

MEDINA CITY COUNCIL MEETING MINUTES OF FEBRUARY 6, 2007

The City Council of Medina, Minnesota met in regular session on February 6, 2007 at 7:00 p.m. in the City Hall Chambers. Mayor Crosby presided.

I. ROLL CALL

Members present: Crosby, Cavanaugh, Smith, Weir, and Johnson.

Members absent: None

Also present: City Attorney Ron Batty, City Engineer Tom Kellogg, Police Chief Ed Belland, City Planning Consultant Jennifer Haskamp, City Administrator Chad Adams, and Recording Secretary Kimberly Stoll.

II. PLEDGE OF ALLEGIANCE

III. ADDITIONS TO THE AGENDA

It was requested to add the cigarette license and the appointment of two members to the Elm Creek Watershed to the City Administrator's report.

IV. APPROVAL OF MINUTES

A. Approval of the January 12, 2007 Special City Council Meeting Minutes

It was noted on page 1, the sixth paragraph, it should state: "Consensus was reached to have staff look into updating and establishing..."

It was noted on page 2, the third paragraph, it should state: "The Council reached consensus to hire a second Planner for the department."

Crosby stated they are going to institute twice per month Saturday office hours for residents to meet with Council Members. There will be a maximum of two Council Members present from 9 to 11 a.m. on the second and the fourth Saturdays at City Hall. This will be done on a trial basis.

It was noted on page 3, the fourth paragraph, it should state: "Staff was directed to provide more visuals and charts to Council as an overview of city activity."

*Moved by Weir, seconded by Johnson, to approve the January 12, 2007 Special City Council meeting minutes as amended. **Motion passed unanimously.***

B. Approval of the January 16, 2007 Special City Council Meeting Minutes

It was noted on page 2, the first paragraph, it should state: "The annual City...to take part in the event for usable items going to the dump."

*Moved by Smith, seconded by Weir, to approve the January 16, 2007 Special City Council meeting minutes as amended. **Motion passed unanimously.***

C. Approval of the January 16, 2007 Regular City Council Meeting Minutes

It was noted on page 2, the sixth paragraph, it should state: "Steve Tallen, ...He stated the fees to Hennepin County was about \$3,656 for workhouse fees..."

It was noted on page 8, the ninth paragraph, it should state: "Crosby stated his understanding is to have the communities coincide in 2-year terms for fire services.

*Moved by Weir, seconded by Cavanaugh, to approve the January 16, 2007 Regular City Council meeting minutes as amended. **Motion passed unanimously.***

V. CONSENT AGENDA

- A. Approve the Disposal of Water Tanker Truck and Police Stinger Spikes**
- B. Approve Raffle Permit and Temporary On-Sale Liquor License to Holy Name of Jesus on March 17, 2007**
- C. Accept Donation of Basketball Hoop and Bench for Medina Morningside Park from Pam Farmer**
- ~~D. Approve Acquisition of Public Works Trailer~~**
- E. Approve Police Investigator Job Description**

Cavanaugh asked to remove item D from the consent agenda.

*Moved by Weir, seconded by Smith, to approve the consent agenda with D removed. **Motion passed unanimously.***

D. Approve Acquisition of Public Works Trailer

Cavanaugh stated that he noticed only one local company, Bobcat of West Metro, presented a bid. He inquired about using the local company since their bid was competitive with the other bids.

Smith stated there needs to be a reason to choose a company and the location of the company may not be a legal reason to choose to use that company.

Batty advised that a reason should be provided if the lowest bidder is not accepted.

*Moved by Cavanaugh, seconded by Weir, to accept the bid of Bobcat of West Metro due to their geographic proximity in being able to provide potential service to the trailer. **Motion passed unanimously.***

VI. COMMENTS

A. Comments from Citizens on Items not on the Agenda

Ken Guenther, Mayor of Corcoran, stated they are working on an industrial commercial development on the north side of TH 55, east of Pioneer Trail. He stated that in order to move forward on the project the Corcoran City Engineer and Administrator prepared a preliminary draft agreement with the City of Medina for the use of utilities along TH 55. He stated that each of the cities would have mutual benefits in sharing the utilities. He explained that it could be a long process if it needs to go back and forth between each of the City Councils. He provided an example of a situation where they used a work group to move forward at a quicker pace. He requested that one or two Council Members from Medina be a part of a work session.

Crosby inquired if they would be public meetings or informal work sessions.

Guenthner stated his intent was to have an informal meeting, but they would consider a public meeting if it was more in line with Medina's City Council.

Crosby inquired of the Council's thoughts on working on the agreement.

