



Approved: August 8, 2016

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**CITY OF ARDEN HILLS, MINNESOTA  
CITY COUNCIL WORK SESSION MEETING  
JULY 18, 2016  
5:00 P.M. - ARDEN HILLS CITY COUNCIL CHAMBERS**

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**CALL TO ORDER/ROLL CALL**

Pursuant to due call and notice thereof, Mayor Grant called to order the City Council Work Session meeting at 5:00 p.m.

**Present:** Mayor David Grant; Councilmembers Brenda Holden, Fran Holmes, and Dave McClung

**Absent:** Councilmember Jonathan Wicklund (excused)

**Also present:** Interim City Administrator Sue Iverson; Acting Public Works Director John Anderson; City Planner Ryan Streff; Senior Planner Matthew Bachler; City Clerk Julie Hanson; and Deputy Clerk Jolene Trauba

**Councilmember Holden** requested a discussion be held regarding the Railroad Bridge on New Brighton Road.

**1. AGENDA ITEMS**

**A. I-35W MnPASS Municipal Consent Update**

**Acting Public Works Director Anderson** stated the Minnesota Department of Transportation is in the process of completing preliminary design and environmental documentation for a third lane in each direction along Interstate 35W from County Road C in Roseville to Sunset Avenue just North of Lexington Avenue in Lino Lakes.

**Acting Public Works Director Anderson** reported Mark Lindeberg, Project Engineer with MnDOT, was in attendance and would be presenting a project overview for the City Council. The City will be holding a public hearing on municipal consent at the July 25, 2016, regular City Council meeting following which the Council will be asked to act on municipal consent for this project. In addition to municipal consent, MnDOT is requesting feedback on the construction staging plan. The project is planned to be constructed over a 4-year period.

**Mark Lindeberg**, MnDOT, provided the Council with an overview on the MnPASS project and noted which bridges would be improved. He explained this project would assist with congestion in the northern suburbs. He reported MnDOT would be seeking municipal consent from nine communities. He indicated the project has an \$80 million shortfall at this time. MnDOT was seeking additional funding and was hoping to begin the project in 2019. The phases for the project were reviewed in further detail, and it was noted a portion of the County Road I loop would be closed. It was MnDOT's hope the project could be completed in three years.

**Mayor Grant** asked if sound walls were being proposed.

**Mr. Lindeberg** stated a number of sound walls are being evaluated as a part of this project.

**Councilmember Holden** questioned how MnDOT determined which areas received a sound wall and which did not.

**Mr. Lindeberg** reported a five decibel noise reduction must be observed in order for a sound wall to be considered.

Further discussion ensued regarding sound walls and potential breaks in the noise walls.

**Mayor Grant** supported the north bound lanes being completed first followed by the south bound lanes.

**Councilmember Holden** expressed concern with how traffic would be impacted by the closing of on and off ramps. She feared how this would adversely impact Arden Hills residents given the fact ramps would be close through the entire City.

**Mr. Lindeberg** stated access issues would be addressed but noted ramps would have to be closed in order to keep the project moving along in a timely manner.

**Councilmember McClung** agreed that access in and out of Arden Hills would be crucial during this project.

**Councilmember Holden** thanked MnDOT for pursuing the Arden Hills sign.

**Mayor Grant** thanked Mr. Lindeberg for his update and encouraged MnDOT to reconsider the ramp closures for this project in order to reduce the impact on Arden Hills' residents.

## **B. Opt-Out Ordinance – Temporary Family Health Care Accessory Dwellings**

**Senior Planner Bachler** explained the State legislature passed a bill this session establishing a new permitting process for temporary family health care accessory dwellings. The law specifically applies to dwellings used for short-term care purposes for family members in need of assistance. Under the new regulations, these dwellings would require permitting from the City but would be exempt from certain provisions within the City's land use and building regulations. The Community Development Department provided comments on the draft legislation to the League of Minnesota Cities noting its concerns about the impacts of the law on public health and safety.

