



Approved: September 12, 2016

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**CITY OF ARDEN HILLS, MINNESOTA  
CITY COUNCIL WORK SESSION AND JOINT WORK SESSION  
WITH THE JOINT DEVELOPMENT AUTHORITY (JDA)  
AUGUST 15, 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 at 5:00 p.m. and Chair Sand called the JDA meeting to order.

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

**Present:** JDA Members Chair Sand, Commissioners Brenda Holden, David Grant, Blake Huffman and Raphael Ortega

**Absent:** None

**Also present:** Interim City Administrator Sue Iverson; Acting Public Works Director John Anderson; Senior Planner Matthew Bachler; City Attorney Joel Jamnik; JDA Attorney Mike Norton; Deputy Clerk Jolene Trauba; Josh Olson, Ramsey County; Heather Worthington, Ramsey County; Stacie Kvilvang, Ehlers & Associates; Bob Lux, Alatus; Tom Shaver, Inland Development Partners; Kent Carlson, Inland Development Partners; Todd Stutz, Robert Thomas Homes; Tim Whitman, Whitman Associates Architects; Bruce Kimmel, Ehlers & Associates; and Beth Engum, Ramsey County

**Mayor Grant** asked if there were any changes to the agenda.

**Councilmember Holden** requested County Road 96 and Hamline be discussed, along with the Venus Neighborhood, County Road E signage, the PMP project and State Fair parking.

**MOTION:** Councilmember Holden moved and Mayor Grant seconded a motion to approve the meeting agenda as amended. The motion carried unanimously (5-0).

**MOTION:** Chair Sand moved and Commissioner Holden seconded a motion to approve the JDA meeting agenda. The motion carried unanimously (5-0).

**1. AGENDA ITEMS**

**A. Joint Work Session with JDA and Master Developer**

**Interim City Administrator/Director of Finance and Administrative Services Iverson** stated the Master Developer had a presentation for the City Council and JDA members.

**Stacie Kvilvang**, Ehlers & Associates, reviewed the format for the meeting along with a future timeline for additional discussions regarding the Master Plan for the development.

**Bob Lux**, Alatus, thanked the JDA and City Council for their time. He explained his presentation would be broken down into three sections which would cover the commercial, residential and Town Center areas of the development. He looked forward to the JDA and City Council providing feedback after each section of the presentation. He reported the Alatus team has been meeting with City and County staff every Wednesday for the past three months.

**Alex Duval**, Alatus, stated over the past 90 days a team has been assembled to work on this project. He explained the focus has been on how to integrate the work being completed by the three primary groups, Alatus, Tradition and Inland. He then described the work being done by the design groups under the direction of each of the primary groups. He noted the natural resources corridor was being studied in order to keep this area special. He provided further comment on the highlights on the site noting this was one of the largest redevelopment projects in the metro area.

**Mr. Lux** understood the importance to stitching this new development into existing Arden Hills.

**Tom Shaver**, Inland Development Partners, noted Alatus would be requesting a TRC amendment. He reported the regional trails surrounding the property were being reviewed by the Master Developer. He commented on the benefits of creating trail connections from the east to the Natural Resource Corridor. He further discussed the positive amenities on the site. It was noted Bus Rapid Transit would be explored for the project.

**Mr. Lux** addressed how Alatus was approaching Town Center. He believed Arden Hills should consider moving City Hall into the Town Center area. He indicated a library, theater or museum would also benefit the Town Center area. He anticipated four restaurants would be located in this area along with convenience or entertainment retail. He stated after completing much research, there was a need for senior housing and 60 to 120 condominium units, with the condo building height being eight to ten stories high. It was noted Town Center would have six primary blocks. The underground parking requirements were discussed.

Further discussion ensued regarding the alignment of the spine road and how this would impact the flex space.