Adams stated it may work to appoint someone tonight due to the quick timeline. He noted that Cavanaugh is a public works liaison.

Crosby stated they would let Guenthner know who would be willing to be at the work session.

Weir stated that she thought it would be good to work on looking into the project.

Smith stated that she didn't think they should give Corcoran the impression that they agreeing to commit to working on the utilities with them at this point.

Adams stated that the results of the rate study that Ehlers & Associates is preparing may impact the Council's decision to work on it.

Smith stated that it does have an impact on the comprehensive plan. She stated that when the pipe is in the ground, people will then expect it to be usable immediately.

Weir stated she thinks they will be staging the installation of the sewer lines.

Smith stated that when the pipe is in the ground they are making a commitment with the Met Council.

Johnson clarified that Smith was stating she would like to have further thought and discussion on the project with the condition that it be brought back to the Council for further approval.

Smith stated that it is something that may put pressure to have growth in that area because the pipe is there before they are ready for the growth.

Cavanaugh inquired about previous discussions to stage growth.

Smith stated she thinks they need to look at it very carefully before they sign an agreement.

Crosby stated he would be in favor of a study group to look at the proposal.

Guenthner stated he understood the Council's concerns because similar concerns arise in Corcoran.

Crosby stated that they will try to tell Guenthner by Thursday with the representative for the work session.

B. Park Commission

Madeleine Linck stated they met in January and elected new officers and new members on the Park Commission. They made a motion to accept the motion from Pam Farmer

for the basketball hoop and bench. They reviewed the orientation training manual for the Park Commissioners and voted to adopt it with a few word changes. She stated there were lengthy discussions about conflict of interest and the process for scheduling meetings. She stated that Ann Thies would be a representative for the Three Rivers Park. She stated it was suggested to have the new representative from Three Rivers Park talk with the Park Commission. She stated they discussed trail easements and the possibility of condemnation when property owners haven't granted the easement for trails. She stated they voted to have the City condemn the property when necessary for trail connections. She stated that the people who donate the land should be recognized and need to be educated on the taxes. She stated that Gerry Dykhoff showed pictures of his ideas for a community park plaza. Linck stated that Thies suggested the possibility of a grant through the DNR. The DNR would supply money to acquire park land.

C. Planning Commission

Charles Nolan stated the Planning Commission met in January and voted Mary Verbick as the chairperson and Jeff Pederson as vice-chair. He stated they heard a presentation about the wetland classifications. Nolan stated the commissioners reviewed an application from Bancorp and felt it was an attractive development by a quality developer and it would be a good use of the property. He stated there was an expressed desire to preserve the golf course. Nolan stated the timing of the application created a lack of proper planning. He stated the developer proposed information regarding some of the micro issues relating to traffic, but not the macro issues such as the impact of the growth on Corcoran and Maple Grove and the impact on County Road 116. He stated other concerns included the availability of the water infrastructure and the required density from the Met Council. The Planning Commission thought it was a good project, but poor timing that would result in a less than informed decision and poor policy to make decisions without the comprehensive plan being complete. The Planning Commission recommended denial with a 5 to 1, with one person abstaining. Nolan stated the Hasselquist application was tabled due to concerns about the size and safety of the proposed structure. He stated the Ahlstrom application was reviewed and the Planning Commissioners felt the variances were warranted with the proposed rain garden. They voted to recommend approval of the application subject to the conditions set forth by the Staff.

VII. OLD BUSINESS

A. Truck Traffic in Medina (Willow Drive and Other City Roads)

Adams stated a citizen's petition and study has been received by the City. There was a public hearing and the Council discussed various options to respond to truck traffic. He stated there was direction provided to Staff to research the enforceability and consensus to enforce soft enforcement options. Adams stated there were memos prepared by Batty and Belland and a map by Kellogg that shows the designated truck traffic routes. Adams stated there were some soft enforcement measures that could be implemented. He stated the options that are available include directing Staff to prepare ordinances to prohibit/regulate truck traffic; direct Staff to implement soft enforcement measures; and/or a combination of the two. He stated that Staff recommended the implementation of soft enforcement measures. Adams demonstrated the locations of the classifications of County, State, and City roads.

Crosby stated he was present at a previous City Council meeting where there were concerned citizens discussing the impact of designating truck traffic roads on the streets where they live.

Johnson inquired about the Staff's recommendation. Adams stated Staff is recommending the soft enforcement measures.

Johnson requested a more detailed explanation of the costs and the number of the trucks that would need to be permitted.

