



Approved: August 29, 2016

**CITY OF ARDEN HILLS, MINNESOTA
REGULAR CITY COUNCIL MEETING
JULY 25, 2016
7:00 P.M. - ARDEN HILLS CITY COUNCIL CHAMBERS**

CALL TO ORDER/ROLL CALL

Pursuant to due call and notice thereof, Mayor David Grant called to order the regular City Council meeting at 7:00 p.m.

Present: Mayor David Grant, Councilmembers Brenda Holden, Fran Holmes, Dave McClung and Jonathan Wicklund

Absent: None

Also present: Interim City Administrator and Director of Finance and Administrative Services Sue Iverson; Acting Public Works Director John Anderson; City Planner Ryan Streff; Senior Planner Matthew Bachler; and City Clerk Julie Hanson

PLEDGE OF ALLEGIANCE

1. APPROVAL OF AGENDA

MOTION: Councilmember Holmes moved and Councilmember McClung seconded a motion to approve the meeting agenda as presented. The motion carried unanimously (5-0).

2. PUBLIC INQUIRIES/INFORMATIONAL

None.

3. STAFF COMMENTS

A. Rice Creek Commons (TCAAP) and Joint Development Authority (JDA) Update

Interim City Administrator/Director of Finance and Administrative Services provided the Council with an update on TCAAP and the JDA that included development, meetings and communications/media.

B. Transportation Update

Acting Public Works Director Anderson reported work continues on I-694. He explained the westbound exit at Lexington Avenue was currently closed and would remain closed for the next two to three weeks.

Acting Public Works Director Anderson stated the overlay project for I-35W was completed for the northbound lanes. He anticipated overlay work would begin on the southbound lanes this weekend.

Acting Public Works Director Anderson stated work at County Road H and I-35W continues. It was noted there were plans to close a portion of County Road H on August 1.

Acting Public Works Director Anderson indicated the County Road E2 bridge project was on schedule; however, the City of New Brighton had a slight setback in their project. He anticipated the bridge would be open early August.

Acting Public Works Director Anderson updated the Council on the Lexington Avenue/County Road F project. He stated Gramsie Road was currently open and would remain open to assist with traffic circulation.

C. Night to Unite Update

City Clerk Hanson reported 2016 Night to Unite would be held Tuesday, August 2 from 5 p.m. to 9 p.m. Information regarding the event had been promoted in the City's newsletter and on the City's website. Anyone interested in hosting an event was encouraged to register their party with the Ramsey County Sheriff's Office by Friday, July 15; however, the County was still accepting registrations and working to accommodate individuals. Registration information and activity packet forms were available on Ramsey County's website (a link was also available on the City's site) or by calling the Crime Prevention Unit at 651-266-7338.

City Clerk Hanson stated community officials, fire departments, and Ramsey County Sheriff's Office representatives would visit those who had registered to host a neighborhood gathering. An updated list of neighborhoods participating in Night to Unite would be sent to the City Council when it becomes available. She noted there were currently 24 parties registered with the Sheriff's Department.

4. APPROVAL OF MINUTES

- A. June 27, 2016 Regular City Council
- B. July 11, 2016 Regular City Council

MOTION: Councilmember Holden moved and Councilmember Holmes seconded a motion to approve the June 27, 2016, Regular City Council meeting minutes; and July 11, 2016 Regular City Council meeting minutes as presented. The motion carried unanimously (5-0).

5. CONSENT CALENDAR

- A. Motion to Approve Consent Agenda Item - Claims and Payroll
- B. Motion to Accept 2nd Quarter Actuals

- C. Motion to Approve Emerald Ash Borer Treatment Proposal
- D. Motion to Approve Planning Case 16-018 – Site Plan Review – Sign Standard Alignment – Land O’ Lakes – 4001 Lexington Avenue North
- E. Motion to Accept Resignation of City Planner
- F. Motion to Authorize Step Increase for Senior Planner
- G. Motion to Authorize the Appointment of Mike Schifsky as Public Works Working Foreman and Authorization to Advertise for Public Works Superintendent

MOTION: Councilmember Holden moved and Councilmember Holmes seconded a motion to approve the Consent Calendar as presented and to authorize execution of all necessary documents contained therein. The motion carried unanimously (5-0).

6. PULLED CONSENT ITEMS

None.