**Mayor Grant** requested clarification on the colors within the map.

**Mr. Lux** reviewed the colors and the legend with the City Council and JDA.

**Mr. Shaver** discussed how traffic would flow in and out of the property. He noted it would be difficult for the site at Highway 96 and the entrance to the property to support retail. He described

where the park and paths would be located within Town Center and pointed out the connections. The challenges for the site would be to create further connection points from this site to the remainder of Arden Hills. The plans for the Town Center were reviewed in further detail with the Council and JDA.

**Mayor Grant** questioned if the group had feedback at this point.

**Mayor Grant** believed further discussion would have to be held regarding “best homes” and “best jobs”.

**Councilmember Holden** asked which buildings would require a height variance.

**Mr. Shaver** anticipated this would be for the apartment and condominium buildings in Town Center. It was noted the condominium building would be done in concrete. Further discussion ensued regarding the density proposed for Town Center per block.

**Councilmember Holden** did not believe she would support moving City Hall. She indicated the current location was very centralized for all Arden Hills residents.

**Councilmember Holmes** agreed. She discussed the underground parking and expense for the proposed bridge.

**Mr. Shaver** discussed the costs associated with the underground parking and proposed bridge noting these would be long-term solutions for the site. He indicated grants may be available to assist with the expense.

**Ms. Kvilvang** stated based on conversations held to date, it appears the underground parking and bridge would be done privately.

**Councilmember Holmes** commented on the proposed rental rates and expressed concern with entrance and exit points for the apartments. She stated she was skeptical about how heavily the public transportation would be used given the fact this was a suburb. In addition, she was not convinced the proposed rental rates would be achieved.

**Chair Sand** understood senior housing would be located in the Town Center and asked how this would fit into the proposed plans.

**Mr. Shaver** stated this was a good question as it also addressed traffic and livability of the community. He commented on a senior housing project that he recently completed in Wayzata. It was noted the senior housing would have secure underground parking.

**Councilmember McClung** indicated overall he liked what he was seeing. He appreciated how the natural resources corridor would be highlighted. He understood Alatus would be seeking height flexibility for the condominium buildings. He anticipated this would be for two buildings. He asked if Alatus had any idea how many buildings would be higher than six stories.

**Mr. Shaver** reported Alatus was currently thinking of building three buildings over six stories, two condo buildings and a portion of one apartment building.

**Councilmember Wicklund** asked for more information on Main Street and whether this roadway could be made a strictly walking street.

**Mr. Shaver** commented he would love to be able to make this strictly a walking street. However, developers favored streets that accommodated vehicular traffic.

**Councilmember McClung** inquired if the developer had any traffic counts for the theater area.

**Mr. Shaver** stated this has not been tested yet.

**Councilmember Wicklund** asked if there were any other connectors, other than bus rapid transit, that would connect the two areas of the City.

**Mr. Shaver** commented Alatus was trying to create a connector or touchstone for Arden Hills. He understood it was hard to consider moving City Hall, however, this would assist with the major transformation that would be coming to the City.

**Councilmember Wicklund** supported the relocation of City Hall.

**Mayor Grant** commented on how the residents may perceive the movement of City Hall. He anticipated the City Council would have to further discuss the Town Center plan and the proposed building heights. He appreciated the proposed concept plan and wanted to hear more about vertical mixed uses.

**JDA Chair Sand** supported the overall plan. He discussed the importance of interconnectivity of this site to the remainder of Arden Hills. He believed City Hall needed to be connected to the remainder of the City. He questioned how Alatus would be connecting pedestrians from north side of Highway 96 to the south side of Highway 96. He suggested the bandshell be located near the water feature. He provided further comment on the streetscape.

**Councilmember Holden** requested further information on the condominium building height.

**Mr. Lux** commented on the anticipated condominium building height and construction specifications. He agreed a connection over Highway 96 would be imperative.

**Mayor Grant** questioned if the geotechnical would support a building of this height.

**Mr. Lux** discussed the subsurface information he had on the site.

**Mayor Grant** went on record stating he wanted there to be a water feature on the property and not just a holding pond.

