	Good
Corporate/Commercial Markets		
Agriculture	T	Fair
Mining, Quarrying & Oil and Gas Exploration	N/A	N/A
Utilities	T, E, G	Good
Construction	T, E	Good
Manufacturing	T, E	Good
Wholesale Trade	T	Fair
Retail Trade	T	Fair
Transportation and Warehousing	N/A	N/A
Information	N/A	N/A
Finance, Insurance and Real Estate	T	Fair
Real Estate, Rental & Leasing	T	Fair
Services		
Professional, Scientific & Technical	T, E	Fair
Management of Companies and Enterprises	T	Fair
Administrative, Support, Waste Management and Remediation	T	Good
Educational	T, E	Good
Health and Social Assistance	T	Fair
Arts, Entertainment & Recreation	G	Fair
Accommodation & Food Services	T	Fair
Other	N/A	N/A
Public Administration	N/A	N/A
	Potential	Fair
	Overall Potential	Fair
<i>Source: HMI</i>		

- The ratings in the previous chart are based on ***Annual Lodging Demand***.
- The discussions with local officials indicated that while certain sectors within the Social/Leisure market segment would be rated *Very Good* in summer, the Overall rating would be *Good* for the entire year due to the seasonality of this market. One major event occurs in summer that may generate Social/Leisure lodging demand, Stiftungfest, at 153 years old, is the longest running event in the State of Minnesota. The limited number of significant events in the subject market indicates a lack of diversity and makes it difficult to sustain this type of lodging demand on a year round basis.

The overall Fair rating in the Corporate/Commercial market segment is due to several factors:

- Discussions with local major employers, including a new employer that is in the process of locating in Norwood Young America, indicated a desire for a hotel in the immediate market area. However, the total room demand was estimated to be 200 rooms at best.
- A review of the most recent NAICS industry sector data (2011) indicates that 57.3% of the total employees in the Norwood Young America market area were comprised of three industries:
 - Retail Trade – 10.8%
 - Administrative and Support Services – 27.2%
 - Educational Services – 19.3%

Typically three sectors should total less than 50% to indicate good diversity of employment. The total for these three sectors (at 57.3%) indicates reduced employment diversity in the Corporate/Commercial market segment of Norwood Young America historically.

- The Overall rating of Fair in the previous chart indicates that while certain times during the year (primarily during the summer) could generate sufficient lodging demand to support the proposed limited-service hotel, this does not translate to a sufficient amount of year round lodging demand.

- A **Competitive Set of Hotels** was identified and deemed appropriate for the proposed hotel. It is comprised of the following four closest hotels surrounding Norwood Young America:
 - The 82-room Grandstay Suites in Chaska – 18 miles east on US 212.
 - The 29-room Super 8 in Chaska – 18 miles east on US 212.
 - The 33-room Super 8 in Glencoe – 12 miles west on US 212
 - The 61-room AmericInn in Waconia – 8 miles northeast on Minnesota Route 5.
- The performance results of these four hotels (per a Trend Report from Smith Travel Research) indicated the following:
 - During the five-year period 2009 – 2014, Occupancy ranged from 40.1%-50.9%.
 - The average annual rate of increase in Occupancy during this same period was 2.3%. During this same period, two of the five years experienced a decrease, including 2014 at a rate of (9.2%).
 - The average annual rate of increase in Lodging Demand for the **Competitive Set of Hotels** from 2009-2014 was 2.0%. This is a reasonable rate of increase per year. However it will take several years to achieve an acceptable level of Occupancy to support increasing the room supply with a new hotel.
 - During this same period, ADR ranged from \$71.14-\$80.73 with two out of the five years experiencing decreases in ADR. The five-year average annual rate of growth in ADR achieved by the **Competitive Set of Hotels** was 1.98%.
 - In order to sustain a 30 to 40-room hotel on an annual basis, the subject market needs to generate an annual Occupancy of 60.0% to 62.5%.
 - To achieve this level of performance, a 30-room hotel needs to generate 18.0-18.8 rooms on average every night.
 - A 40-room hotel would need to generate on average 24.0 to 25.0 rooms every night.
 - Based upon the research performed and the information received so far, the attainment of these levels is hard to justify in Norwood Young America.
 - It could be assumed at this time that the Average Daily Room rate could be competitive with other limited-service, mid-priced hotels in the greater market area including the previously discussed potential **Competitive Set of Hotels**. A complete competitive rate analysis would need to be performed.

ECONOMICS OF THE MARKET

Preliminary review of the economic research data revealed the following results:

- The Population has increased at an average annual rate of 0.7 for the period 2010- 2015.
- The Average Per Capita Income increased at an average annual rate of 3.0%-3.2% for the same time period.
- Unemployment in Norwood Young America averaged an annual rate of 5.0% over the ten year period 2005 – 2014. This is lower than the 5.5% rate of the State of Minnesota for the same period of time.