Although the law was adopted, there is a provision that allows cities to opt-out of the law if an ordinance is approved before it goes into effect on September 1, 2016. Staff continues to have concerns about the new law even though changes were made to the draft legislation based on comments provided by municipalities, including:

- The City currently prohibits the use of temporary accessory structures as dwellings, except a special permit may be granted by the City Council for the use of a temporary structure as a dwelling for no more than 90 days in emergency situations. The law would require the City to allow temporary family health care accessory dwellings to be in place for six months. The permit may also be renewed once for an additional six months.
- The law would supersede existing land use regulations in the City Code related to accessory structures. Though the statute would require that the accessory dwelling units comply with the City's setback requirements that apply to the principal structure on the property, it does not address lot coverage, drainage, and shoreland requirements.
- The law requires applicants to provide proof of adequate septic service management. City staff has concerns about the feasibility of providing safe, temporary septic services to these types of structure and what the process would be for enforcement and mitigation if there were a failure in these services.
- The law stipulates that applications must include proof of the provider network providing the primary care for the resident in the dwelling unit, and written certification of the need for assistance from a medical professional. This requirement places a burden on City staff to review and properly manage this type of private medical documentation.

**Senior Planner Bachler** explained the League of Minnesota Cities has recommended that cities consider passing an opt-out ordinance if they want to maintain their existing land use controls or develop customized regulations that might allow this type of dwelling unit in some cases using a different review and approval process.

**Senior Planner Bachler** recommended the Council direct City staff and attorney to draft an ordinance to opt-out of the requirements of Minnesota Statutes, Section 462.3593 regarding temporary family health care accessory dwellings. A public hearing would be required for the ordinance and could be held by the Planning Commission on August 3, 2016. The City Council could then review and take action on the Ordinance on August 8, 2016.

It was the consensus of the Council to support the City opting out.

### **C. Red Fox Business Center – Alpine Factor – Indoor Commercial Recreation Use**

**City Planner Streff** stated Roberts Management Group has approached staff with a potential tenant for the site, Alpine Factory. The company provides indoor training facilities for skiers and snowboarders. A description of the business was provided. Based on its review, staff determined that the business would be classified as an indoor commercial recreation use. The subject property is located in the I-Flex District, which does not allow indoor commercial recreation uses as a

permitted use. Sports and fitness clubs, however, are allowed as a permitted use in the I-Flex District.

**City Planner Streff** reported staff consulted with the City Attorney on this matter and the City Attorney recommended that this item be brought to a City Council work session for discussion. Staff is requesting the City Council review the definitions for indoor commercial recreation and sports and fitness clubs and determine how to classify the proposed Alpine Factory or similar recreational uses.

**City Planner Streff** stated if the City Council determines the Alpine Factory business is an indoor commercial recreation use, the property owner could decide to submit an application for a Zoning Code Amendment to allow this use as a permitted use in the I-Flex District. This application would require a public hearing at the Planning Commission followed by review and approval by the City Council. If the City Council determines the use is sports and fitness club, staff will work with the property owner and applicant on processing any necessary building permits for tenant improvements.

**Councilmember Holden** asked if the Alpine Factory could be a conditional use.

**City Attorney Jannik** reported the Council could make the use a CUP.

**Jessica Merchetta**, Alpine Factory representative, described the unique offerings of the Alpine Factory noting this was a new concept for the United States. She reported she was proposing a facility that would be the first of its kind for the state of Minnesota and would offer artificial training for alpine skiing and snowboarding. She discussed how lessons would be scheduled along with the feedback that would be provided to patrons.

**City Attorney Jannik** advised that the proposed use differed from the other recreational uses in Arden Hills. This was the reason it was being brought before the Council for comment.

**Councilmember Holden** asked which building Alpine Factory would be located in.

**Nick Roberts**, Roberts Management Group, stated Building 2 was being proposed for the Alpine Factory.

**Mayor Grant** questioned how many visitors could be onsite at once.

**Ms. Merchetta** stated the maximum number of users would be 12.

**Councilmember Holden** supported the proposed use at the suggested location.

**Councilmember Holmes** also supported the use and recommended it be classified as a permitted use under club, sport and fitness in I-Flex so as to avoid a zoning code amendment.

**Councilmember McClung** and **Mayor Grant** agreed with this suggestion as well.

Further discussion ensued regarding the I-Flex zoning district.

#### **D. Letter of Credit for Phase I Development Agreement – Land O’Lakes**

**Interim City Administrator/Director of Finance and Administrative Services Iverson** stated the City Council approved the Phase I Development Agreement for Land O’Lakes on Monday, July 11, 2016. The City requires financial security to be provided by a developer for required infrastructure and land alteration activities and it is City policy to require that security in the form of an irrevocable letter of credit issued by a Minnesota FDIC insured bank. The Development Agreement approved by the City Council at its last meeting incorporates that requirement.