**Mr. Lux** discussed the amount of mass grading that would occur for this complex site. He stated the water feature was a high priority for his team.

**JDA Chair Sand** questioned if two entrances and exits would adequately serve the site.

**Mr. Lux** indicated this was an excellent question. He further commented on the traffic plan that was completed by Kimley-Horn. He then turned the conversation over to Todd Stutz to address the residential portion of the project.

**Mr. Stutz**, Robert Thomas Homes, noted he was working on the Hill and the Creek neighborhoods as well as the housing within the Town Center. He described the design principle framework that was laid out within the Master Plan. He explained a wide range of housing would serve a broad spectrum of buyers at all phases in life. This means housing would be considered for millennials through baby boomers. He understood walkable neighborhoods and trail connections were important. He discussed numerous housing products that would be provided, noting he would be responding to the marketplace and proposed to have one-third executive move up housing, one-third first time buyers and one-third empty nesters. He anticipated the housing would have a wide range of prices starting at \$350,000. The Creek neighborhood would have 140 homes and the Hill neighborhood would have 267 units. He commented on the plans for the residential area south of the Hill neighborhood.

**Mr. Stutz** then reviewed the housing plans for Town Center. He described the various housing products that would be offered, along with the architectural styles that would be used. The proposed lot sizes were discussed, along with the location of the natural resources corridor. Further discussion ensued regarding the various housing products.

**Councilmember Holden** reviewed the City's home count versus Alatus' home count. She asked if the numbers included space for infrastructure.

**Mr. Stutz** reported the number of proposed homes did include infrastructure. He noted the numbers may adjust slightly after the site begins to be graded.

**Councilmember Holden** questioned if Alatus had a location for the water tower picked out.

**Mr. Lux** stated this has not been looked at extensively. He anticipated it would be located in the public park in the middle of the site.

**Councilmember Holden** inquired how much the park space had been reduced by Alatus.

**Mr. Stutz** explained the parks were smaller and noted there was a certain level of flexibility written into the TRC regarding the park space.

**Councilmember McClung** expressed concern with the park deficiency. He stated the original planning called for park programming given the level of density on the site. He feared that too much stress would be put on existing Arden Hills parks if the greenspace within TCAAP was not reconsidered. He commented that this portion of the plan did not meet his standards.

**Councilmember Wicklund** requested further information on where the custom homes would be placed.

**Mr. Stutz** commented on the home placement within the Creek neighborhood.

**Councilmember Holden** questioned who would be building the single-family homes. She asked how many different home products would be included in the neighborhoods.

**Mr. Stutz** estimated 50% of the homes would be built by Traditions and Robert Thomas Homes and the remainder would be built by other builders. He then reviewed the various housing products that would be offered, noting the housing styles would fit the requirements within the TRC.

**Mr. Shaver** discussed the commercial portion of the project. He anticipated the project would have 200,000 to 250,000 square feet of commercial space with 300,000 to 350,000 square feet of flex space. He then commented on the corporate campus area. It was noted Alatus wanted to maintain some level of flexibility within these uses in order to meet the demands of the market. It was noted a height variance may be requested for the corporate campus. The focus of the retail node was then reviewed. It was his opinion the flex and build to suit areas were perfectly sized, along with the retail area.

**Commissioner Huffman** questioned why the retail area had more surface parking than the Town Center.

**Mr. Shaver** explained it was the norm for retail areas to have surface parking. He stated the restaurant area would have surface and underground parking. It was noted that surface parking offers convenience for customers in the retail area.

**Councilmember Holden** expressed some concern by allowing a large grocer to come in and take up such a large portion of the retail space. She feared how this space would be used in the future if the grocer were to fail.

**Councilmember McClung** commented on the two dining areas.

**Commissioner Huffman** questioned how many of the users within the flex space would have heavy truck traffic. He wanted to see trucks kept out of the vehicular and pedestrian areas.