Again, we regret presenting the information in this report, and in our opinion and based upon the Field Research performed, the Norwood Young America market does not support a new hotel at this time. However, we feel it is important to understand this fact before additional investment and development dollars are spent on this project.

If possible, we would like to discuss this Field Research Report with you and any other interested party. At that time, we could answer any questions you have and present a few options for the future. We will contact you to arrange this discussion.

Sincerely,

Sincerely,
HOSPITALITY MARKETERS INTERNATIONAL, INC.

Gregory R. Hanis

Gregory R. Hanis, ISHC
President

Michael R. Hool

Michael R. Hool, ISHC, CPA
President, SHR
An HMI Network Representative



TO: Honorable Mayor Diedrick and City Council Members

FROM: Steve Helget, City Administrator

DATE: June 22, 2015

SUBJECT: Ordinance No. 262, Home Occupations

Enclosed is Ordinance No. 262 which amends Chapter 12, Section 1245.09 of City Code pertaining to Home Occupations. The proposed ordinance provides for permitted, prohibited, and special home occupations. Under the proposed ordinance, permitted home occupations are allowed provided the City is notified of the intent to operate a permitted home occupation. The proposed ordinance also will require special home occupations to obtain an interim use permit. The interim use permit will allow for input from neighboring property owners prior to establishment of the special home occupation. Currently, home occupations, if allowed, require City approval and are specifically limited to occurring within a dwelling.

The Planning Commission at their April 21st regular meeting held a public hearing on the proposed ordinance. The Commission unanimously recommends adoption.

Mayor Diedrick has prepared an alternative ordinance to the proposed Ordinance No. 262 for consideration (see enclosure). In addition, Perry Forst of Citizens State Bank has submitted a letter to the City providing his input and support for Mayor Diedrick's amendment version to the Home Occupations section of the City Code.

Suggested Motion:

Motion to adopt Ordinance No. 262, an ordinance repealing and replacing Chapter 12, Section 1245.09 of the City Code relating to Home Occupations.

Motion to approve the summary of Ordinance No. 262 and its publication.

**CITY OF NORWOOD YOUNG AMERICA
ORDINANCE NO. 262**

AN ORDINANCE REPEALING AND REPLACING CHAPTER 12, SECTION 1245.09 OF THE CITY CODE RELATING TO HOME OCCUPATIONS.

- I. THE CITY COUNCIL OF THE CITY OF NORWOOD YOUNG AMERICA, MINNESOTA TO PROMOTE THE PUBLIC SAFETY, HEALTH, AND WELFARE, HEREBY ORDAINS CHAPTER 12, SECTION 1245.09 OF THE CITY CODE SHALL BE REPEALED AND THE REPLACED WITH THE FOLLOWING:**

1245.09 Home Occupations.

Subd. 1 In General. Home Occupations may be permitted in any district where they do not jeopardize the health, safety and general welfare of the surrounding neighborhood. All home occupations conducted in the home shall comply with the provisions of this Section. This Section shall not be construed, however, to apply to home occupations accessory to farming.

Subd. 2 Purpose and Intent.

- A. The purpose of this Section is to provide for the conducting of home occupations while protecting the health, safety, and general welfare of the surrounding neighborhood.
- B. The intent of this Section is to establish operational standards and review procedures for home occupations. This Section provides a mechanism to distinguish between permitted home occupations that are allowed under administrative permit and more intense home occupations which require an interim use permit and public hearing.

Subd. 3 Scope.

- A. All occupations conducted in a dwelling unit or on the premises of a principal residential use shall comply with the provisions of this Section, the provisions of the district in which it is located, and all other Sections of the City Code.
- B. Home occupations are defined as and limited to all of the following:
 - 1. Gainful occupations or professions engaged in by the occupant(s) of a dwelling;
 - 2. Which are carried on within a dwelling unit or structure(s) accessory thereto;
and,

3. Which are clearly incidental to the principal use of the property as a residential dwelling unit.
- C. Home occupations shall be classified as either 'Permitted' or 'Special' home occupations. Home occupations not specifically identified as 'Permitted' or 'Special' shall be considered prohibited. Permitted home occupations are allowed without a permit but shall adhere to the 'General Performance Standards' contained in this Section as may be amended. 'Special home occupations' require the issuance of an 'Interim Use Permit' as provided for in Section 1210.07 of the City Code as may be amended and shall adhere to the 'General Performance Standards' contained in this Section as may be amended.
- D. Home occupations whether permitted or allowed under an 'Interim Use Permit' are not transferable, shall expire when the occupation ceases, and/or shall expire upon the sale of the subject property or transfer of title to the real estate upon which the occupation is conducted.
- E. Home occupations existing on the effective date of this Ordinance are considered legal non-conforming uses and shall be allowed to continue. In the event an expansion, enlargement, or intensification of an existing home occupation is contemplated, the standards of this Section shall be applied.
- F. Nothing in this Section is intended to prohibit or regulate non-commercial activities in residential neighborhoods.