Adams stated that it was recommended to have a one time enforcement period.

Belland stated that they would have a patrol officer with the specific role of pulling trucks over for a period of time. He explained that trucks would be pulled over based on their licensed weight limit. He stated they would like to have warnings given out the first time for a violation and be informed of the process for permitting.

Johnson inquired if there is a similar enforcement for the roads that are affected by the frost laws. Belland stated they are the same roads.

Johnson stated they would save money by not having to put out and take down the frost law signs. He stated the City has a cost associated with maintaining the City roads for the through trucks. He pointed out that if the truck routes are on County roads, they are prepared for that weight.

Crosby inquired about the weight of trucks. Belland stated that 35,000 lb. trucks are trucks that are outside of the typical delivery trucks.

Crosby stated garbage trucks and buses are exempt. Crosby inquired if there would be zoning ordinance that would be a part of the comprehensive plan.

Adams stated that there wouldn't be a zoning ordinance, but there would be a traffic plan for the City.

Smith stated there was a project working with the State Patrol to enforce the weight limits of trucks. She stated she would like to see the soft enforcement measures begun now and then an ordinance in place after the comprehensive plan is completed.

Belland stated there will need to be a policy discussion regarding the rural residential businesses.

Crosby concurred that the soft measures be enforced immediately. He would like a proposal for the next Council meeting.

Cavanaugh stated he is concerned about pushing the traffic on Homestead Trail, Parkview, and Brockton when they are not able to legally enforce a truck traffic route at this time.

Johnson stated that the City legally restricts traffic for the frost laws.

Smith stated they have had problems with Hamel Road and the County would like to expand it to a four lane road. She stated she would like to request Staff to check into the City taking back Hamel Road and not having it as a County road. She stated she doesn't think they want another County road running through the City. She noted the curves on Homestead Trail deter some truck traffic.

Crosby stated that Medina residents are only on one side of the road of Parkview and Homestead. He stated he agreed they need to review the roads the County has. He would like to bring it up in discussion with the County.

Cavanaugh requested that the cost of taking these roads back be considered.

Johnson stated he would like a more thorough cost-benefit analysis and knowledge of the volume of truck traffic.

B. PUD Amendment for Medina Clydesdale Marketplace Drive-Through Coffee Shop- Ryan Co. US, Inc.

Haskamp stated they discussed the application for a PUD amendment for the drive-through for the Medina Clydesdale Marketplace. She stated the original PUD amendment only allowed for a drive-through for the bank. She demonstrated the differences on the proposed site plan and the visuals of the landscape plan; the architectural elements; and sketches of the character of the building, including the drive-through based on the previous discussions by the Council. Haskamp stated that the Staff recommends approval of the PUD amendment.

Crosby inquired about the specifications for the uses of the drive-through. Haskamp stated that it has been requested to have the specifications for the meeting, but the specifications were not received.

Crosby provided the audience with an overview of the location of the property and the issues that have been discussed throughout the process of approving the PUD.

Batty stated the requirements that would need to be met in order to proceed. He stated the Council would be asked to approve a package of requirements in addition to the PUD.

Cavanaugh inquired if the PUD amendment would be written in a way that the building use could not be changed. Batty stated it is a private document that can be changed, but the Council could lay out requirements to reduce the chance of the drive-through being used for other purposes.

Weir inquired if the plaza was open to anyone to use or only for people who are purchasing coffee.

Peter McEnergy stated it is open for anyone to use and the location of it makes it a good location for the people using the trails. He stated the plaza will include tables, chairs, and possibly umbrellas. McEnergy stated they would like to see it be used as a coffee shop and if the first coffee shop wasn't able to continue then a different coffee shop would be brought in.

Weir inquired if there were other tenants. McEnergy stated he thinks one of the tenants will be a sandwich shop owned by a Medina resident.

Smith stated she thinks they did a nice job of landscaping.

McEnergy stated the landscape was designed to be pedestrian friendly.

Pete Constant, 4707 Medina Lake Drive, stated he would like to see a barrier in place to assist in keeping traffic slow and the children safe.

McEnergy stated they are also concerned about safety and there are barriers in place.

