

COUNCIL PROCEEDINGS

Tuesday, May 6, 2025

CALL TO ORDER

This meeting is officially called to order at 5:30 pm on May 6, 2025. This meeting is being presided over by Mayor Mike Lorenson.

PLEDGE OF ALLEGIANCE

ROLL CALL

The following Councilmembers were present: Lorenson, McCraw, Arlt, Aarestad, Pream, Bolduc, Langness and Narverud. Mayor Lorenson chaired the meeting.

PUBLIC HEARING

RESOLUTION NO. : TIF District (Rebecca Kurtz)

Richard Baker and Rebecca Kurts (Ehlers) discussed the TIF 1-16 District.

Mike Hron and Andrew Duchesneau discussed the rezoning project.

Several community members spoke during the public hearing in regards to the rezoning project to voice their concerns and requested the Council to consider a different location for the apartment complex.

After discussion, the public hearing was closed at 6:30 pm.

PUBLIC FORUM

PRESENTATIONS/PROCLAMATIONS/PUBLIC INFORMATION ANNOUNCEMENTS

RESOLUTION NO. : Child Care Provider Appreciation Day (PAD) May 9, 2025 Proclamation

Lorenson read aloud the proclamation. No one was in attendance to receive the certificate.

RESOLUTION NO. : Nordic Fest 2025 Proclamation

Lorenson read aloud the proclamation. No one was in attendance to receive the certificate.

APPROVE AGENDA

Councilmember Aarestad motioned being seconded by Councilmember Pream to approve the agenda with the additional of addendum item 9.4.

On vote being taken, the resolution was unanimously passed.

CONSENT AGENDA

RESOLUTION NO. : Approval of April 15, 2025 Council Proceedings

Presented as part of the Consent Agenda, Councilmember Steve Narverud introduced RESOLUTION, being seconded by Councilmember Kelly Langness , that:

THEREFORE, BE IT RESOLVED by the City Council, to approve the April 15, 2025 Council proceedings.

On vote being taken, the resolution was unanimously passed.

RESOLUTION NO. : City of Thief River Falls Bills, Disbursements and Council Per Diem

Presented as part of the Consent Agenda, Councilmember Steve Narverud introduced RESOLUTION, being seconded by Councilmember Kelly Langness , that:

THEREFORE, BE IT RESOLVED by the City Council, to authorize payment of bills and disbursements in the total amount of \$2,670,699.14 and Council per diems. in the total amount of \$1212.50. A printout of the approved payments and disbursements are attached hereto and made a part hereof.

On vote being taken, the resolution was unanimously passed.

NEW BUSINESS

RESOLUTION NO. : First Reading to Amend Comprehensive Plan

Councilmember Steve Narverud motioned, being seconded by Councilmember Jason Aarestad to call for the first reading to amend Comprehensive Plan:

WHEREAS, Per State Statute 462.355, Subd. 2 Procedure to adopt, amend. "... Before adopting the comprehensive municipal plan or any section or amendment of the plan, the planning agency shall hold at least one public hearing thereon. A notice of the time, place and purpose of the hearing shall be published once in the official newspaper of the municipality at least ten days before the day of the hearing."

A Public Hearing to amend the Comprehensive Plan was held at a Special Meeting of the Planning Commission on April 30, 2025, at 5:00 pm.

This is a required procedural process to ensure that the proposed zoning change for this parcel matches with the City's Land Use Plan. The Proposed Land Use Plan adopted in 2019 shows the proposed use of the parcel as Medium-High Density Residential. Amending this Land Use Plan in the 2019 Comp Plan to High Density Residential would allow for the rezoning of the parcel to an (R-4) Multi-family Residential District. For the property to be rezoned, the proposed zoning classification must match the proposed land use designated in the comprehensive plan. The city's zoning regulations reference certain aspects of the comprehensive plan for compatibility.

The legal description of this parcel is as follows:

CERTIFICATE OF SURVEY

**PART OF LOTS 18, 19, & 20, BLOCK 3, OAK HAVEN SUBDIVISION;
PART OF THE NW1/4 OF SEC. 9, T. 153 N., R. 43 W. OF THE
5TH PRINCIPAL MERIDIAN, PENNINGTON COUNTY, MN**