Subd. 4 Prohibited Home Occupations.

- A. Home occupations involving illegal substances, illegal devices, and/or unlawful activities are prohibited.
- B. Home occupations involving sexually oriented materials and/or activities as defined by Mn. Statutes as may be amended are prohibited.
- C. Home occupations conducted in a manner which produce noise, vibration, smoke, dust, odors, heat, electrical interference, or glare detectable at or beyond the premises are prohibited.
- D. Home occupations involving materials or storage of items declared a public nuisance, as defined in Chapter Six of the City Code, as may be amended.
- E. Home occupations with contractor storage yards. Contractor storage yards are defined as areas out-of-doors used for the storage of tools, equipment, building materials, sand, soil, rock, gravel, vegetation, paints, pipe, or electrical components which are used in or associated with building or construction contractor. Building or construction contractors include general contractors, excavation contractors, landscaping contractors, building

contractors, plumbing contractors, electrical contractors, HVAC contractors, concrete or masonry contractor, and other specialty contractors.

F. Home occupations generating hazardous waste or noxious matter.

Subd. 3 Uses Not Permitted. ~~The following uses have a tendency to be too intense or potentially disruptive for home occupations and thereby adversely affect residential areas. The following uses are specifically not permitted as home occupations:~~

- ~~A. Repair services of all kinds including auto repair, appliance repair, and small engine repair.~~
- ~~B. Music, dance, or exercise instruction which provides instruction to groups of more than two individuals at a time.~~
- ~~C. Medical and dental offices.~~
- ~~D. Mortuaries.~~
- ~~E. Kennels.~~
- F. Automobile and equipment sales.

Subd. 5 Performance Standards.

- A. **All Permitted** Home Occupations **and Special Home Occupations** shall comply with the following Performance Standards.
 - 1. No Home occupations shall be conducted in a manner which produces no indication of light, glare, noise, odor, or vibration, smoke, dust, or heat detectable at or beyond the premises that will in any way have an objectionable effect upon adjacent or nearby property.
 - 2. Equipment used in conjunction with a home occupation shall not create electrical interference to surrounding properties.
 - 3. All Home occupations shall comply with the performance criteria or nuisance ordinance Chapter Six of the City Code relating to nuisances.
 - 4. Any Home occupations shall be clearly incidental and subordinate secondary to the principal residential use of the premises property shall should not change the residential character thereof, and shall result in no incompatibility or disturbance to the surrounding residential uses of the neighborhood, be incompatible with surrounding land uses, disturb surrounding residential uses, or be intrusive to surrounding dwellings.

5. **Home occupations shall not require internal or** ~~No exterior structural modifications **or alterations** or **involve construction** features not customarily found in dwellings except where required to comply with local and state fire and police recommendations.~~
6. **Operation of a home occupation shall be limited to the residential dwelling, an attached garage, or an accessory structure.** ~~All home-occupations shall be conducted entirely within the principal dwelling and may not be conducted in accessory buildings. All storage associated with the home-occupation shall occur in the principal dwelling.~~
7. **Home occupation walk-in traffic shall be conducted only between the hours of 6:00 a.m. and 10:00 p.m.** ~~No home-occupation shall be conducted between the hours of 10:00 p.m. and 7:00 a.m. unless said occupation will create no on-street parking demand.~~
8. Only one other person beyond those who customarily reside on the premises shall be employed. **Home occupations shall not occupy or use greater than twenty-five percent (25%) of the combined footprint of structures on the subject parcel. In addition, a home occupation shall not occupy or use greater than twenty-five percent (25%) of the lot area; except that home day care providers may use greater than twenty-five percent (25%) of the lot area for play/recreation purposes.**
9. Only one sign shall be permitted. Such sign shall be a non-illuminated nameplate of not more than one square foot in area, and shall be attached to the entrance of the dwelling. **Signage for home occupations shall be limited to one (1) non-illuminated sign which shall not exceed four (4) square feet in area.**
10. There shall be no storage of equipment used in the home-occupation, except personal automobiles used in the home-occupation may be parked on the site. **Exterior storage of items related to the home occupation is prohibited unless specifically allowed elsewhere within the City Code.**

Parking demands associated with the use shall be accommodated within the accessory garage and the normal driveway area.

No loading or unloading or other outdoor activities, except parking, shall be permitted.
11. No sale of products or merchandise shall occur on the lot or within any buildings on the lot except that merchandise which is stored elsewhere than on the lot may be sold via the electronic medium, provided customers do not come to the home-occupation premises for any part of the transaction. **Home occupations shall not generate excessive employee, customer, or client traffic that is detrimental to the character of the surrounding properties.**

12. Areas used for home occupations shall meet all applicable fire and building codes.
13. A home occupation shall not be established before a dwelling unit exists on the subject property.
14. Home occupations shall be operated and licensed as required by applicable state and/or federal law.

