

MEDINA CITY COUNCIL MEETING MINUTES OF MARCH 16, 2004

The City Council of Medina, Minnesota met in regular session on March 16, 2004 at 7:33 p.m. in the City Hall Chambers. Mayor Zietlow presided.

I. ROLL CALL

Members present: Workman, Lane (arrived at 7:36 p.m.), Zietlow, and Smith.

Members absent: Brinkman.

Also present: City Attorney Ron Batty, City Engineer Tom Kellogg, City Administrator Chad Adams, Police Chief Ed Belland, and Recording Secretary Liza Weniger.

II. PLEDGE OF ALLEGIANCE

III. ADDITIONS TO THE AGENDA

It was requested to add Item "TIF Education and Concept Plans" to section REPORTS.

*Moved by Workman, seconded by Smith, to approve the agenda as amended. **Motion passed unanimously. (Lane Absent)***

IV. APPROVAL

A. Approval of the March 3, 2004 Regular City Council Meeting Minutes

It was noted on page 1, under the section Additions to the Agenda, an item should have been added that stated: "Approve to Publish by Title and Summary under Ordinance 364."

It was noted on page 2, the last paragraph on the page, first line should state: "he has asked the City of Independence's Park Commission to take the for the opportunity..."

It was noted on page 2, the last paragraph on the page, third line should state: "...familiarize them with the Minnehaha Creek river's watershed..."

It was noted on page 4, the second paragraph, it should state: "items would delay the issuance acquisition of the...."

It was noted on page 5, the second to the last paragraph, should state: "...she will call City of Medina Minnetrista resident, Chriss Renier,"

It was noted on page 7, the first line of the page, should state: "...will meet March 9, 2004. Smith stated that the Park Commission will meet March 17, 2004."

It was noted on page 9, the third to the last paragraph, a line should have been added that states: "...day extension. Mr. Olstrum stated that he would agree to do this."

It was noted on page 11, the fifth to the last paragraph on the page, first line should state: "...committee to meet without the developer for a..."

*Moved by Smith, seconded by Workman, to approve the March 3, 2004 regular City Council meeting minutes as amended. **Motion passed unanimously.***

Lane arrived at 7:36 p.m.

V. PRESENTATIONS

A. Firefighter of the Year Award

Chief Belland presented a plaque and a gift certificate to the winners of the 2003 Medina Firefighter of the Year Award. There is one winner from each of the departments that cover the City of Medina. The winners are: Donny DesLauriers of the Hamel Fire Department, Herb Koch of the Loretto Fire Department, Mike Brown of the Long Lake Fire Department, and Dave Eisinger of the Maple Plain Fire Department.

VI. CONSENT AGENDA

- A. Resolution Granting Final Approval to Plat of Belle Terra**
- B. Resolution Approving JPA for Highway 55 Corridor Coalition**
- C. Approval of Amended JPA for Pioneer-Sarah Watershed Management Commission**
- D. Resolution Seeking Current MNDOT Policy Re: Speed Limits**

*Moved by Smith, seconded by Workman, to approve the consent agenda as presented. **Motion passed unanimously.***

VII. COMMENTS

A. Comments from Citizens on Items not on the Agenda

Zietlow stated that resident Dick Picard requested that he announce a Pioneer Sarah Creek Watershed Management Commission meeting on Wednesday, March 24, 2004 at Independence City Hall, which will initiate discussion as well as contain a presentation of the diagnostic data on how to clean up Lake Independence.

B. Park Commission

Adams stated the Commission would meet March 17, 2004. Its agenda contains the following items: the Commission's park use policy revision, the park surveys, and the Kroll Trail easement that was just approved by Council.

C. Planning Commission

Adams stated that a sub-committee has made its comments and proposed changes regarding the Uptown Hamel ordinance and Independence Beach revisions.

Adams introduced Mr. Josh Doty, who will start his position as the new City Planner beginning Monday, March 22, 2004.

Adams announced that there would be a discussion of the CSAH 29 Intersection Plan.

Weir stated that four Planning Commissioners have asked for criteria from Council in relation to considering a comp plan amendment. If there isn't a formal criteria guide in place, then the Commission would request the blessing of gathering the criteria via a special committee that would meet ongoing in relation to existing development.

Batty stated that Council and Commission have had many discussions over the years about formalizing criteria as a separate policy which would aid in the nature of the legislative decision making and the great discretion needed towards administrative procedures like the comp plan and rezoning ordinances.