PROPOSED LEGAL DESCRIPTION

That part of Lots 18, 19, and 20, Block 3, Oak Haven Subdivision; and that part of the Northwest Quarter of Section 9, Township 153 North, Range 43 West of the Fifth Principal Meridian, all in Pennington County, Minnesota, described as follows: Commencing at the northwest corner of said Northwest Quarter; thence North 88 degrees 40 minutes 08 seconds East, assumed bearing, along the north line of said Northwest Quarter, a distance of 1493.49 feet, more or less, to the northerly extension of the easterly right of way line of Sanford Parkway; thence South 01 degree 20 minutes 00 seconds East 33.00 feet to the point of beginning; thence North 88 degrees 40 minutes 08 seconds East 403.71 feet, more or less, to the west line of said Oak Haven Subdivision; thence South 01 degree 19 minutes 47 seconds East, along said west line, a distance of 194.75 feet; thence South 88 degrees 40 minutes 13 seconds West, along said west line, a distance of 53.91 feet; thence South 02 degrees 15 minutes 53 seconds West, along said west line, a distance of 60.12 feet, more or less, to the northwest corner of said Lot 20; thence North 88 degrees 40 minutes 13 seconds East, along the north line of said Lot 20, a distance of 150.00 feet, more or less, to the northeast corner of said Lot 20; thence South 02 degrees 15 minutes 53 seconds West, along the east line of said Block 3, a distance of 192.45 feet; thence on a tangential curve, along the east line of said Block 3, being concave to the east and having a radius of 270.00 feet, a delta of 19 degrees 16 minutes 53 seconds, and an arc length of 90.86 feet; thence South 88 degrees 40 minutes 13 seconds West 385.40 feet, more or less, to the easterly right of way line of Sanford Parkway; thence North 21 degrees 19 minutes 55 seconds West, along the easterly right of way line of Sanford Parkway, a distance of 233.10 feet; thence on a tangential curve, along the easterly right of way line of Sanford Parkway, being concave to the northeast and having a radius of 470.00 feet, a delta of 19 degrees 59 minutes 55 seconds, and an arc length of 164.05 feet; thence North 01 degree 20 minutes 00 seconds, along the easterly right of way line of Sanford Parkway, a distance of 156.96 feet, more or less, to the point of beginning. The above-described parcel contains 5.07 acres, more or less, and is subject to any easements, restrictions, or reservations of record, if any.

WHEREAS, • The City may not rezone the subject property without first amending its comprehensive plan.

- Except for amendments to permit affordable housing development, a resolution to amend or adopt a comprehensive plan must be approved by a two-thirds vote of all of the members. Amendments to permit an affordable housing development are approved by a simple majority of all of the members. For purposes of this subdivision, "affordable housing development" means a development in which at least 20 percent of the residential units are restricted to occupancy for at least ten years by residents whose household income at the time of initial occupancy does not exceed 60 percent of area

median income, adjusted for household size, as determined by the United States Department of Housing and Urban Development, and with respect to rental units, the rents for affordable units do not exceed 30 percent of 60 percent of area median income, adjusted for household size, as determined annually by the United States Department of Housing and Urban Development.

THEREFORE, BE IT RESOLVED Approve the first reading to amend the Comprehensive Plan for the 5.07 acres, more or less, that is being proposed for the Edge multi-family housing development from a Medium-High Density Residential designation to a High-Density Residential designation. This action will be contingent upon the rezoning approval.

On vote being taken, the resolution passed. Aye votes: Aarestad, Langness, Lorenson, McCraw, Narvedrud. Nay votes: Bolduc, Arlt, Pream.

RESOLUTION NO. : First Reading to Rezone Edge Parcel from AG to R-4

Councilmember Steve Narverud motioned, being seconded by Councilmember Jason Aarestad to call for the first reading to Rezone Edge Parcel from AG to R-4:

WHEREAS, The City of Thief River Falls' 2024 Housing Study showed a housing need for 110 to 121 housing units per year; 26 to 30 of those units each year being market rate and affordable rental housing. The proposed 65-unit apartment building would be market rate. This is a private development with corporate sponsorship and a request for tax increment financing. The 2019 update to the Comp. Plan calls for medium-high density residential in that area. But, with the building of the bridge across the river on Mark Blvd. and the designation as a truck bypass route for Hwy. 59, the character of the area has changed, and it is less desirable to locate lower density housing along Mark Blvd. Also, with commercial property directly across Sanford Parkway to the west, multi-family housing is traditionally used as a buffer between commercial and low-density single-family homes.