**Mr. Shaver** anticipated all of the flex space users would have some truck traffic. Discussion shifted to the eight text amendments that Master Developer would be requesting for the project.

**Mayor Grant** thanked Alatus for their thorough presentation.

**JDA Chair Sand** believed it was key for the development to have a finished look and feel even though the property would be completed in several phases.

**Councilmember Holden** expressed concern with the proposed density level of the development. She did not believe the density should be the same as that seen in St. Paul and Minneapolis. She noted that Arden Hills was a suburb.

**Councilmember McClung** believed the list of proposed text amendments was helpful. He looked forward to discussing these further with the Master Developer at the next meeting.

**Mayor Grant** commented on the original proposed density for the project. He indicated this matter would have to be further discussed by the City Council, along with the design concepts. He appreciated the high level of detail that was provided by the developer and looked forward to reviewing this information in further detail at future meetings. He was hopeful there was time built into the development plan to allow for further conversations between the City and the developer.

**Mr. Lux** stated this was the case. He thanked the City for all of their hard work on the TRC and Master Plan. He anticipated the developer would need additional flexibility for density. He commented on how his plans were challenging him to approach this site with 100 year plans and not just plans for the next 10 to 20 years.

**Mayor Grant** asked if the developer had received enough input this evening.

**Mr. Shaver** thanked the Council and JDA for their input. He looked forward to further refining the plans and discussing this with the City Council again in the near future.

**Ms. Kvilvang** reviewed the upcoming meeting schedule for the City Council.

**JDA Chair Sand** reported the JDA would meet next on Tuesday, September 6.

**MOTION:** Commissioner Grant moved and Commissioner Huffman seconded a motion to adjourn the JDA meeting. The motion carried unanimously (5-0).

The JDA meeting adjourned at 8:11 p.m.

There was a short recess as the JDA members and Alatus staff excused themselves from the meeting.

**MOTION:** Councilmember Holmes moved and Commissioner McClung seconded a motion to extend the meeting to 9:00 p.m. The motion carried unanimously (5-0).

## **B. Higher Education Uses in Industrial Zoning Districts**

**Senior Planner Bachler** explained over the last several years, local universities have shown an increased interest in using existing buildings in the City's commercial districts for satellite classroom or administrative facilities. An example of this type of reuse is Bethel University's purchase of the Country Financial office building for additional classroom space. The purpose of

this agenda item is to review how the Zoning Code addresses higher educational uses specifically in the City's industrial districts and to discuss if the City Council supports the current policy limiting higher education activities in industrial areas.

There are currently four zoning districts primarily designated for industrial uses in the City: I-Flex, I-1, I-2, and Flex Office. The Zoning Code includes a description of the purpose of each of these districts. Provided below is a general overview of the location of each district and the types of businesses in each:

- *I-Flex District*: Generally located between Dunlap Street and Highway 51, and between I-694 and the Canadian Pacific railway line. Examples of businesses located in this district include International Paper, Powder Technology, and IntriCon.
- *I-1 District*: Generally located between Lexington Avenue and Hamline Avenue, and between Cummings Park and I-694. This district is comprised primarily of the Boston Scientific and Land O'Lakes corporate campuses.
- *I-2 District*: Generally located between I-35W and Highway 10, north of the Arden Manor manufactured home park. Scherer Brothers Lumber Company is the only business located in this district.
- *Flex Office District*: Located on the Rice Creek Commons (TCAAP) property on the west side of the main boulevard and at the southeast corner of the site. There are no businesses located in this district at this time.

The Zoning Code includes the following definition for higher education schools: *Junior colleges, colleges, and universities approved by the Minnesota Higher Education Coordinating Boards for the Minnesota Department of Education*

Currently, higher education uses are not allowed as a permitted or conditional use in any of the four industrial zoning districts. Higher education is allowed as a conditional use in the B-1, B-2, B-4, and Civic Center Districts, and as a PUD in the R-1 District.