Subd. 6 Permitted Home Occupations.

- A. Permitted home occupations are those home occupations which are not identified as 'Prohibited Home Occupations' under Subd. 4 of this Section or 'Special Home Occupations' under Subd. 7 of this Section as may be amended.
- B. Permitted home occupations require administrative approval by the Zoning Administrator.
- C. Permitted home occupations shall comply at all time with the "Performance Standards" contained in Subd. 5 of this Section as may be amended.

Subd. 7 Special Home Occupations.

- A. Special home occupations require the issuance of an 'Interim Use Permit' as provided for in Section 1210.07 of the City Code as may be amended.
- B. Special home occupations are activities which include any of the following:
 1. Home occupations involving retail or wholesale trade on-site which is conducted by more persons than the occupant of the dwelling unit.
 2. Home occupations providing services on-site which are conducted by more persons than the occupant of the dwelling unit.
 3. Home occupations involving outdoor storage of materials not typically associated with residential dwellings.
 4. Home occupations involving outdoor storage of items of which the dwelling unit occupant is not the fee owner.
 5. Home occupations conducted between the hours of 10:00 p.m. and 6:00 a.m. that generate walk-in traffic.

6. Home occupations involving 'Dangerous Weapons' as defined by Mn. Statutes, provided:
 - i. The Applicant possesses a current federal firearms license.
 - ii. The Applicant provides written evidence of home owners/rental insurance specifying current coverage for proposed home occupation.
 - iii. The applicable federal firearms license and home owners/rental insurance are maintained.
 - iv. Inspection of the facility by the Fire Chief and adherence to conditions as required by said Fire Chief.
 - v. Adherence to conditions imposed under Subd. C of this Section, as may be amended.
7. Home occupations involving the regular, reoccurring delivery or pick-up of materials by commercial vehicles more than one time per week.

C. Right to Impose Conditions for Special Home Occupations.

1. The City Council may impose such conditions on the granting of an interim use permit for a special home occupation as may be necessary to carry out the purpose and provisions of this Section.
2. Such conditions may include, but are not limited to:
 - i. Limiting hours of operation.
 - ii. Limiting the number of vehicles at the site at one time to no more than two (2) vehicles relating to a home occupation.
 - iii. Limiting the amount of vehicles used in conducting the home occupation.
 - iv. Requiring parking be provided on-site and off of the public street.
 - v. Limiting the duration and/or volume of on-street parking.
 - vi. Limiting the number of employees not residing at the premises who are involved in a home occupation to a maximum of two (2) persons.
 - vii. Limiting the volume of traffic generated by the home occupation.

- viii. Limiting the amount of outdoor storage of materials, property other than real estate, chattel, and/or equipment used or stored on-site in conjunction with the home occupation.
- ix. Requiring additional setbacks and/or buffering so as to reduce noise, vibration, smoke, dust, odors, heat, or glare detectable at or beyond the property line resulting from the home occupation.
- x. Limiting the number of customers, guests, and/or clients present at the site in conjunction with the home occupation.
- xi. Limiting the amount of time the Interim Use Permit is in effect to a specific date, time, or event occurrence.
- xii. Requiring inspection by law enforcement, the Building Official, and/or the Fire Chief and adherence to public safety conditions imposed thereby.

Subd. 8 Home Occupations Existing Prior to Effective Date.

- A. Home occupations existing prior to the effective date of this Ordinance (May 11, 2015) that are prohibited under this Ordinance shall be considered legal non-conforming uses and shall be subject Section 1215 of the City Code, as may be amended, relating to non-conformance.

Existing home occupations lawfully existing on the date of this Ordinance may continue as nonconforming uses. Expansion of a nonconforming home occupation is prohibited. Any existing occupation that is discontinued for a period of more than one (1) year, or is in violation of the Ordinance provisions under which it was initially established, shall be brought into conformity with the provisions of this Section.

- B. Home occupations in existence prior to the effective date of this Ordinance (May 11, 2015) that require an Interim Use Permit under the standards of this Ordinance shall be required to obtain as applicable, an Interim Use Permit if/when one of the following occurs:
 - 1. The home occupation ceases for more than one year.
 - 2. The nature of the home occupation changes to a different type of home occupation requiring an interim use permit.
 - 3. The existing home occupation is expanded, enlarged, or intensified as defined in the Zoning Ordinance relating to non-conformance.

C. Home occupations in existence prior to the effective date of this Ordinance (May 11, 2015) that require administrative approval shall be required to obtain said administrative approval if/when one of the following occurs:

1. The home occupation ceases for more than one year.
2. The nature of the home occupation changes to a different type of home occupation.
3. The existing home occupation is expanded, enlarged, or intensified as defined in Section 1215 relating to non-conformance.

Subd. 9 Right of Entry.

The City of Norwood Young America hereby reserves the right to inspect the premises in which the home occupation is being conducted to insure compliance with the provisions of the Section.