Smith stated that if a guideline was already in place, then the Commission wouldn't have to work so hard.

Weir asked if it would be helpful to produce a guide consisting of separate criteria. Zietlow stated yes.

VIII. BUSINESS

A. Uptown Hamel and Highway 55 Redevelopment

1. Open House Coordination – Prosser & Brauer

Adams stated that Jim Prosser and Donald Brauer are present to provide an update on the project progress and the Open House. Prosser summarized the drafted Open House plan and its purpose, which involves seven stations with a total of 11 boards, and reviewed the map and outline from Donald Brauer. The date of the Open House has been scheduled for Saturday, April 17, from 10:00 a.m. to 1:00 p.m. at the Medina Entertainment Center.

Prosser stated that the purpose of the Open House is to review the goals, and the process, that have been previously established by the community; as well as retain feedback from the community in order to address concerns and inform residents of finance issues.

Prosser stated that he has prepared a tentative Open House plan, which is to be presented to Council for consideration. Another part of the Open House is the initiation of the design guidelines, transportation, and etc. He stated that at the Open House, the City should also identify the potential use of tax increment financing (TIF) on a general terms basis. As talked about in the beginning of the process, it's important to bring forth the financing options to the public, however it's not necessary to indicate whether or not the Council will approve the TIF or specific development. Again the purpose of the open house is to gather info and feedback, not to reach a decision from the City.

Lane and Zietlow expressed that they felt uncomfortable that the City doesn't have some general figure amounts of the costs involved in the redevelopment project.

Prosser stated that their direction is very clear in that Council is looking for a magnitude of a range of costs. He also stated that they do have some preliminary concept plans from Ryan Development and Farr Development of the uptown area, and would like to receive public feedback on those plans at the Open House. He discussed how he felt it was sensible to have both developers involved with the Open House. Prosser stated that Ryan Development has discussed that they would feel more comfortable if they had more feedback indicating that they were in line with the restrictions and provisions of City Council.

Discussion ensued amongst Lane, Zietlow and Smith as to whether Ryan Development should be involved in the Open House. Members stated that it didn't seem fair to have Ryan Development at the Open House until some sort of deposit had been made.

Prosser asked for clarification on whether or not Ryan Development was to be included in the Open House. Workman stated that until Ryan has made a deposit, they are not to be included in the open house.

Prosser asked for clarification from Council that if upon April 17, 2004, Ryan Development was to provide a deposit in accordance to the City's Provisions, should Ryan be included in the Open House activities.

Lane stated that he doesn't think that it's fair to exclude Ryan Development if there is a potential that Ryan Development is still interested in the project. He stated that it would not be a wise business decision, nor wise to exclude Ryan Development a month before the Open House assuming that Ryan will most likely be back in front of City Council. He stated that it is the City's responsibility to inform Ryan Development of the upcoming Open House.

Workman stated that it didn't seem fair to the public for the City to allow a concept plan to be presented at the Open House without Council's definite approval.

Lane, Zietlow and Smith discussed how there should be additional boards representing options for the vacant proposed lot. Prosser stated as contracted with Mr. Brauer, the open house is to present two options with an additional option of doing nothing with the land. His one concern of presenting too many options is that it may indicate that all three options are financially and marketably viable options.

Prosser stated he appreciated the Council's input and understands Council's direction.

Brauer introduced himself and stated that the Open House packet is a work in progress. It is to illustrate an organized process of how to go from old town Hamel and work towards building a concept plan specifically developed for that area.

Prosser stated that if Ryan Development is to participate, then Ryan will need to assist in the planning process with himself and Brauer, which essentially has already began. He suggested that Council set a deadline of April 1 or 2, 2004 in order to receive a deposit from Ryan Development.

*Moved by Workman, seconded by Smith to direct Mr. Batty to draft and send a letter to Ryan Development informing them of an April 1, 2004 deadline to receive deposit money. **Motion passed unanimously.***

Discussion:

Smith asked who Ryan had been providing feedback to. Adams confirmed that Ryan have been keeping in contact with Prosser and Adams.

2. TIF District Qualification Report

Adams stated that SEH has not yet provided a complete report. Staff will be meeting with Jim Prosser and SEH in regard to the final report on Thursday, March 18, 2004.

Batty summarized a schedule of events stating that there must be concrete delineation of what is involved in forming a tax increment schedule. The schedule calls for a public hearing in two months for the adoption of the tax increment plan. Batty and staff are recommending an adoption of the schedule in order to set a public hearing for May 18, 2004. The adoption of the schedule would set the course of the plan.