**Senior Planner Bachler** reported colleges and universities are comprised of several different types of uses, including classrooms, administrative offices, recreational facilities, and residential dormitories. The Zoning Code includes separate land use classifications for some of these uses, such as office and residential dormitories, and may treat them differently than the broader, higher education land use. For example, a college dormitory is a conditional use in the R-4 District, but higher education schools are not permitted. However, the Zoning Code does not include a separate category for classroom facilities and this use is grouped with the higher education land use category.

**Senior Planner Bachler** stated in order to allow for higher education uses in any of the industrial zoning districts, a Zoning Code amendment would be required. The City does not have specific criteria for evaluating proposed Zoning Code amendments. However, the following questions should be considered:

- Is the higher education use compatible with the other uses in the Zoning District?
- Is the higher education use consistent with the purpose of the Zoning District?

**Senior Planner Bachler** explained the City Council could choose to allow this use as either a permitted or conditional use. By requiring a conditional use permit for higher education uses, the City would have an opportunity to evaluate traffic patterns, parking, and other potential negative impacts of the use, and to place reasonable conditions on the approval to mitigate the impacts. Additionally, the City would be able to limit the use to activities that are compatible with the rest of the zoning district and restrict those uses that are not compatible, such as residential dormitories.

Staff is requesting that the City Council provide further direction on this subject by responding to the following questions:

1. Does the City Council support allowing higher education uses in any of the City's industrial zoning districts? If so, which ones?
2. Would the City Council like to see higher education uses classified as a permitted use or a conditional use?

**Councilmember Holden** believed businesses should be located in industrial districts.

**Councilmember McClung** agreed.

**Councilmember Holmes** did not believe that higher education was a compatible use within the industrial zoning district. It was allowed in the B-4 district awhile back and the City received numerous complaints due to issues of incompatibility with other uses.

**Mayor Grant** explained higher education was a non-intended use in this district. He recommended staff and the Council consider the proper function and scope for industrial properties. He then asked why this issue came about.

**Senior Planner Bachler** stated based on preliminary discussions, a local university was interested in purchasing the Smiths Medical property in order to create additional classrooms and other facilities.

**Councilmember Wicklund** asked if the City has allowed a University or higher education use to operate in the I-Flex district in the past.

**Mayor Grant** reported there was a building owned by the Davidson Company in the B-4 district that Bethel University wanted to use for night classes that was approximately 4,000 square feet. This building was used for some time, but eventually these facilities were relocated.

**Senior Planner Bachler** clarified that the Smiths Medical property was located in the City's I-Flex zoning district.

**Councilmember Wicklund** questioned if Smiths Medical was a fairly desirable property.

**Councilmember Holden** believed this to be true.

**Councilmember Wicklund** stated his first reaction would be to allow an organization to purchase a property, even if it was not desirable for higher education, versus the City speculating on the wisdom of that purchase. He thought it should be the purchaser's choice.

**Ms. Kvilvang** commented on the City's loss of industrial space, the compatibility issue and the legal standpoint if a higher education were to locate within the I-Flex zoning district. She advised office and lab space would have a different traffic pattern than the surrounding industrial uses.

**City Attorney Jamnik** provided further comment on the compatibility of uses.

**Councilmember Holden** asked if the only question before the Council was if the City wanted to allow higher education in the Industrial zoning district.

**City Attorney Jamnik** stated the Council was being asked if higher education could be a permitted or conditional use in the Industrial zoning district.

**Senior Planner Bachler** reported the City has not received any formal application at this time.

**Councilmember Wicklund** recommended the City not begin an uphill battle.

**Councilmember McClung** and **Councilmember Holden** were not interested in making any changes.

**Mayor Grant** stated the general consensus was to not may any changes at this time.

#### **C. Personnel Committee**

**Mayor Grant** reported the City of Shorewood was in its final phases of hiring and several candidates were being pooled in order for the City of Arden Hills to consider. The question would be if the Council wants to use this pool or also try and recruit additional candidates. The Personnel Committee was recommending the Council pursue this pool of candidates. He asked how the City Council wanted to proceed.