The Zoning Administrator or designee, whenever necessary to make an inspection to enforce this Chapter, may enter such building or premises at all reasonable times to inspect. If the building or premises is occupied, the Zoning Administrator or designee shall first attempt request an appointment to inspect the premises in a reasonable fashion. Prior to entering the premises the Zoning Administrator or designee shall present proper credentials and request entry. If a building or premises is unoccupied, the Zoning Administrator or designee shall make a reasonable effort to locate the owner or other persons having charge or control of the building or premises and request entry. If requested entry is refused, the Zoning Administrator or designee shall have recourse to every remedy provided under Chapter 1 or Chapter 2 of the City Code so as to secure entry.

II. EFFECTIVE DATE: THIS ORDINANCE IS EFFECTIVE UPON ITS ADOPTION AND PUBLICATION AS PRESCRIBED BY LAW.

Adopted by the City of Norwood Young America on the 22nd day of June, 2015.

Tina Diedrick, Mayor

Attest:

Diane Frauendienst, City Clerk-Treasurer

Alternative Ordinance

CITY OF NORWOOD YOUNG AMERICA ORDINANCE NO. █

AN ORDINANCE REPEALING AND REPLACING SECTION 1245.09 OF THE CITY CODE RELATING TO HOME OCCUPATIONS.

- I. THE CITY COUNCIL OF THE CITY OF NORWOOD YOUNG AMERICA, MINNESOTA TO PROMOTE THE PUBLIC SAFETY, HEALTH, AND WELFARE, HEREBY ORDAINS CHAPTER 12, SECTION 1245.09 OF THE CITY CODE SHALL BE REPEALED AND THE REPLACED WITH THE FOLLOWING:

1245.09 Home Occupations

Subd 1 In General

Home Occupations may be permitted in any district where they do not jeopardize the health, safety and general welfare of the surrounding neighborhood. All home occupations conducted in the home shall comply with the provisions of this Section. This Section shall not be construed, however, to apply to home occupations accessory to farming.

Subd. 2 Purpose and Intent

- A. The purpose of this Section is to provide for the conducting of home occupations while protecting the health, safety, and general welfare of the surrounding neighborhood.

Subd. 3 Scope

- A. All occupations conducted in a dwelling unit or on the premises of a principal residential use shall comply with the provisions of this Section, the provisions of the district in which it is located, and all other Sections of the City Code.
- B. Home occupations are defined as and limited to all of the following:

- a. Gainful occupations or professions engaged in by the occupant(s) of a dwelling;
- b. Which are carried on within a dwelling unit or structure(s) accessory thereto; and,
- c. Which are clearly incidental to the principal use of the property as a residential dwelling unit.
- d. Home occupations existing on the effective date of this Ordinance are considered legal non-conforming uses and shall be allowed to continue. In the event an expansion, enlargement, or intensification of an existing home occupation is contemplated, the standards of this Section shall be applied.
- e. Nothing in this Section is intended to prohibit or regulate non-commercial activities in residential neighborhoods.

Subd. 4 Prohibited Home Occupations

The following uses have a tendency to be too intense or potentially disruptive for home occupations and thereby adversely affect residential areas. The following uses are specifically not permitted as home occupations:

- A. Repair services of all kinds including auto repair, appliance repair and small engine repair.
- B. Music, dance or exercise instruction which provides instruction to groups of more than three individuals at a time.
- C. Medical and dental offices
- D. Mortuaries
- E. Automobile and equipment sales.
- F. Kennels.

- G. Home occupations involving illegal substances, illegal devices, and/or unlawful activities are prohibited.
- H. Home occupations involving sexually oriented materials and/or activities as defined by Mn. Statutes as may be amended are prohibited.
- I. Home occupations involving outdoor storage of items of which the dwelling unit occupant is not the owner.

Subd. 5 Home Occupations Requirements and Performance Standards

Home occupations shall comply with all of the following requirements:

- A. Home occupations shall be clearly incidental and subordinate to the principal residential use of the property.
- B. Home occupations shall not change the residential character of the neighborhood, be incompatible with surrounding land uses, disturb surrounding residential uses, or be intrusive to surrounding dwellings.
- C. A home occupation shall not be established before a dwelling unit exists on the subject property.
- D. Home occupations shall be conducted in a manner which produces no indication of noise, vibration, smoke, dust, odors, heat, or glare detectable at or beyond the property line.
- E. No equipment shall be used in the home occupation which will create electrical interference to surrounding properties.
- F. Home occupations shall comply with the Chapter Six of the City Code relating to nuisances.
- G. No exterior structural modifications or features not customarily found in dwellings shall be permitted except where required to comply with local and state fire and building codes.