Batty stated that any building permit issued prior to the time Council adopts the plan (at the time of the Public Hearing, May 18, 2004) will result in the City missing out on potential increments.

Lane stated that he was uncomfortable with what is a premature commitment to a TIF financing district.

Batty provided another option stating there isn't any downside with scheduling a public hearing on May 18, 2004 tonight. If report findings aren't going well, or the Council is uncomfortable about implying a tax increment, then Council can cancel the hearing with only risking money spent to prepare plan. He recommended that Council plan for a very basic discussion on the different options for financing the public improvements.

Adams summarized that the total cost for the improvements have been estimated to be between \$3 – \$3.5 million. Zietlow stated that the last time Council had a financial discussion in regard to the project was back in August of 2003 where Council was informed that it would be a \$1.5 million bond for Uptown Hamel with a twenty-five-year payback. Workman and Lane expressed that Council needed updated financial figures.

Zietlow stated that it has never been clear whether TIF was the City's only option. He clarified that the City needed more facts to make a better, more informed decision.

Prosser stated that he understands the frustrations that the Council Members are having. He stated that he and Brauer are attempting to define a general range of the financial implications. Prosser stated that he wanted to assure Council that part of his proposal is to itemize the risks of public installment of improvements.

Batty clarified to Council that adopting the Schedule of Events doesn't commit the City to any definite plan of action. Tonight, Council is only being requested to authorize the planning of a Public Hearing on May 18, 2004. He stated that he wanted Council Members to bear in mind that the plan can be altered. He clarified that not everything has to be approved on the plan's list of public improvements. The next step of entering into a developer agreement is when the City will be committed to a definite plan. He stated that he would advise Council so as to ensure they are making the best decision. He stated that the only risk as of date, is that the City would lose the money that has been spent, (estimated at \$50,000-\$75,000). Farr Development has provided \$26,000 and Ryan Development hasn't provided anything. He reassured Council that it's never too late to drop out of the process.

Workman proposed that Council adopt the timetable, then plan to schedule a special meeting for the purpose of educating themselves on the TIF district, and get a breakdown from the developer on the costs involved. He recommended that Council achieve all three steps immediately.

*Moved by Workman, seconded by Smith, to adopt the City of Medina Schedule of Events timetable with the condition that the City can delay or stop the TIF process. **Motion passed unanimously.***

Batty requested to make a resolution for the motion. He stated that the motion should call to adopt a resolution on a public hearing on the tax increment for May 18, 2004.

*Amended by Workman, seconded by Smith, to adopt the City of Medina Schedule of Events timetable and adopt Resolution No. _____ to schedule a Public Hearing on the tax increment financing to be set on May 18, 2004 with the condition that the City can delay, or stop, the TIF process. **Motion passed unanimously.***

Batty stated that the public hearing must be advertised.

Zietlow stated that Council should set a date for being educated on the TIF system and process, proposing to include the members of the Planning commission.

*Moved by Workman, seconded by Smith, to schedule a Special Council Meeting, to include the Planning Commission to be invited to attend, for March 31, 2004 for the purpose of being educated on the TIF process. **Motion passed unanimously.***

Workman requested that the Special Council meeting be a learning session dispelling the negative myths of the TIF as well as touch on the main points of the TIF.

Smith asked for an example of a real life TIF for purpose of dispelling negative myths.

3. Resolution Re: Demolition of Structurally Substandard Building and Inclusion of Lot in Redevelopment Tax Increment Financing District in the Future

Batty summarized his drafted resolution and corresponding report from SEH. The purpose of the resolution is to incorporate the inspection of the building into the qualifying calculation of the TIF district, before the building is condemned.

*Moved by Workman, seconded by Lane, to adopt Resolution No. _____ regarding Demolition of Structurally Substandard Building and Inclusion of Lot in Redevelopment Tax Increment Financing District in the Future. **Motion passed unanimously.***

4. Pre-development Agreement with Darrell Farr Development

Adams summarized the revised agreement with Farr Development. Staff is seeking Council approval of the agreement.

Batty stated that the pre-development agreement is a much-simplified version that the developer has requested. A correction needs to be made to section two of the document: "...previously deposited \$16,000 with the City..." needs to be corrected to \$26,000. Batty stated that if Farr would be comfortable in providing an additional deposit of \$10,000 within the near future, he will include an amendment (if not already in the agreement) in which the City will reimburse the developer for the costs if the City chooses to not move forward. The agreement will also read that if the TIF is established, the administrative costs will also be reimbursed.