The legal description of this parcel is as follows:

CERTIFICATE OF SURVEY

PART OF LOTS 18, 19, & 20, BLOCK 3, OAK HAVEN SUBDIVISION;
PART OF THE NW1/4 OF SEC. 9, T. 153 N., R. 43 W. OF THE
5TH PRINCIPAL MERIDIAN, PENNINGTON COUNTY, MN

PROPOSED LEGAL DESCRIPTION

That part of Lots 18, 19, and 20, Block 3, Oak Haven Subdivision; and that part of the Northwest Quarter of Section 9, Township 153 North, Range 43 West of the Fifth Principal Meridian, all in Pennington County, Minnesota, described as follows:
Commencing at the northwest corner of said Northwest Quarter; thence North 88 degrees 40 minutes 08 seconds East, assumed bearing, along the north line of said Northwest Quarter, a distance of 1493.49 feet, more or less, to the northerly extension of the easterly right of way line of Sanford Parkway; thence South 01 degree 20 minutes 00 seconds East 33.00 feet to the point of beginning; thence North 88 degrees 40 minutes

08 seconds East 403.71 feet, more or less, to the west line of said Oak Haven Subdivision; thence South 01 degree 19 minutes 47 seconds East, along said west line, a distance of 194.75 feet; thence South 88 degrees 40 minutes 13 seconds West, along said west line, a distance of 53.91 feet; thence South 02 degrees 15 minutes 53 seconds West, along said west line, a distance of 60.12 feet, more or less, to the northwest corner of said Lot 20; thence North 88 degrees 40 minutes 13 seconds East, along the north line of said Lot 20, a distance of 150.00 feet, more or less, to the northeast corner of said Lot 20; thence South 02 degrees 15 minutes 53 seconds West, along the east line of said Block 3, a distance of 192.45 feet; thence on a tangential curve, along the east line of said Block 3, being concave to the east and having a radius of 270.00 feet, a delta of 19 degrees 16 minutes 53 seconds, and an arc length of 90.86 feet; thence South 88 degrees 40 minutes 13 seconds West 385.40 feet, more or less, to the easterly right of way line of Sanford Parkway; thence North 21 degrees 19 minutes 55 seconds West, along the easterly right of way line of Sanford Parkway, a distance of 233.10 feet; thence on a tangential curve, along the easterly right of way line of Sanford Parkway, being concave to the northeast and having a radius of 470.00 feet, a delta of 19 degrees 59 minutes 55 seconds, and an arc length of 164.05 feet; thence North 01 degree 20 minutes 00 seconds, along the easterly right of way line of Sanford Parkway, a distance of 156.96 feet, more or less, to the point of beginning. The above-described parcel contains 5.07 acres, more or less, and is subject to any easements, restrictions, or reservations of record, if any.

WHEREAS, • Thief River Falls needs housing. Our 0.3% vacancy rate is well below a normal rate of 5 percent.

- Our Housing Study shows a need of 26-30 market rate and affordable rental housing per year until 2035 and an overall housing need of 110 to 121 housing units per year.
- Without housing, we cannot continue to grow our population. We need continued population growth to supply the much-needed workforce to our employers.
- The lack of workforce is hampering the continued growth of our local businesses and stifling any expansion plans.
- Growth in population to a minimum of 10,000 population is needed for many potential national retailers/restaurants to consider a location in Thief River Falls; amenities that many residents are asking for.
- The new bridge on Mark Blvd across the river allowing Mark Blvd to connect to the east side and the designation of that road as the Hwy. 59 bypass road has changed the character of the area making that location along Mark Blvd less desirable for single family housing.
- There are C-2 Commercial zoned properties across Sanford Parkway to the west. Multi-family housing is a good transition to use as a buffer between commercial and single-family homes.

THEREFORE, BE IT RESOLVED approve the first reading for the rezoning application from Edge Housing, LLC, 7539 Front Street NW, Walker, MN 58484, for the rezoning of Part of lots 18, 19, & 20, Block 3, Oak Haven Subdivision, Part of the NW1/4 of Sec. 9. T. 153 N., R. 43 W. of the 5th Principal Meridian, Pennington County, MN. Said parcel, currently owned by Sanford Medical Center, consists of approximately 5.07 acres, and has been assigned a postal address of 1926 Sanford Parkway. Edge Housing LLC is requesting that the property be rezoned from Agricultural District (AG) to (R-4)

Multi-family Residential District for the purpose of constructing a three-story 65-unit apartment building.

On vote being taken, the resolution passed. Aye votes: Aarestad, Narverud, Lorenson, McCraw, Langeness. Nay votes: Bolduc, Arlt, Pream.

RESOLUTION NO. : Interfund Loan Resolution

Following discussion, Councilmember Steve Narverud introduced Resolution, being seconded by Councilmember Jason Aarestad, that:

WHEREAS, While it is anticipated that the developer will pay all costs and a pay-as-you-go note will be provided to the developer, it is recommended that the Council adopt an
interfund loan resolution to provide the ability for the City to use tax increment to pay for any expenses that the City incurs. This does not obligate the City to incur expenses; however, it provides the ability to use TIF to pay for expenses, if they are incurred.