- H. Operation of a home occupation shall be limited to the residential dwelling, an attached garage, or an accessory structure.
- I. Home occupation walk-in traffic shall be conducted only between the hours of 6:00 a.m. and 10:00 p.m.
- J. Only two other persons shall be employed and present on site beyond those who customarily reside on the premises
- K. Signage for home occupations shall be limited to one (1) non-illuminated sign which shall not exceed four (4) square feet in area and shall be attached to the entrance of the dwelling.
- L. There shall be **no outdoor storage of materials** used in the home occupation, except personal automobiles and trailered equipment used in the home occupation may be parked on the site.
- M. Parking demands associated with the home occupation shall be accommodated within the accessory garage and the normal driveway area.
- N. The home occupation shall meet all applicable fire and building codes.
- O. Home occupations shall be operated and licensed as required by applicable state and/or federal law.
- P. Home occupations shall not generate excessive employee, customer, or client traffic that is detrimental to the character of the surrounding properties.

Subd. 6 Nonconforming Use

Home occupations existing on the effective date of this Ordinance are considered legal non-conforming uses and shall be subject Section 1215 of the City Code, as may be amended, relating to non-conformance. In the

event an expansion, enlargement, or intensification of an existing home occupation is contemplated, the standards of this Section shall be applied.

Subd. 7 Inspection

The City of Norwood Young America hereby reserves the right to inspect the premises in which the home occupation is being conducted to insure compliance with the provisions of this section.

II. EFFECTIVE DATE: THIS ORDINANCE IS EFFECTIVE UPON ITS ADOPTION AND PUBLICATION AS PRESCRIBED BY LAW.

Adopted by the City of Norwood Young America on the ___ day of _____, 2015.

Attest:

Tina Diedrick, Mayor

Steven Helget, City Administrator

Adopted:

Published:



June 16, 2015

City of Norwood Young America
Steven Helget, City Administrator
310 Elm Street West, P.O. Box 59
Norwood Young America

Re: Proposed Amendment to the Home Occupations Ordinance

Dear Mr. Helget:

I have read the above referenced document as introduced at the April 2015 Planning Commission meeting. I have also read the attached document that may be considered by the City Council on Monday June 22nd as an alternate amendment to the Home Occupations Ordinance. As a local business person who works with other businesses located in town, from home occupations to larger commercial operations, I would like to volunteer my opinion for consideration during Council discussions.

The content of the attached alternate document is similar in most all respects. The major difference is limited to the content that is missing from the alternate document. I feel the lack of the requirement for administrative approval by the Zoning Administrator for permitted home occupations is a distinct advantage in the alternate document. If a home occupation is allowed by the Ordinance, and not a prohibited home occupation under the ordinance, why require administrative approval? The ordinance in and of itself has addressed the home occupation.

Second, the inclusion of the sections regarding Special Home Occupations via the issuance of an Interim Use Permit appear very problematic as most all the activities stated are in direct conflict with the performance standards cited in the same ordinance.

I feel the attached ordinance best addresses the interests of the City, its' residents, and small business people. Thank you for your time and attention to this matter.

Best of regards,

Perry Forst
President / CEO



**City of Norwood Young America
Summary of Ordinance 262
Amending City Code Chapter 12, Zoning**

The City Council of the City of Norwood Young America has adopted Ordinance 262; thereby amending the text of Chapter 12, Zoning. The following is a summary of the adopted ordinance:

The purpose of the ordinance is to provide for permitted, prohibited, and special home occupations. Permitted home occupations are allowed provided the City is notified of the intent to operate a permitted home occupation. The ordinance also will require special home occupations to obtain an interim use permit. The interim use permit will allow for input from neighboring property owners prior to establishment of the special home occupation.

Effective Date: This ordinance becomes effective upon its adoption and publication according to Minnesota law. The ordinance was adopted unanimously by the City Council on June 22, 2015.

A copy of the complete ordinance is available for review at the Norwood Young America City Offices, located at 310 Elm St W. If you have any questions, please contact the City at (952) 467-1800.



DATE: June 17, 2015
MEMO TO: Mayor Diedrick, Members of the City Council and Administrator Helget
FROM: Jo Foust, Economic Development Consultant
RE: Revolving Loan Fund Request

.....
Action:

The City Council is asked to take action on a recommendation from the EDC to approve a loan participation to 180 Collision, LLC. in the amount of \$5000. Enclosed is a resolution for the Council's consideration.

Background:

180 Collision, LLC. is proposing to locate their new auto body repair and paint service business at 180 Industrial Boulevard in Norwood Young America. The company is planning to lease the building, which is currently owned by Citizen State Bank. The company hopes to purchase the building in the future. The proposed use is permitted within the zoning district.

The applicants, Jamie and Melissa Schlechter have been working with Lee Hall at the MCCD for over a year to establish a business plan, financial projections, etc. Jamie brings 20+ years of auto body experience to the company. Melissa will continue with her current employer.