7. PUBLIC HEARINGS

- A. **Resolution 2016-025 Approving Layout of I-35W MnPASS Project SP 6284-172**

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 indicated Mark Lindeberg, Project Engineer with MnDOT, was in attendance and would be presenting a project overview for the City Council. The Municipal consent process requires a public hearing be held on the improvement. Staff has advertised notice of public hearing as required by law. No public comments have been received as of July 21, 2016. After the conclusion of the public hearing, the Council has 90 days to take action on the request for Municipal Consent. The Council has three options, which are:

- Approve Municipal Consent
- Disapprove Municipal Consent
- Disapprove Municipal Consent with Conditions

Acting Public Works Director Anderson reported that if the Council takes no action within 90 days after the public hearing, Municipal Consent is deemed to be granted.

Mark Lindeberg, Project Engineer with MnDOT, provided the Council with a presentation and update on the MnDOT MNPASS Project being proposed for I-35W. He reported this project would occur from Highway 36 to Lexington Avenue. The MNPASS lane would be added to the center lane in each direction. All lanes of traffic would be reconstructed in concrete. He estimated the project would cost \$208 million. MnDOT had an \$80 million shortfall at this time and would continue to pursue federal funding. He hoped MnDOT would be able to begin the project in the spring of 2019. The project scope for I-35W was reviewed in further detail with the Council.

Mr. Lindeberg described where noise walls would be constructed south of County Road J. He reviewed the voting and public meeting process that would occur for the noise walls. He reported the current sound wall in front of Arden Manor would remain as is.

Councilmember Holden discussed the noise wall at County Road C. She requested further information regarding the noise wall voting process.

Mr. Lindeberg explained those people living between 300 and 500 feet to the freeway would be receiving a ballot for the noise wall voting process. He indicated those living further than 500 feet would not receive a ballot. He described the ballot in further detail with the Council.

Mayor Grant questioned why MnDOT was using a balloting process when this had not been done in the past.

Mr. Lindeberg reported MnDOT has a new noise wall approval process. He described the cost effective measures that must be met in order for a noise wall to be constructed.

Councilmember Wicklund asked who would be paying for the noise wall.

Mr. Lindeberg indicated the noise walls would be covered by MnDOT.

Councilmember McClung requested further information regarding the timing or phasing of the project phasing.

Mr. Lindeberg discussed the project phasing with the Council noting southbound I-35W would be completed first.

Councilmember McClung understood there would be lane and closures during the four years the project took place; however, he wanted to be sure that Arden Hills' residents would be able to access I-35W throughout the entire span of the project.

Mr. Lindeberg described the lane closures in further detail but noted MnDOT would be working to maintain access. He discussed the short and long-term ramp closures with the Council.

Mayor Grant opened the public hearing at 7:46 p.m.

Nancy Dunlap, 3923 Rolling Hills Road, expressed concern with the proposed location of the noise walls. She feared that her neighborhood (Valentine Hills) would not have a noise wall because she was more than 350 feet from the freeway. She then described how the freeway noise was amplified off the lake into her neighborhood and feared a concrete freeway would be even noisier than the asphalt roadway. She questioned how the noise wall studies were completed by MnDOT.

Mr. Lindeberg described how MnDOT conducted the noise wall studies. He reported the homes in the Valentine Hills neighborhood were quite far from the freeway and would not realize a benefit from a sound wall. For this reason, MnDOT determined a noise wall would not be effective in this area.

Councilmember Holmes indicated she lived in the Valentine Hills neighborhood as well and understood a sound wall would not assist with the noise situation.

Dave Cmiel, 1861 West Highway 96, stated he was representing the East Round Lake neighborhood. He explained he lived 100 feet from the freeway. He took issue with Mr. Lindeberg's comments regarding the actual noise levels within his neighborhood. He discussed a survey that was completed regarding a noise wall and stated all of his neighbors supported a noise wall. He recommended the City not grant municipal consent until a noise wall along his neighborhood be reconsidered given the fact Highway 10 would have increased traffic once TCAAP was complete.

Mayor Grant requested further information on how US10 would be impacted through the I-35W project.

Mr. Lindeberg discussed the future plans for US10. He stated noise walls along this roadway have been investigated in the past; however, they have not proven to be cost effective in order to be constructed.

Mayor Grant asked if the proposed project would be adding more capacity to US10.

Mr. Lindeberg was uncertain if more capacity would be added to US10, but would reduce the timeframe from which traffic was moving along this roadway. He then described the future plans for US10 diagonal, noting one additional lane may be added in the next 10 years. He did not believe this additional lane would add capacity, but rather would improve the flow of traffic.

Mayor Grant questioned if the noise levels at US10 and Highway 96 have been restudied after the Highway 96 project was completed.