*Moved by Smith, seconded by Cavanaugh, to request that Staff prepare a resolution for the approval of the PUD Amendment for the drive-through based on the updated plans with the conditions set forth by the planners, including language about the internal covenant for the drive-through. **Motion passed unanimously.***

VIII. NEW BUSINESS

A. Variance from Front and Side-Yard Setback and Maximum Impervious Surface Requirement at 4565 Pine St. – Michael and Kalli Ahlstrom

Haskamp provided the Council with background information about the size of the lot which is zoned as urban residential, the size of the home, and the requested variance. She stated the Planning Commission unanimously recommended approval of the variance request with a condition to address water run-off. She demonstrated the location of the site and the proposed site plan. She stated it is in the Shoreline District and the addition pushes it over the impervious surface limit. She stated the DNR would be in support of the addition provided there was no increase in runoff. She noted the other setbacks on the property are met. Haskamp provided an overview of the criteria of granting a variance.

Crosby inquired if there have been any comments from the neighbors. Haskamp stated she didn't think there was anyone in attendance at the public hearing.

Michael Ahlstrom stated that when the house was built it wasn't centered on the lot and that is the reason why they would like to build on one side.

Smith inquired about the location of the rain garden. Ahlstrom stated it will be placed on the southeast corner of the lot.

Weir inquired if there is follow-up on the rain gardens. Kellogg stated if this would be approved it would be conditionally approved provided a revised set of plans was acceptable.

Crosby stated that there needs to be a system set up to trigger follow-up on CUPs.

*Moved by Weir, seconded by Johnson, to recommend Staff prepare a resolution of approval for the front and side-yard setbacks and impervious surface area at 4565 Pine St. with conditions and hardships as noted by Staff, as requested. **Motion passed unanimously.***

B. Bancorp Group Comprehensive Plan Amendment- Medina Golf Course

Adams stated the location of the property is along CR 116. He noted the land is not currently within the MUSA and is scheduled for such after 2020. He demonstrated an aerial view of the location of the development. He stated the land use request is for 49 units within the perimeter of the 18 hole portion of the site. Adams demonstrated the location of the utility connections. He stated the Met Council requires an overall housing density average of areas in the MUSA to be at least 3 units per net acre and Medina is currently at 1.99 per net acre. He noted the traffic on CR 116 is heavy and will be reviewed with the Comprehensive Plan transportation plan and the sewer/water needs will also be reviewed. He stated the Planning Commission recommended denial of the comprehensive plan amendment at this time based on the timing, fairness to other applicants and the resources needed to review amendments which would slow the comprehensive plan review process. Adams stated Staff is also recommending denial of the amendment.

David Newman, President of Bancorp Group, stated Peter Pflaum and Bancorp have worked together on various projects. He demonstrated the location of the site with the golf course. He explained that it is a multiparty agreement with the golf course, Mr. Hendry, and Bancorp. He stated there was an earlier agreement to put single family homes along the north edge. They found out that it wasn't possible to do this. Newman provided the statistics of the homes and the logistics of building in that location. He stated they were surprised by the high water tables and the impact it would have on basements. He provided a picture of the single-story homes. He stated that it is estimated for homes to start at \$650,000. He stated the site is located in a location where it is surrounded by existing developments and the MUSA line. He stated another concern by Staff is the sewer and water infrastructure and the impact of traffic. He stated the study they conducted found a 3% increase in traffic on CR 116. He noted that many of the buyers are going to be empty-nesters and seasonal residents. Newman noted the traffic concern at Foxberry Farms Road and CR 116. He stated the net density has been reduced due to the way Met Council does their calculations. He stated that this does not need to slow down the speed of the comprehensive plan. He noted the agreement with Mr. Hendry expires in 6 months. He noted other benefits of approving the comprehensive plan amendment. He stated this request preserves the Golf Course, fulfills the City's commitment to Cherry Hill, surrounding properties have been developed, and creates an opportunity to address existing traffic concerns.

Crosby stated there are two issues before the Council, one being the land use issue and the second being issue of timing. Crosby requested the Council share their initial thoughts on the plan. Crosby stated he is comfortable with the land use as it is being proposed and it would go forward except for the timing issue. He stated he is concerned about setting a precedent for other residents in the City who have plans and he is concerned about going forward with the Met Council because it would be difficult to negotiate with them at this point. He stated it was requested to speed up the process for applicants who are similarly situated to be looked at prior to completion of the comprehensive plan. He stated it is something the Council can look at and it might eliminate a probable overload after the comprehensive plan is approved.

Weir stated it is an appropriate land use and the architecture is well designed. She noted that most of the neighbors support it, but some don't and it might stabilize the

green space. She is concerned about doing a comprehensive plan amendment while they are working on the comprehensive plan.

Smith inquired if the golf course received this development, then the 9-hole could be zoned as public use, but the golf course wants to keep it as private. She stated that she doesn't think that this is what current members want.

Weir stated that Met Council would also require the City to replace the proposed density somewhere else.