The EDC has been asked to participate with a \$5,000 loan from its fund. The MCCD will provide \$25,000 in funding. Funds will be used for build-out and equipment. Proposed terms for the loan are a 60 month amortization with a 3 year balloon at a 7.25% interest rate. Collateral is proposed to be tools and a vehicle. One job will be created.

The MCCD has approved the loan. They will administer the loan on behalf of the EDC and serve as the lead lender. The EDC will not receive a loan fee, but will collect principal and interest payments on the loan.

Recommendation:

The EDC Finance Committee met on June 10th and reviewed financial projections, the business and marketing plan and loan analysis, with Lee Hall of MCCD. The Committee unanimously recommended approval with conditions.

The EDC met on June 16, 2015 and concurred with their Finance Committee and unanimously recommended approval contingent upon (1) submittal of a current balance

sheet (within 90 days (2) collateral including not only tools of the trade but also a vehicle(s), and (3) verification that tax liabilities have been paid.

Requested Action:

The City Council is asked to take action on the enclosed resolution approving a Loan to 180 Collision, LLC.

We would also like to welcome Jamie and Melissa Schlechter to Norwood Young America and thank them for selecting our community for their new business 180 Collision, LLC.!

RESOLUTION 2015-15

RESOLUTION APPROVING TERMS OF LOAN TO 180 COLISSION, LLC. UTILIZING THE EDC'S REVOLVING LOAN FUND PROGRAM AND AUTHORIZING EXECUTION OF LOAN DOCUMENTS

WHEREAS, the City Council has authorized the Norwood Young America Economic Development Commission (the "EDC") to administer the a Revolving Loan Fund; and

WHEREAS, the City Council has approved an agreement with the Metropolitan Consortium of Community Developers (MCCD) for partnering and administration of Revolving Loan funds; and

WHEREAS, Jamie Schlechter and Melissa Schlechter, husband and wife, doing business as "180 Collision, LLC." (the "Borrower"), have submitted a loan application requesting financial assistance in the amount of \$30,000, the MCCD is to serve as the lead lender and the EDC to participate with a loan of \$5,000 from the EDC's Revolving Loan Fund program, with funds to be utilized for build out of the building located at 180 Industrial Boulevard and business equipment, (the "Project") for an auto body repair shop and painting, at 180 Industrial Boulevard, Norwood Young America; and

WHEREAS, at its meeting held on June 16, 2015, the EDC conditionally approved the terms of the Revolving Loan to be provided to the Borrower, recommending receipt of a current balance sheet, verification that taxes payments are current and collateral include tools and a vehicle; and

WHEREAS, the Revolving Loan is to be made from the EDC's Revolving Loan Fund Program in the amount of \$5,000 at an interest rate of 7.25%. The Revolving Loan will be amortized over sixty months, with a three (3) year balloon. The Revolving Loan will be secured by a Promissory Note executed by the Borrower and a Mortgage executed by the Borrower; and

WHEREAS, the MCCD has approved the loan and will facilitate the Loan Agreement, Mortgage, and Promissory Note on behalf of the EDC for the Revolving Loan (the "Revolving Loan Documents")

NOW THEREFORE, BE IT RESOLVED, that the City Council of the City of Norwood Young America, Carver County, Minnesota hereby approves the loan to Jamie Schlechter and Melissa Schlechter as proposed and recommended by the EDC, and the City Council hereby authorizes the President and Secretary of the EDC to review and execute the Revolving Loan Fund documents.

Adopted by the City Council this 22nd day of June 2015.

CITY OF NORWOOD YOUNG AMERICA

Tina Diedrick, Mayor

ATTEST:

Diane Frauendienst
City Clerk-Treasurer



TO: Honorable Mayor Diedrick and City Council Members
FROM: Steve Helget, City Administrator
DATE: June 22, 2015
SUBJECT: Willkommen Park – Old Town Buildings Forensic Evaluation Proposal

The Parks & Recreation Commission at their June 16th regular meeting reviewed and considered a proposal from Encompass to conduct a forensic evaluation of the Old Town buildings located in Willkommen Park (see enclosure). Encompass will perform an investigation on the existing buildings and determine the sources of moisture intrusion into the buildings. They will prepare a summary of their findings and provide an opinion of the cost to repair the identified deficiencies. Their proposal to complete the investigation is \$3,200.

The Parks & Recreation Commission recommends accepting Encompass' proposal and utilizing the Park Dedication Fund to pay for the investigation.

Suggested Motion:

Motion to accept Encompass' proposal to complete a forensic evaluation of the Old Town buildings located in Willkommen Park.



June 9, 2015

Steve Helget
City Administrator
City of Norwood Young America
P.O. Box 59
310 Elm Street West
Norwood Young America, MN 55368
cityadmin@cityofnya.com

Re: **Professional Services Proposal - Forensic Evaluation**
Old Town In The Park
21 Main Street East
Norwood Young America, MN 55368

Dear Steve:

At your request, we are presenting to you our proposal to provide professional services relating to performing a forensic investigation of the Old Town in The Park Building located in Norwood Young America.