**Interim City Administrator/Director of Finance and Administrative Services Iverson** commented subsequent to that approval, the developer has informed the City staff and attorney that they “are bound by our credit agreement to issue any LOCs (Letters of Credit) through CoBank which is a Farm-Credit System bank headquartered in Denver.” The City attorney and staff have reviewed the developer’s request and recommend acceptance of the proposed financial security by the City Council for both Phase 1 and Phase 2. Staff requested feedback from the Council on the proposed financial security proposed by Land O’Lakes.

**Councilmember McClung** questioned the difference between a farm credit system bank versus an FDIC insured bank.

**City Attorney Jamnik** discussed the differences between these two entities noting City staff supported the farm credit system bank.

#### **E. TCAAP Communication Plan**

**Stacie Kvilvang**, Ehlers Inc., stated in August 2007 the City undertook a process to hire a Communications Consultant for TCAAP. The Communications Committee determined who to seek proposals from, interviewed those firms (Goff & Howard Inc., and Davis Communications) and ultimately recommended approval of Davis Communications. On October 29, 2007, the City approved entering into a contract with Davis Communications.

**Ms. Kvilvang** explained that as a part of the process, Davis Communications sent a questionnaire to the Council to receive some feedback on what needed to be communicated so a plan could be drafted. Based upon this feedback and discussion with the Council, a draft plan was developed and provided to the Communications Committee for review and comment. The Committee made revisions and a plan was submitted to the City Council for consideration and approved in early 2008. Since the Plan was created for the planning that was underway with Ryan Companies, a majority of the content in those documents may no longer be relevant and a new Plan or outline will need to be put together by the City’s new communications consultant.

**Ms. Kvilvang** recommended that the City Council interview candidates (or select two or three representatives to do the interviewing, one being the Mayor). She also recommended that the City follow the same process as last time. She reported she has compiled a list of firms to interview and that the City Council must select a date for interviews, which would take approximately four hours.

**Councilmember McClung** recommended Councilmember Wicklund assist with the interviews given the fact he serves on the Communications Committee.

**Councilmember Holmes** agreed with this suggestion. She believed the previous plan should have been more focused and not have provided the City with such a broad plan.

**Councilmember McClung** suggested Councilmember Wicklund be asked to sit in on the interviews along with the Mayor and if he was unwilling, he noted he would be interested in serving.

#### **F. 2017-2021 Capital Improvement Program (CIP) Discussion**

**Interim City Administrator/Director of Finance and Administrative Services Iverson** stated a preliminary plan has been prepared and along with a summary of projects, detailed sheets on each project and their proposed funding sources, a report showing the projects by funding source, and a sheet projecting the fund balances in each of the funds (since the operating budgets have not yet been completed, these fund balances are estimated operating costs).

**Interim City Administrator/Director of Finance and Administrative Services Iverson** reviewed a memo from John Anderson laying out significant changes in Public Works and their associated projects. Other notable differences can be found in Government Buildings, as well as, the Water and Sewer Funds. Government Buildings increased due to the replacement of HVAC equipment that is becoming increasingly costly to repair. The Water and Sewer Funds show negative fund balances in out years; however, this is mainly due to planned TCAAP infrastructure costs. These costs will be recovered in the rates charged for Sewer and Water once the rates are updated following a forthcoming rate study.

**Acting Public Works Director Anderson** commented on the Johanna Marsh tennis court. He stated the cost had been increased in order to cover the expense of its replacement. He explained staff would be reviewing soil borings in order to assist with understanding the cost for the court replacement. He then reviewed the proposed sewer lining and street projects for 2017, along with other Public Works projects.

**Interim City Administrator/Director of Finance and Administrative Services Iverson** discussed the total project costs along with the summary of funds available for these projects from the City and County.

**Councilmember Holden** requested the trees along County Road 96 be considered in the near future.

**Mayor Grant** requested further information regarding the significant expenses on the mower.

**Acting Public Works Director Anderson** described the repairs that the mower has undergone, noting the mower operates like an old piece of equipment.

**Mayor Grant** was uncertain if he could support the purchase of a large area mower given the proposed expense, especially given the fact very little has been spent on this piece of equipment in the past four years. He requested staff investigate other options.

**Councilmember Holden** supported the purchase given the additional safety the unit would provide to the Public Works Department workers. She asked if the piece of equipment was a want or a need.

**Acting Public Works Director Anderson** indicated the large grassy areas have to be mowed in the summer time and the large area mower gets the work done quicker than two small mowers.