- The City intends to establish Tax Increment Financing District No. 1-16: The Edge (an economic development “workforce housing” tax increment financing district) (the “TIF District”) within Development District No. 1 (the “Project Area”) and intends to adopt a Tax Increment Financing Plan (the “TIF Plan”) for the purpose of financing certain improvements within the Project Area.
- The City has determined to pay for certain costs identified in the TIF Plan consisting of land/building acquisition, site improvements/preparation, public utilities, public parking facilities, other qualifying improvements, interest and administrative costs (collectively, the “Qualified Costs”), which costs may be financed on a temporary basis from City funds available for such purposes.
- Under Minnesota Statutes, Section 469.178, Subd. 7, the City is authorized to advance or loan money from the City’s general fund or any other fund from which such advances may be legally authorized, in order to finance the Qualified Costs.
- The City intends to reimburse itself for the Qualified Costs from tax increments derived from the TIF District in accordance with the terms of this resolution (which terms are referred to collectively as the “Interfund Loan”).

WHEREAS, • This Interfund Loan is evidence of an internal borrowing by the City in accordance with Minnesota Statutes, Section 469.178, Subd. 7, and is a limited obligation payable solely from Available Tax Increment pledged to the payment hereof under this resolution. This Interfund Loan and the interest hereon shall not be deemed to constitute a general obligation of the State of Minnesota or any political subdivision thereof, including, without limitation, the City. Neither the State of Minnesota, nor any political subdivision thereof shall be obligated to pay the principal of or interest on this Interfund Loan or other costs incident hereto except out of Available Tax Increment, and neither the full faith and credit nor the taxing power of the State of Minnesota or any political subdivision thereof is pledged to the payment of the principal of or interest on this Interfund Loan or other costs incident hereto. The City shall have no obligation to pay any principal amount of the Interfund Loan or accrued interest thereon, which may remain unpaid after the final Payment Date.

- The City may amend the terms of this Interfund Loan at any time by resolution of the

Council, including a determination to forgive the outstanding principal amount and accrued interest to the extent permissible under law.

THEREFORE, BE IT RESOLVED Approve authorizing an interfund loan for advance of up to \$100,000 from the General Fund for certain qualified costs in connection with tax increment financing District No. 1-16; the Edge within Development District No. 1 and adopt the attached resolution.

On vote being taken, the resolution passed. Aye votes: Aarestad, McCraw, Lorenson, Langess, Narverud. Nay Votes: Bolduc, Arlt, Pream.

RESOLUTION NO. : Approve On-Sale Intoxicating Liquor License App for VFW Post 2793 for parking lot outside band June 7, 2025

Following discussion, Councilmember Michele McCraw introduced Resolution, being seconded by Councilmember Julie Bolduc, that:

THEREFORE, BE IT RESOLVED, to approve the On-sale intoxicating liquor license app for VFW Post 2793 for a parking lot outside band June 7, 2025.

On vote being taken, the resolution was unanimously passed with the additional of fencing to the location map.

COUNCIL BOARDS AND COMMISSIONS REPORTS

- Lorenson noted Spring Clean-Up Day went well. There were 33 roll-offs containers filled (last year 25)
- Narverud reminded residents Les's Sanitation takes paint year-round at no charge. Tires are also accepted anytime

UPCOMING MEETINGS

RESOLUTION NO. : Public Utilities Committee Meeting - Monday, May 12 at 7 am, Room 101

Public Safety/Liquor Committee Meeting - Monday, May 12 at 4:30 pm, Room 101

Administrative Committee Meeting - Tuesday, May 13 at 4:30 pm, Room 101

Public Works Committee Meeting - Wednesday, May 14 at 4:30 pm, Room 101

City Council Meeting - Tuesday, May 20 at 5:30 pm, Council Chambers

INFORMATIONAL ITEMS

RESOLUTION NO. : City Hall Summer Hours: Memorial Day - Labor Day

- M-Th 7am-4:30pm
- F 7am -12 noon-

RESOLUTION NO. : Walk, Bike, Roll to School Day - May 7, 2025

RESOLUTION NO. : Mayor Update

Mike noted he will be on Open Line on Thursday, May 22.

ADJOURNMENT

There being no further discussion, Councilmember Scott Pream motioned being seconded by Councilmember Kelly Langness to adjourn at 7:03 pm. On vote being taken, the Chair declared the motion unanimously carried.

Mayor, Mike Lorenson

Attest: City Administrator, Angela Philipp