SCOPE OF SERVICES

Encompass, Inc. proposes to provide the following services.

1.0 Investigation & Documentation

The investigation will include documentation of existing conditions to assess and analyze reported sources of moisture intrusion. Photographs and other necessary investigative tools will be utilized to document the conditions. Our investigation will be led by a licensed, professional engineer and will include:

1.1 Building Condition Documentation

- 1.1.1 Conduct an evaluation of reported moisture intrusion, of particular interest will be locations at wall bases relative to existing flashings and waterproofing, window and door openings, roof/wall intersections, and grading at the building perimeter.

14850 Martin Drive
Eden Prairie, Minnesota 55344
952-854-4511

- 1.1.2 If deemed necessary to our investigation, perform 1-2 invasive openings into the stucco facade to determine construction configurations. The openings will be made and temporarily repaired by Encompass personnel.

1.2 Summary Report

- 1.2.1 Prepare a summary of findings from the investigation, including conclusions relative to causes of distress and general recommendations for repair.
- 1.2.2 Provide opinion of cost for repair of identified deficiencies. Where possible Encompass will identify multiple repair options.

COST OF ENGINEERING SERVICES

The cost of the professional engineering services required for the forensic evaluation of the Old Town in the Park building located in Norwood Young America, Minnesota, is **\$3,200**.

BASIS OF PAYMENT

Basis of payment for the services outlined above shall be per hour of service rendered at the hourly rate indicated below. In addition to hourly service, all direct project expenses shall be billed at cost plus 15% administrative expense. Expenses could include, but are not limited to, cost of printing and reproduction of documents and automobile mileage at the rate of \$0.575 per mile. Hourly rates for professional services, by classification, are:

1. Principal Engineer	\$190.00
2. Senior Project Engineer	\$175.00
3. Project Engineer	\$165.00
4. Technician	\$135.00

Invoicing for professional engineering services will be made monthly. Payment is due when the invoice is received.

MINNESOTA STATUTORY LIEN NOTICE

- A. Any person or company supplying labor or materials for this improvement to your property may file a lien against your property if that person or company is not paid for the contributions.
- B. Under Minnesota law, you have the right to pay persons who supplied labor or materials for this improvement directly and deduct this amount from our contract price, or withhold the amounts due them from us until 120 days after completion of the improvement unless we give you a lien waiver signed by persons who supplied any labor or material for the improvement and who gave you timely notice.

MOLD DISCLAIMER

Evaluation and/or abatement of any fungal growth is outside the scope of our proposed services.

WARRANTY

Encompass will perform its services in a manner consistent with the level of care and skill ordinarily exercised by members of the profession currently practicing under similar conditions in the same locale.

CONSEQUENTIAL DAMAGES

Neither party shall be liable to the other for loss of profits or revenue; loss of use or opportunity; loss of good will; cost of substitute facilities, goods, or services; cost of capital; or for any special, consequential, indirect, punitive, or exemplary damages.

CONTRACTOR'S RESPONSIBILITIES

Encompass shall not be responsible for the contractor's means, methods, techniques, sequences, or procedures, or for safety precautions or programs in connection with the contractor's work, nor shall Encompass be responsible for the contractor's failure to carry out the work in accordance with the contract documents or for the contractor's failure to comply with applicable laws, ordinances, rules, or regulations. Neither the services of Encompass, nor the presence of Encompass at the construction/Project site, shall relieve the contractor of any of its responsibilities or duties to perform the work in strict accordance with the contract documents and to comply with all health and safety precautions required by any regulatory agency.

ENTIRE AGREEMENT

Upon Client's acceptance, this Proposal represents and contains the entire agreement and understanding between Encompass and the Client with respect to the subject matter of this Proposal and supersedes any and all prior oral and written agreements and understandings.

MODIFICATIONS

The accepted Proposal may be modified only by a written instrument executed by both parties. During the investigation, should the scope of the initial proposal require modification, you will be notified.

Thank you for the opportunity to present this proposal. We will be pleased to review the scope of this proposal with you at your convenience. If this proposal meets with your approval, please indicate your acceptance by signing below and returning one copy to Encompass, Inc. Upon receipt of your acceptance, we will schedule the project and coordinate commencement of the investigation with you. Should you have any questions, please call.

Respectfully submitted,
ENCOMPASS, INC.



Mark Blazevic, P.E.
Senior Project Engineer



*ENCOMPASS, INC.
PROPOSAL ACCEPTANCE*

**OLD TOWN IN THE PARK BUILDING
CITY OF NORWOOD YOUNG AMERICA
FORENSIC STRUCTURAL EVALUATION
PROFESSIONAL ENGINEERING SERVICES
PROPOSAL DATED: JUNE 9, 2015**

We accept the scope, terms and conditions of this proposal as stated herein.

City of Norwood Young America

Steve Helget
City Administrator

Date: _____