Cavanaugh inquired if the density on the 9-hole area would equal the density in the newly developed area. Haskamp stated she didn't think it was an even exchange.

Weir stated it is an unknown and that it is part of the comprehensive plan.

Smith stated it is being marketed as a promise to have the space as a green space. She noted that they have turned down other good proposals with affordable houses.

Cavanaugh stated that he is in favor of this land use, but not at this time. He stated he would like the 9-hole to be permanently put into public use.

Johnson inquired about the previously turned down applications because of the timing of the comprehensive plan. Cavanaugh stated that the plans have been turned down until the comprehensive plan is completed and applications won't be accepted until it is done.

Crosby stated his understanding is that if this project goes through, it would save the golf course proper. He stated if it doesn't go through, then the green space provided by the golf course is in jeopardy.

Cavanaugh stated the golf course and the open space doesn't disappear, but the City would have to agree to development.

Batty stated the 9-hole is the only area that is zoned for development.

Johnson stated he thinks it is appropriate and great responsibility has been given to the Planning Commission and the Council should respect their recommendation for denial.

Steve Theesfeld, 600 Shawnee Woods Road, stated the plan would place town homes against his front yard. He stated the golf course is stating that it is a community project, but it is only for private use. He stated that as a private entity they should meet high standards. He stated their business deal has changed, but that isn't sufficient enough to have a comprehensive plan amendment. Theesfeld stated when they moved to the area they were told that the golf course would be green space forever. He noted that membership does change. He noted the area around the golf course is zoned as urban rural residential and the golf course is designated as green space. He noted the increase in traffic on Shawnee Woods Road would impact the safety of the children.

Don Cherrey, 3900 Elliot Drive, president of Medina Golf and Country Club, stated they are a non-profit organization, not a private club. He stated that if the club were to close the money would go to the State, not to the members. He stated they would like to preserve the 9-hole golf course and can only do this by purchasing the land. He stated

they have recently invested a lot of money into the club. He stated the golf course would like to support the rezoning request. He stated the current density barely meets the MUSA standards.

Scott Weaver, 4777 Medina Lake Drive, stated he supports the amendment and the development. He stated the plan is appealing and he is a supporter of the development, but the timing is the major concern. He stated he would like the Council to look at the timing from the developer's perspective as well because this opportunity may not arise again. He stated another consideration is the potential that other developers that would be interested.

Jeff Johnson, 347 Cherry Hill Trail, stated the country club is used to hold public meetings, fundraisers, and other community events. He stated that this is an opportunity to resolve the issue of green space. He stated he is in support of this development.

Jack Judd, 3911 Linden Court, stated his interest in Medina and supports the rezoning request. He encouraged the Council to recognize a good proposal and to move forward on it and not wait on the project hoping for a better proposal to come along. He stated that if Mr. Henry chose to develop the Par 3 right now the Council would be forced to allow it to go through and it would probably have a less desirable outcome.

Pete Constant, 4707 Medina Lake Drive, stated there are concerns about the traffic on CR 116, but with a trusted developer who is willing to work on the traffic issues it could be resolved. He also stated the golf club is unique because there is no other club that is that family friendly. He stated the separate Par 3 leads to a family environment.

Kelly Judd, 3911 Linden Court, stated she is a member of the golf club and the timing is critical to accept the proposal now.

Diana Carter, 130 Spur Circle, stated they have been members because of the family friendly environment.

Bob Carter, 130 Spur Circle, stated they are concerned about the existence of the club as it is. He stated that they are concerned that if they don't act now, they won't be able to maintain the green space.

Mike Doherty, 385 Lythrum Lane, stated it is a conscientious, well thought out plan by a trusted developer. He stated it is a valuable asset to the people who use the club and to future generations. He urged the Council to consider the timing of it because it is critical to move forward as soon as possible.

Bob Sontag, 3075 Tamarack Drive, stated the Par 3 and the driving range is an integral part of the golf course. He stated he supports the Bancorp rezoning.

Brian Newman, 1010 Settlers Road, stated he supports the amendment and it is an asset to his family. He stated he is glad to hear that the Council is generally supportive of the land use, but frustrated that they have to discuss it because of the timing.

John Eliason, Unit 805, Rolling Green Business Park, stated he is a business owner nearby and is a member because of the family friendliness. He stated that not developing off of the Par 3, it would have a serious impact on the golf course's

membership. He stated that if it weren't for the timing, it is something that would probably go through.

Garry Spurlock, 339 Cherry Hill Trail, stated the location of his property is near the golf course. He stated he doesn't understand how it has been rezoned as multiuse family. He stated they would like to maintain their lifestyle. He supports the rezoning.