**Councilmember Holmes** believed this made a lot of sense.

**Councilmember Holden** reported interviews would be held for the customer service rep next week.

**Interim City Administrator Iverson** explained staff has narrowed down candidates for the Public Works Superintendent as well.

#### **D. County Road 96 and Hamline Avenue**

**Councilmember Holden** stated the "No Right Turn on Red" sign has been removed at this intersection. She indicated she spoke with John Anderson regarding this matter and believed the sign should be put back in place and the sign be enforced.

**Mayor Grant** agreed it was a poor decision for this sign to be removed.

**Interim City Administrator Iverson** commented she would speak with the County regarding this matter.

#### **E. Venus Neighborhood**

**Councilmember Holden** was upset that a family in the Venus neighborhood had contacted the Attorney General's Office because their yards were still unsatisfactory. She recommended the City get a truck full of black dirt, some grass seed and resolve this situation.

**Councilmember Holmes** stated it was her understanding the City of Arden Hills and its contractor had fulfilled the grass replanting requirements. She was uncertain if the City had to do what Councilmember Holden was suggesting. She understood the Attorney General's office told the individual there was nothing it could do.

**Mayor Grant** questioned how many residents were concerned with their yards and the dirt.

**Councilmember Holden** estimated there were at least 14 families with concerns about their yards.

**Councilmember McClung** was of the opinion the City had met the proper planting requirements.

**Mayor Grant** recommended that the City specify black dirt must be used in the future for all grass plantings in order to avoid this situation in the future.

#### **F. Election Judges**

**Councilmember Holden** understood the City was in need of election judges for the general election this November. She recommended that donuts and Subway sandwiches be provided to election judges as a thank you for their service to the community.

The Council supported this suggestion.

#### **G. State Fair Parking**

**Mayor Grant** stated he and Councilmember Holden went door to door to speak with residents regarding State Fair parking concerns. He noted he received one phone call regarding this issue as well. He requested the dead end block be posted no parking on both sides of the street.

#### **H. County Road E Signs**

**Mayor Grant** discussed a break away sign that has been hit a number of times along County Road E. He requested the curb be painted in order to avoid this concern.

**2. COUNCIL COMMENTS AND STAFF UPDATES**

**Mayor Grant** discussed the City's water bills and the number of delinquencies. He questioned if these delinquencies should be posted on the internet.

**Interim City Administrator Iverson** explained this information was public data as it was part of the City Council packet.

**Councilmember Holden** requested the City follow up with the Goodwill to see if anything would be done with the windows at night.

**Councilmember Holden** indicated Arden Hills residents were interested in pickle ball. She also had a resident request swings in Ingerson Park.

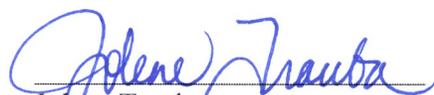
**Councilmember McClung** wanted to see the "No Right on Red Turn" put back in place at County Road 96 and Hamline Avenue.

**Councilmember Wicklund** was interested in learning from the City Council what size and level of park amenities should be offered in TCAAP. It was his opinion the parks in TCAAP should be better programmed. He wanted to better understand the City's demand for programmed parks.

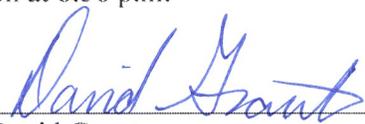
**Mayor Grant** requested staff provide Councilmember Wicklund with this park information.

**ADJOURN**

Mayor Grant adjourned the City Council Work Session at 8:58 p.m.



Jolene Trauba  
Deputy Clerk



David Grant  
Mayor