*Moved by Smith, seconded by Lane, to approve the preliminary agreement for the City of Medina with Darrell Farr Development. **Motion passed unanimously.***

B. Alpine Farms

Adams summarized the requested zoning change and Conditional Use Permit (CUP). Louise Otten of Alpine Farms is requesting the re-zoning of her property to allow the commercial horse stable that has been in business for many years. She is also requesting a conditional use permit to operate the stable. He reviewed the copy of the RR-2 ordinance and sample conditional use permits for other facilities in Medina. Staff is recommending approval of the re-zoning. They also recommend approval for the CUP 30 conditions and to authorize staff to prepare the ordinance and resolution.

*Moved by Smith, seconded by Workman, to authorize preparation of ordinance for the Rezoning of 2182 Homestead Trail to RR-2, as well as a Conditional Use Permit for Existing Stable with thirty conditions. **Motion passed unanimously.***

Louise Otten stated that she has two questions in relation to the thirty conditions. She wanted to make a clarification on item number six, stating that hay shall be kept in a covered area or hay shed. The feed and bedding is kept in a closed area, but they also have a covered hay shed. Smith stated that the CUP should state, that in addition, the hay will be kept under cover.

Otten stated that Item number thirteen should clarify that the "16 days/year" represented the number of outdoor special events. However, she wanted clarification from Council as to whether they were concerned on the number of special events that are held indoors. She stated that she felt that maybe a condition should be added to clarify that Item number 13 allows for 16 outdoor special events.

*Moved by Lane, seconded by Smith, to amend the approval of the Conditional Use Permit to include 30 conditions as amended by references and condition, for number 6 to include covered hay shed, and condition 13 to indicate outdoor special events to be restricted to 16 days. **Motion passed unanimously.***

Smith stated that she commends the thoroughness of the application that Alpine Farms prepared for their proposal.

C. Farmers State Bank of Hamel

Adams summarized the memorandum from Sandie Larson in regard to the Farmers State Bank of Hamel requesting to combine their two lots at 135 and 145 Hamel Road and then add to their existing building for a new bank. He reviewed a letter from Tom Kellogg, memo from Elm Creek Watershed, Planning Commission memo and minutes. The Planning Commission recommends approval of the lot combination. They also recommend approval of the site plan review with seven conditions. There were several issues to be worked out with staff in regard to lighting and storm water issues, easements, etc. Staff is seeking approval of both items.

Kellogg stated basically engineering has referenced the water improvements and the associated costs that would be necessary in the uptown Hamel area. The costs involved have been catalogued as \$27,500 per acre.

Batty stated that the State Bank of Hamel is a good example of the type of project the City would seek for improvement in the area. Based on the number Kellogg presented Council, the City would be requesting to assess a fee of \$27,500 per acre for storm water. Until figures for the Right Of Way are assessed, then the \$27,500 for storm water is all that will be charged for now.

Workman asked for clarification from Batty on whether a petition and waiver will be established as a condition. Batty confirmed that is correct.

Workman asked Kellogg if he would require the site plans to include an on-site storm water treatment system. Kellogg stated that it would be part of the overall plan, however it would be unreasonable due to hardcover issues. Part of the improvements to the plan are improvements to the pond.

Zietlow stated that the proposal sounds reasonable.

*Moved by Workman, seconded by Lane, to approve lot combination of 145 Hamel Road and to include the park dedication. **Motion passed unanimously.***

Lane asked Batty if it would make sense to re-allocate the easements during the process of combining the lots. Batty stated that these are private easements; therefore the City does not have any control over the allocation of the easements.

Paul Meyer, architect for project, asked for clarification on the bank's financing options in regard to the tax increment system. Batty stated that abatement is not available inside of a tax increment district.

Kellogg asked for clarification on whether tonight's actions would prohibit the exclusion of 1) easements of ten feet, and 2) water main extension and follow up with Loren Kohlen and fire marshal. He stated that these two items weren't included at the Planning Commission.

Meyer stated that Kohlen was willing to work with them on the water main, and on the plans presented today, he had included a ten foot easement.

*Moved by Lane, seconded by Workman, to table the conditions to the Special Council meeting on March 31, 2004 in order to discuss the water main extension, easements, and lighting. **Motion passed unanimously.***

Workman asked Meyer if it would create a timetable hardship if the conditions were tabled. Meyer stated that his main concern is reaching resolution with staff regarding the water main.