Bob Pastor, 327 Cherry Hill Trail, stated their property backs up to the Par 3. He stated that the Par 3 is the last open space and they would like to eliminate the possibility of losing the open space.

Patty Barkley, 1155 Settlers Road, stated she has seen an increase in traffic. She stated that she would like to see Medina stay rural and not a high density area.

Steve Barkley, 1155 Settlers Road, stated he would like to see it stay rural. He stated he would like to see the comprehensive plan completed first and then considerations could be made for changing it. He stated that business deals can change and it is a risk to approve the amendment at this point.

Jill Voltin, 630 Shawnee Woods Road, stated she lives on a quiet street and is concerned about the safety of the children and the tearing down of trees. She stated she would like the comprehensive plan amendment to be turned down and it can be looked at in the future.

Crosby stated there are three issues he sees now, one being the land use as proposed for town homes, the timing, and the disposition of the Par 3 golf course. He stated the request before the Council is for the town homes, but doesn't deal with the Par 3. He stated that he thinks if it is approved or denied, the Council should tell Bancorp the reason why it was approved or denied. He stated he that he thinks the Par 3 could be resolved with some discussion. He stated at this point he would probably deny it because of the City's unwillingness to review comprehensive plan amendments prior to the completion of the comprehensive plan.

Johnson inquired from Don Cherrey if the opportunity to acquire and secure the future of the Par 3 and the sources and uses of the funds, is the sale of the land.

Cherrey said the reason they can't secure the land today is because Mr. Hendry won't sell the land. He stated as soon as the Bancorp deal closes they will have the option to purchase the surrounding land.

Weir stated that she hopes Bancorp and Mr. Hendry will be willing to wait until the comprehensive plan has been shaped and written. She expressed that approving this amendment would slow down the comprehensive plan due to Staff needing time to process the comprehensive plan amendment.

Smith stated that she would like to see it all remain as a golf course.

Moved by Weir, seconded by Smith, to prepare a resolution for denial for the Bancorp comprehensive plan amendment with the findings that the timing is wrong in relation to the comprehensive plan, it is not within the MUSA, changes in the comprehensive plan should be in the context of regional planning, the unknown volume of traffic on CR 116,

the proposed density usage is not large enough to negotiate with the Met Council, the City has not updated its CIP for utilities, sewer and water, and other applicants who have wished to change the comprehensive plan have been denied.

Crosby inquired about the number of findings necessary to be legally defensible. Batty stated the more findings there are, the better the case is.

Weir inquired if they could request Staff to refine the findings. Batty stated what they are doing is asking Staff to prepare a resolution to be brought back before the Council.

Crosby stated that if the primary concern is the issue of the timing, he wants it to be clear that it is the primary concern.

Smith stated that she isn't sure the best land use is putting the townhouses along the northwest. She stated her preferred land use for the property is green space.

Cavanaugh stated that it why it is going through the comprehensive plan committee. He inquired if the developer wants it to be considered for the comprehensive plan change or consider it as status quo.

Crosby stated he has met with other land owners and requested they let Staff know what their plans are for their properties.

Cavanaugh stated the density issues need to be considered.

Motion passed unanimously.

C. Uptown Hamel

- 1. Summary of Development Meetings- Dave Callister, Ehlers & Associates, Inc.**
- 2. Phase II of Public Improvements**

Adams stated Staff has been meeting with Developers to gain feedback on market conditions and development opportunity in Uptown Hamel as previously directed by Council. The Council also requested staff to bring the initiating of a feasibility report back to Council in early 2007 for Phase II of Public Improvements.

Dave Callister, Ehlers & Associates, stated they developed a property inventory and looked at the per square foot values in the Uptown Hamel area. He stated they met with Staff and five different developers with a diverse spectrum of expertise. He stated they explained to the developers the vision of Uptown Hamel and requested feedback on possible challenges and feasible uses in the Uptown Hamel area. He encouraged the Council to read the individual comments provided. He stated there is about 20,000 to 25,000 square feet potential of retail space available in the Uptown Hamel area. He stated the developers indicated a destination type of business such as retail or a restaurant would be a good place to start to bring more traffic. He noted that parking would be an issue in downtown if development were to occur. He stated the houses in this area are small and a larger housing unit would be difficult to put together feasibly. He stated there were concerns about property maintenance and code enforcement issues. He stated there were concerns about poor aesthetics and streetscaping.

Smith inquired if the developers were aware it was in a TIF district. Callister stated they were aware.