Mr. Lindeberg stated this had not been done.

Mr. Cmiel discussed the I-694 project and how this had affected his neighborhood. He reported the SEH findings stated a noise wall was warranted and justified for his neighborhood. He recalled that an independent firm was hired on behalf of the Briar Knoll neighborhood at the suggestion of Councilmember Holmes. At that time, it was determined a sound wall would not work for the Briar Knoll neighborhood. He questioned why the East Round Lake Neighborhood was not receiving the same reconsideration and asked why an independent consultant had not been hired to assist with an independent sound wall study. He encouraged the Council to be fair and consider how much his neighborhood has suffered. He reiterated the fact that his home was built prior to the freeway being in place.

Councilmember Holden questioned why the East Round Lake Neighborhood did not qualify for a sound wall.

Mr. Lindeberg stated this neighborhood lacked the proper density in order to meet MnDOT's cost/benefit ratio.

Councilmember Holden asked if an independent study were completed if this would assist the East Round Lake area in getting a sound wall.

Mr. Lindeberg reported based on his experience a sound wall would be put out for a vote if it reduced noise and was cost effective.

Mayor Grant inquired if the cost effective number or rate had changed.

Mr. Lindeberg stated the cost effective number was \$3,325 per decibel per benefiting receptor. He explained the equation has changed slightly and swings the pendulum closer to residents than the old policy and makes it easier for noise walls to be constructed.

Mayor Grant asked if a third lane being added from I-35W to County Road 96 would necessitate a new sound study analysis.

Mr. Lindeberg reported this was the case.

Councilmember Holmes responded to Mr. Smeal stating the Council speaks with one voice and votes based on experts. She stated she was not a sound wall expert but took action based on the recommendation of a sound wall. Second, she did not order the independent noise study alone, but rather noted this was an action voted on by the entire City Council. She understood there was a lack of density in the East Round Lake neighborhood, which meant a noise wall would not be constructed. She indicated the Council was always happy to advocate on behalf of its residents.

Mr. Cmiel agreed the Council took action on this item. He did not understand why the Council directed Bolton & Menk to complete a sound analysis on one neighborhood (Briar Knoll) instead of two neighborhoods, which would have included his neighborhood. He wanted to see an independent study completed by Bolton & Menk for the East Round Lake neighborhood.

Mayor Grant closed the public hearing at 8:25 p.m.

Councilmember Wicklund asked if the Council had to take action on this item this evening.

Mayor Grant stated the Council had 90 days to take action on this item.

MOTION: **Councilmember Holmes moved and Councilmember Holden seconded a motion to adopt Resolution #2016-025 Approving Layout of Interstate 35W MnPASS project.**

Mayor Grant wondered how much an independent sound study would run for the East Round Lake neighborhood.

Acting Public Works Director Anderson stated he was uncertain as to the expense but noted he could investigate this further for the Council.

Councilmember Holden commented the proposed sound study was not within the scope of MnDOT's project.

Mayor Grant understood this to be the case but noted this sound study would be a part of MnDOT's next project. He asked what the process would be to get a sound wall built as a stand along project.

Mr. Lindeberg commented MnDOT would have to build a wall if directed by the State or indicated a standalone noise wall project could be pursued.

Councilmember Holden asked if a vacant buildable lot counted within MnDOT criteria.

Mr. Lindeberg was uncertain.

Mayor Grant requested Mr. Lindeberg investigate this matter further and report back to City staff.

AMENDMENT: Councilmember Holden moved and Mayor Grant seconded an amendment adding a second Now Therefore Statement to read: MnDOT will make a conscientious effort to allow for one exit point onto and off of I-35W in Arden Hills during the construction season.

The amendment carried (5-0).

The amended motion carried 4-1 (McClung opposed).

8. NEW BUSINESS

A. Planning Case 16-016 – Final PUD Phase 2 – Land O’Lakes – 4001 Lexington Avenue North

City Planner Streff stated the Land O’Lakes corporate headquarters has operated in Arden Hills since 1981, and operates as a Planned Unit Development (PUD) originally approved in Planning Case 79-004. The original Master PUD was recently amended to include two additional phases of development. The City Council approved the Master PUD and Final PUD for Phase 1 of the development on June 27, 2016.

City Planner Streff explained the Land O’Lakes campus is comprised of approximately 49 acres that contain two principal buildings situated towards the center of the property: the corporate headquarter building and a research and development building. Between these two facilities, the campus includes 263,800 gross square feet of building space. Additional improvements on the site include a surface parking lot with approximately 931 parking stalls and regional stormwater facilities. The remainder of the property is covered by wooded and open lawn areas.