Batty stated that tabling the item won't really have any practical effect on the applicant. The motion would only have moved to create the resolution, which then would be brought back to be approved on the Consent Agenda of April 6, 2004.

D. Planning Commission Appointments

Adams summarized the memo from Sandie Larson. At the February 17th meeting, the Council desired to learn how many persons applied for the position before deciding on the size of the Commission (seven members vs. nine members). Four Planning

Commissioners' terms have expired as of March 2004: Sharon Johnson, Jerry Brost, Mary Verbick, and Marilyn Fortin. Each of the Commissioners were contacted and the openings were advertised in the *South Crow River News*. There was no response from residents other than those whose terms are currently up. Verbick and Fortin are seeking an additional term, and Johnson is not. Brost has indicated that he would be willing to serve another term if needed, but would also be willing to step down if the Council wishes to reduce the number of Planning Commissioners.

*Moved by Lane, seconded by Smith, to reappoint Marilyn Fortin and Mary Verbick to three-year terms to fulfill openings for Planning Commission. **Motion passed unanimously.***

*Moved by Lane, seconded by Smith, to authorize staff to prepare an ordinance amendment decreasing the membership positions for Planning Commissioners from 9 to 7. **Motion passed unanimously.***

E. Cooperative Drug Enforcement Agreement

Chief Belland summarized his memo, which requests a letter of intent to cooperate with area cities as part of a drug enforcement taskforce.

Zietlow asked if the grant is ongoing, or if it is an annual re-application process. Belland stated that the grant must be applied for every year. If the department wasn't awarded the grant, money from the forfeitures would fund Operation option number one. Each department would put an officer on the task force and backfill the position with a part-time person to fill shifts on the street. The position would be advertised as a temporary position. With the award of the grant, each department would function under Operation option number two which would then put an officer on the task force and backfill that position with a full-time officer. This would keep staffing levels on the street equal to what they are presently.

Belland informed Council that \$800,000 worth of drugs were taken off the streets in a time period of three months. The City has the option of ignoring or addressing the drug problems within the community. However, it affects the community and the school.

Zietlow asked Belland if it would really be effective to have a part-time person on staff. Belland stated that he believes it would be. His Department could provide two shifts a week for the part-time person. Currently, the Department has three people a day, and if somebody goes on vacation, then the Department is understaffed.

Belland stated that the department has a deadline of March 27, 2004, to return the federal grant application and is looking for a letter of support from the City. The Department would learn by July if the grant had been awarded. However, the Department is planning on possibly hiring a part-time person now to prepare for the fall season and award of the grant.

*Moved by Smith, seconded by Lane, to approve a letter of intent stating that the City of Medina will participate in a cooperative drug enforcement task force with the jurisdictions of Orono, Maple Plain, Independence, and Hennepin County. **Motion passed unanimously.***

IX. REPORTS

A. City Administrator Report

1. Appreciation Plaque for Planning and Zoning Administrator Loren Kohnen.

Adams stated that Loren Kohnen's last day of regular Planning and Zoning work was Friday, March 12, 2004. Zietlow requested to place an item on the agenda to discuss Council's support to purchase an appreciation plaque to express gratitude to Kohnen for his years of service with the City.

Zietlow stated that Kohnen had been with the City for fifteen years and he thinks the plaque would be a nice way to acknowledge his work.

Workman stated that he is embarrassed that nothing was said to Kohnen at the last Council meeting; he should have been properly acknowledged and thanked by Council.

Council discussed inviting Kohnen back to a Council meeting and including him on the agenda. Zietlow and Adams volunteered their services.

*Moved by Workman, seconded by Smith, to approve purchase of Appreciation Plaque in honor of Loren Kohnen as well as extend an invitation to return to a City Council Meeting for recognition. **Motion passed unanimously.***

2. Concept Plans

Adams stated that this item was added in order to discuss the number of concept plans allowed to be permitted upon presentation disapproval.

*Moved by Workman, seconded by Smith, to approve the maximum number for presentation of concept plans to two. **Motion passed unanimously.***

X. APPROVAL TO PAY BILLS

*Moved by Workman, seconded by Smith, to approve the bills, order check numbers 26293-26347 for \$226,878.62, and payroll check numbers 18551-18573 for \$23,487.91. **Motion passed unanimously.***

XI. ADJOURN

Mayor Zietlow adjourned the meeting at 10:15 p.m.

Philip K. Zietlow, Mayor

Attest:

Chad M. Adams, City Administrator