Smith noted there were some comments that seemed to conflict with the knowledge of it being a TIF district.

Callister stated making the development feasible with tax increment assistance on individual properties, rather than current policy of only for public improvements, relates to those developer comments.

Crosby stated he was struck by the amount of land the church owns. He noted that if you don't consider that land, there is relatively little space to generate the density needed. He stated he met with a property owner that has a possible plan for multi-family dwellings on a portion of it which would increase the density. He stated that he sees this project as dependent on the comprehensive plan.

Weir stated that they had already discussed putting properties to the south of the park.

Crosby stated that he would like to see how the comprehensive plan would affect the property to the south. He stated he isn't sure how to keep the TIF district alive if they were to wait until completion of the comprehensive plan.

Batty stated that he had previously prepared a memo regarding the 5 year commitment to spend the money.

Crosby stated he wants to be sure the money is spent wisely.

Batty stated to expend the money means to spend the money, sell a bond, or enter into a contract. He stated the method they have talked about to expend is to improve Hamel Road. He stated expenses need to be incurred by the date. He stated there is a knock-down provision where every parcel needs to meet a test within 4 years of the creation of a district. He stated improving Hamel Road would be an appropriate use of the funds.

Cavanaugh inquired if it needs to have gone through approval or be spent by that time. Batty stated with the knock-down rule it needs to be incurred or it will fall out of the district. He stated if it occurs later, it can come back in, but at a potential higher rate.

Cavanaugh inquired if work needs to be started or completed for the knock-down rule.

Crosby inquired where the money would come from for the Hamel Road improvement. Batty stated that it is most likely to sell bonds.

Crosby inquired about who would come up with the money for the bonds. Batty provided an example from a year ago where the bonds were purchased and then a special assessment needed to be levied.

Crosby stated he thinks it is too big of a risk to put the road in and then wait for the development to happen.

Johnson inquired about the timing of selling bonds to finance this project.

Cavanaugh stated that the knock-down benefit would have the greatest benefit.

Crosby stated that the property owners may want to do the knock-down.

Batty stated the City should have a record of the things that have already occurred for the things that would qualify.

Cavanaugh inquired about what would need to be done to qualify for the knock-down. Batty stated it would need to be demolition, renovation, or improvement.

Johnson inquired if the Farr land would count as improved land. Cavanaugh stated that it needs to happen within a specific timeframe.

Smith stated that other cities have worked with the owners to ensure that they get a decent price and then bring in a developer to be sure that the work gets done.

Crosby stated the maps aren't ready for development. He noted that the current development hasn't worked. He stated he isn't sure what the Council can do to stimulate development or take additional development risk.

Cavanaugh stated he thinks the best thing the Council can do is complete the comprehensive plan.

Smith inquired about letting the TIF district go away and bringing in a new TIF district.

Cavanaugh stated he doesn't think they need to make any decisions right now because if properties would fall out of the current TIF district there would be the possibility of bringing them back in the future.

Batty stated they need to keep both deadlines in mind. He said it would be better to start a new district rather than recreate the current one. He stated that if little happened in the area, most of the area would probably qualify to be in phase 2 of the TIF.

Crosby stated he would like to see it tabled until August.

Callister stated the increment for 2007 is inflationary. He stated they have done cash flows in certain areas and could do an updated analysis prior to August. He stated that if it cash flows with the TIF, they may be able to do the improvement now rather than later.

Crosby inquired about the cost for Hamel Road. Callister stated about \$1.5 million.

Smith stated that it is a good area for affordable homes and probably isn't a key retail area. She stated the city of Ramsey used TFF money to put a green roof on a senior housing. She noted that TIF money can be used for more than just infrastructure.

Johnson stated he thinks the biggest eyesore in that area is a property owned by Eiden.

Smith stated maybe it should be condemned.

Weir inquired about the price of land values. Adams stated land values are still increasing.

Weir inquired about the amount of land necessary for building an appropriate fire station. Adams stated about two or more acres may be appropriate.

Weir stated they could provide existing City land to the fire department as an exchange. She stated it would be one way to increase the availability of buildable land in Uptown Hamel.

Batty stated they were trying to listen to a variety of developers and test what they think the market will bear compared to what the City envisions. He stated that this is one way to look at how realistic it is to have the area developed. Batty stated that most people who move from the West want more land than they would get if they lived in a condominium. He stated the type of person who wants to live in multi-tenant unit wouldn't be interested in living in a condo.

Smith inquired if they looked at the ordinances. Callister stated that he didn't think the developers looked at the ordinances.