City Planner Streff reported the applicant is requesting approval of a major addition to their campus that would allow the company to consolidate their Arden Hills and Shoreview locations into one headquarters facility at their existing Arden Hills property. The proposal includes the construction of a four-story, approximately 155,000 gross square foot office building just to the north of the existing principal buildings. Land O’Lakes is incorporating sustainable best practices into the design of the building and will seek a minimum of LEED Gold certification for the project. Other site improvements would include the expansion of the surface parking lots to provide approximately 1,677 parking stalls along with the installation of extensive native landscaping areas to enhance the overall character of the site.

City Planner Streff indicated Land O’Lakes currently leases office facilities in Shoreview at the southeast corner of Lexington Avenue North and County Road F. Approximately 900 employees now work at this location and would be relocated to the Arden Hills campus with the completion

of the new building. The company estimates that 2,100 employees will work on the site after consolidation in late 2018.

City Planner Streff commented Land O'Lakes will be completing the new office building and site improvements over two phases. Phase I was approved by the City Council on June 27, 2016, and includes the expansion and reconfiguration of the visitor parking lot on the south side of the existing buildings. This phase is expected to be completed by late summer 2016. Phase 2 of the project would consist of the remaining components of the expansion project, including the new office building and the expansion of the employee surface parking lot on the north side of the buildings. Construction on Phase 2 is expected to be complete by December 31, 2018. In Planning Case 16-016, Land O'Lakes is requesting City approvals for the Final PUD for Phase 2 of the project.

City Planner Streff stated the Planned Unit Development process is a tool that provides additional flexibility for development that an underlying zoning district would not otherwise allow. For example, a PUD may make exceptions to setbacks, lot coverage, parking requirements, signage, building materials, or landscaping requirements. It is intended to overcome the limitations of zoning regulations and improve the overall design of a project. While the PUD process allows the City to negotiate certain aspects of the development, any conditions imposed on the PUD must have a rational basis related to the expected impact of the development. A PUD cannot be used to permit uses that would not otherwise be permitted in the underlying zoning district.

City Planner Streff explained the findings of fact for the Final PUD for Phase 2 support approval. He reported the Planning Commission reviewed Planning Case 16-016 at their regular meeting on July 6, 2016. The Commission unanimously recommended approval (6-0) for a Final PUD for Phase 2 located at 4001 Lexington Avenue North, based on the finding of fact and submitted plans, as amended by the twenty-two (22) conditions in the July 25, 2016, Report to the City Council.

Marsha Droege, Land O'Lakes representative, provided the Council with a more detailed presentation on the Phase II Plans. She explained that Land O'Lakes was proposing to expand in Arden Hills in order to bring all of their employees onto one campus. She discussed the growth Land O'Lakes would be facing in the coming years and noted the company wanted to work to secure its core talent. She then reviewed the construction schedule for the Land O'Lakes project.

John Slack, Perkins & Will, reviewed the landscaping, site plan and architectural design for the buildings with the Council. He reported Land O'Lakes would be planting a great deal of native pollinators. He then focused on the central plaza between the two buildings noting Land O'Lakes would be seeking LEED Gold certification for the new building. He stated an outdoor nature themed playground was being considered, in conjunction with a daycare.

Russell Filstrom, Perkins & Will, discussed the building programming elements with the Council. He then reviewed the exterior building elevations and described the existing and proposed building materials, which would be brick, glass and dark metal panels. He commented on the rooftop screening along with the at grade connection that would be constructed between the two buildings.

Mayor Grant commented on the phasing of the project.

Councilmember McClung asked if the turning radiuses for the property had received approval from the Fire Department.

Ms. Droege indicated this had received approval from the Fire Department.

Councilmember Holden questioned if the new building would be visible from Lexington Avenue.

City Planner Streff directed this question to the applicant. He anticipated the structure would be visible from County Road F at certain locations.

Mr. Slack explained there was a low point on the northeast corner of the site and the property was higher to the west. He described how the property would be graded in order to drain properly. He anticipated the new building would be lower than the road given the elevation of the site. He reported that all of the views from the elevations were taken from Land O'Lakes property.

Mr. Filstrom discussed the floor-to-floor height for the new building. He commented the first floor of the new building was 13 feet to 16 feet in height. Further discussion ensued regarding the building elevations, the portion of the roof that would be screened and the visibility from Lexington Avenue and County Road F.

Councilmember Holmes asked how many employees were currently working on this campus and how many would be onsite after the new building was complete.