**Councilmember McClung** was interested in seeing what the labor costs would be for using two Z-turns versus one large area mower.

**Councilmember Holden** questioned if the new generator should be moved to 2017. She supported the expense in 2017 given the number of storms that occur each summer where power is lost.

**Acting Public Works Director Anderson** stated he placed the item in 2019 to assist with balancing out expenses in 2017 and 2018.

Further discussion ensued regarding the expense the City pays for sewer backups.

**Councilmember Holmes** supported the generator being purchased in 2017, while holding off on the large area mower purchase until additional options can be reviewed by the City Council.

The Council reviewed the CIP in further detail.

**Councilmember Holden** wanted to have the Council pursue a gateway sign at Lexington Avenue and Highway 96. She provided further comment on the playground replacements and questioned if they were absolutely necessary. She wanted to know which replacements were mandatory and which could be delayed.

**Interim City Administrator/Director of Finance and Administrative Services Iverson** stated staff could look into this further and would report back to the City Council.

**Acting Public Works Director Anderson** noted the playground structures were currently on a 20-year replacement cycle.

**Mayor Grant** requested the new sirens for Emergency Management be put into the CIP.

**Interim City Administrator/Director of Finance and Administrative Services Iverson** estimated the expense for this project would be \$15,000.

Further discussion ensued regarding sewer lining.

**Mayor Grant** encouraged staff to maximize the use of grants while completing the City's sewer lining projects.

**Councilmember Holmes** requested further information on TCAAP expenses.

**Interim City Administrator/Director of Finance and Administrative Services Iverson** reported Stacie Kvilvang was working on this item.

**Acting Public Works Director Anderson** discussed the Pavement Management Plan for the coming years. He explained the street selection was done so in order to keep expenses even for the next two or three years. He noted that mill and overlay projects are assessed.

**Councilmember Holden** did not believe the City would ever not have a PMP. For this reason, she wanted to see Old Snelling Avenue reconstructed. She then commented on the condition of Floral Drive and believed this roadway should be added to the schedule.

Further discussion ensued regarding the streets in need of reconstruction.

**Councilmember Holden** wanted to see Floral Drive replaced prior to Old Snelling Avenue given the fact the neighborhood children could not even ride their bikes safely on this roadway. She recommended a feasibility study be completed on Floral Drive and that this project be considered for 2018.

**Councilmember McClung** agreed that Floral Drive was in very poor condition, along with Old Snelling Avenue. He believes Floral Drive should be completed in 2018.

**Councilmember Holmes** stated Park Shore Drive was another roadway in need of repaving.

**Acting Public Works Director Anderson** commented that Floral Drive could be completed in 2018 and Park Shore could be completed in 2017.

The Council discussed the future design plans for the sidewalk/trail along County Road E.

**Mayor Grant** recommended \$600,000 not be spent on the landscaping along Highway 96. He suggested \$400,000 be set aside for landscaping and \$200,000 be budgeted for the trail. This would ensure a portion of the trail was completed in 2017.

**Councilmember Holden** proposed the landscaping and trail each have \$300,000.

**Mayor Grant** supported this recommendation.

**Councilmember Holden** requested staff investigate when the north water tower was last painted. She wanted to see when this item should be placed into the CIP for repainting.

**Councilmember Holmes** requested further information on the water and sewer funds.

**Interim City Administrator/Director of Finance and Administrative Services Iverson** commented on the balance of these funds and noted a rate study would be completed to ensure the water, sewer, and surface water rates were set properly.

**G. County Road E Bridge Pedestrian Lighting Review**

This item would be addressed at a future worksession meeting.

**H. Snow Plowing, Snow Removal and Ice Control Policy**

This item would be addressed at a future worksession meeting.

**I. Personnel Committee Update**

**Mayor Grant** stated the Personnel Committee would be meeting with Bill Joynes to talk about the Public Works position. He noted the City of Shorewood had some candidates that would be reasonable for the City Administrator position.

**J. Railroad Bridge**

**Councilmember Holden** requested staff send a letter to the railroad regarding the potential trail.

**2. COUNCIL COMMENTS AND STAFF UPDATES**

**Mayor Grant** noted the County Road E2 bridge opening would be delayed one week.

**ADJOURN**

Mayor Grant adjourned the City Council Work Session meeting at 8:02 p.m.

  
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Julie Hanson  
City Clerk

  
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David Grant  
Mayor