D. Trail Acquisition Policy

Adams stated the Park Commission is looking for direction in obtaining trail easements. He stated they motioned to establish a recognition program and create a fair pre-developed land market rate for trail acquisition as determined by the city assessor.

Crosby inquired where the money comes from. Adams stated it comes from the park dedication funds.

Cavanaugh inquired if they could give them the option of taking the money as improvements or cash. He stated there may be a tax penalty if they take the cash.

Adams stated the City can't do anything to improve anyone's property with the park dedication funds outside the scope of an infrastructure project.

Crosby explained how the property values are calculated.

Adams stated that if a property owner was not willing to accept the offer, then the City would need to wait or if they could consider condemnation.

Moved by Smith, seconded by Weir, to establish a donation recognition program and create a fair pre-developed land market rate for trail acquisition as determined by the city assessor.

Johnson inquired if there was an overarching trail strategy. Weir stated that the City does have an overarching trail strategy, but it needs to be revised.

Motion passed unanimously.

IX. CITY ADMINISTRATOR REPORT

A. Facilities Master Plan Update

Adams stated the committee is continuing work on the public works facility location, continues to be in discussions with Hennepin County in regards to public works land

acquisition, leasing or other possible locations if leasing is not feasible. He stated the leasing would be with Hennepin County and there is concern about the feasibility of long-term leasing due to unknown permanence.

Johnson inquired about the size of office space and storage for municipal vehicles. Adams stated that initially they would like 45,000 square feet and possibly increase to 100,000 square feet depending on the City's ultimate growth.

Smith stated that she would like to see something worked out with Hennepin County.

Weir stated it is unlikely because Hennepin County could shorten the length of the lease.

Adams stated that Hennepin County will not be able to provide an immediate response to the land acquisition.

Crosby stated that he is concerned about resistance at higher County political levels.

B. Schedule Special Meetings (Work Sessions)

Adams presented the schedule of special meetings.

*Moved by Weir, seconded by Cavanaugh, to approve the schedule of special meetings, as requested. **Motion passed unanimously.***

C. Goal Setting Session- Work Plan

Adams stated he would like to be sure the Council is comfortable with the goal timelines.

Smith stated that it seems excessive and needs to be prioritized.

Adams stated that some of these are already implemented by Staff.

Crosby suggested that the Council rank the goals.

The Council agreed to identify the goals and discuss at the next work session.

Adams inquired if he was to begin the process for hiring the second city planner and advised for more discussion at the work session.

The Council agreed to continue with the process of hiring the first city planner and then determine the experience level of the second planner.

D. Cigarette License

Adams requested an extension of the cigarette license for one year for the Holiday Station at Hwy 55/101.

Moved by Weir, seconded by Cavanaugh, to approve the extension of the cigarette license for the Holiday Station for one year.

E. Appointments to the Elm Creek Watershed

Adams stated Dave Wessin and Sarah Lutz volunteered to be on the Elm Creek Watershed commission after being contacted by Councilor Weir.

*Moved by Johnson, seconded by Smith, to appoint Dave Wessin and Sarah Lutz to be on the Elm Creek Watershed commission. **Motion passed unanimously.***

X. MAYOR & CITY COUNCIL REPORTS

Crosby stated he will be absent from the next two City Council meetings.

Adams stated he will set up a schedule for the Council Members to be present at City Hall on Saturdays through April.

Crosby stated that Yale University has inquired if the City would be interested in having an intern during this summer. He stated the City would be expected to pay \$1,500. He stated he would like to see some of his salary that he is turning back put toward this use.

Adams stated it would be good to establish a project for the intern to work on. Adams stated they currently have an intern that may be present until the end of next spring.

Smith suggested the possibility of the police or the parks having an intern.

Weir inquired if the TMDL was reviewed by the other Council Members. She inquired if they are expecting a motion on it.

Adams stated he would prefer to invite local representatives from the TMDL work plan group to come provide a presentation to the Council.

Crosby inquired about who the mandating agency is. Adams stated it is the PCA.

The Council concurred that it should be brought back as an agenda item.

XI. APPROVAL TO PAY THE BILLS

*Moved by Weir, seconded by Cavanaugh, to approve the bills, order check numbers 030460-030525 for \$314,059.48, and payroll check numbers 020019-020025 for \$33,072.27. **Motion passed unanimously.***

XII. ADJOURN

*Moved by Weir, seconded by Johnson, to adjourn the meeting at 11:05 p.m. **Motion passed unanimously.***

T.M. Crosby, Jr., Mayor

Attest:

Chad M. Adams, City Administrator-Clerk