Ms. Droege stated Land O'Lakes currently has 950 employees in Arden Hills and estimated there would be 2,300 employees on the campus by 2024.

Councilmember Holmes requested further information on the Park Dedication fees.

City Planner Streff stated in the past Park Dedication fees have been collected for the subdivision of property. He believed that the expanded campus would have ample recreational opportunities onsite and therefore staff recommended no further Park Dedication fees be collected.

City Attorney Jamnik concurred with this assessment and noted Land O'Lakes had paid Park Dedication fees when the property was subdivided.

Mayor Grant supported staff's logic regarding the Park Dedication fees.

MOTION: **Councilmember McClung moved and Mayor Grant seconded a motion to approve Planning Case 16-016 for a Final Planned Unit Development (PUD) for Phase 2 of the Land O'Lakes consolidation plan at 4001 Lexington Avenue North, based on the findings of fact and submitted plans, and the twenty-two (22) conditions in the July 25, 2016, Report to the City Council.**

Councilmember Holden understood Councilmember Holmes concern regarding the Park Dedication fees. She believed Land O'Lakes has been a good neighbor to Arden Hills and anticipated that if Cummings Park was enhanced in the future, this project should be discussed with the Land O'Lakes Foundation.

Mayor Grant agreed Land O'Lakes was a good corporate neighbor.

The motion carried (5-0).

9. UNFINISHED BUSINESS

A. Planning Case 16-015 – Variance – 1494 Keithson Drive

Senior Planner Bachler stated the City Council reviewed Planning Case 16-015 at their regular meeting on June 27, 2016. The request was tabled in order to give the applicants additional time to review their proposal and provide an alternate plan that would reduce the encroachment of the proposed porch in the rear yard setback. The applicants have since revised their plans to reduce the width of the porch from 12 feet to 10 feet.

Senior Planner Bachler indicated the applicants have requested a rear yard setback variance in order to construct a 180 square foot three-season porch addition on the rear side of the house. The porch addition would encroach 1 foot – 6 inches into the required 30-foot rear yard setback, creating a setback of 28 feet – 6 inches from the rear property line. The project would also include a 174 square foot deck that would be accessed through the new porch. In this case, a variance is only needed for the porch addition, as the deck encroachment in the rear yard setback is allowed under the permitted encroachment provisions in Section 1325.03, Subd. 2 of the Zoning Code. He then reviewed Plan Evaluation and Variance Evaluation Criteria.

Senior Planner Bachler stated the Planning Commission reviewed Planning Case 16-015 at their regular meeting on June 8, 2016. He explained the findings of fact from the Planning Commission had been updated based on the revised plans.

Senior Planner Bachler explained the Planning Commission recommended approval (4-1, Thompson) of Planning Case 16-015 for a rear yard setback Variance at 1494 Keithson Drive, based on the findings of fact and submitted plans in the July 25, 2016, Report to the City Council, which were amended by five conditions.

Councilmember Holden asked if the three-season porch would be allowed if the cantilevered fireplace area were not included.

Senior Planner Bachler reported the cantilevered fireplace area encroached six inches into the setback, while the porch encroached a total of one foot into the setback. He noted the total structure encroached into the setback one foot six inches.

MOTION: **Councilmember Wicklund moved and Councilmember McClung seconded a motion to approve Planning Case 16-015 for a rear yard setback Variance at 1494 Keithson Drive, based on the findings of fact and submitted plans, as amended by the five conditions in the July 25, 2016, Report to the City Council.**

Councilmember Holmes thanked the applicant for their cooperation and for amending their three season porch plans.

The motion carried (5-0).

10. COUNCIL COMMENTS

Mayor Grant noted there were three open Council seats. Applications for these positions would open on August 2.

Mayor Grant questioned when the landscaping along Lakeshore Place would be complete.

Acting Public Works Director Anderson reported this question was passed along to the County and the County was waiting on approval from MnDOT at this time. He anticipated the work would be completed this fall.

Mayor Grant stated it has been a pleasure working with City Planner Streff. He thanked City Planner Streff for the great work he has done on behalf of the Arden Hills and wished him well in his new position.

Councilmember Holden thanked City Planner Streff for his dedicated service to the City.

ADJOURN

MOTION: Councilmember McClung moved and Councilmember Holden seconded a motion to adjourn. The motion carried unanimously (5-0).

Mayor Grant adjourned the Regular City Council Meeting at 9:48 p.m.



Julie Hanson
City Clerk



David Grant
Mayor