

# REGULAR MEETING COTTAGE GROVE CITY COUNCIL

April 20, 2005

## OPEN FORUM – 7:15 p.m.

Open forum provides a person an opportunity to inform the Council of a problem or to request information related to City business not scheduled for Council action and on the Agenda. Mayor Shiely encouraged persons to limit their remarks to two (2) minutes per issue.

Present: Mayor Sandy Shiely  
Council Member Myron Bailey  
Council Member Karla Bigham  
Council Member Mark Grossklaus  
Council Member Pat Rice

Also Present: Ryan Schroeder, City Administrator  
Ron Hedberg, Finance and Administrative Services Director  
Howard Blin, Community Development Director  
Jennifer Levitt, City Engineer  
Mike Zurbey, Deputy Public Safety Director  
Les Burshten, Public Works Director  
Corrine Thomson, City Attorney

No one stepped forward to speak during Open Forum.

## CALL TO ORDER

The City Council of the City of Cottage Grove, Washington County, Minnesota held a regular meeting on Wednesday, April 20, 2005, at the Cottage Grove City Hall, 7516 80<sup>th</sup> Street South. Mayor Sandy Shiely called the meeting to order at 7:30 p.m.

## ROLL CALL

Present: Mayor Sandy Shiely  
Council Member Myron Bailey  
Council Member Karla Bigham  
Council Member Mark Grossklaus  
Council Member Pat Rice

Also Present: Ryan Schroeder, City Administrator  
Ron Hedberg, Finance and Administrative Services Director  
Howard Blin, Community Development Director  
Jennifer Levitt, City Engineer  
Mike Zurbey, Deputy Public Safety Director

Les Burshten, Public Works Director  
Corrine Thomson, City Attorney

### ADOPTION OF AGENDA

Mayor Shiely stated that Item 4G has been moved from the Consent Agenda to Item 6.C., Public Hearings.

MOTION BY BAILEY, SECONDED BY BIGHAM, TO APPROVE THE AGENDA AS AMENDED. MOTION CARRIED 5-0.

### PRESENTATIONS

#### A. Eagle Scout Award – Drew Weber

Mayor Shiely stated she and the City Council have the privilege of awarding an Eagle Scout Award to Drew Weber, member of Eagle Scout Troop 777. She asked the Council to join her on the floor to present Drew Weber with his award. Mr. Weber thanked the Council and explained that his project involved redoing a storage garage at Park High School for the track and field team, which is where they store their equipment. He stated that he worked to replace the trim and the garage door and also painted the building in the school colors.

### APPROVAL OF MINUTES

#### A. March 16, 2005 Regular Meeting

Mayor Shiely stated that the minutes stand approved as presented.

### CONSENT CALENDAR

Council Member Grossklaus asked to pull Item J and Item K. He referenced Item J stating that he would like to know why they are going to brown posts versus the standard. Community Development Director Blin explained that this change is common in several of the metro cities in the area. He further explained that the bright yellow color is very visible and they are painting them brown to blend better with the surroundings. He clarified that they want the signal itself to be visible but not the pole or the mast arm. He stated that they plan to paint all of the signals brown except for the signals controlled by MnDOT at 80<sup>th</sup> Street.

City Administrator Schroeder further clarified stating that there was a very long discussion around the issue of colors. He explained that the decision was made to paint the poles brown to remain consistent with the softer color scheme they are moving towards.

Public Works Director Burshten stated that several Cities around the metro are moving to this color scheme noting that he was in the City of Lakeville earlier this week and noticed that the signals there are painted in such a way that the signal heads were very obvious and the poles tended to blend in. He noted that initially he had the same concerns as Council Member Grossklaus but found the scheme blended quite well.

Council Member Grossklaus referenced Item 4K, which is to allow the sale of alcoholic beverages at the Strawberry Fest Softball Tournament, and asked if the City allows the sale of beer before noon on a Sunday. He expressed concerns that there is no verbiage in place clarifying the sale of beer on a Sunday. He suggested clarifying the timeframes.

Council Member Bigham agreed and suggested that reserve officers patrol the area in case of any issues. She asked when Staff would begin advertising the tournament and organizing the teams.

Council Member Bailey stated that as soon as Item 4K is approved Recreation Manager Zak Dockter would get the process in motion. He assured the Council that whatever agency comes in to sell alcohol would work with the City and comply with all standards. He agreed that it would be inappropriate to sell beer at 9:00 a.m. on a Sunday across from a church.

Mayor Shiely asked if teams would be playing on Sunday. Council Member Bailey stated that if any teams were playing on Sunday it would be for the finals. Mayor Shiely suggested pushing the game schedule to the afternoon noting that this would alleviate any issues.

Mayor Shiely asked if this should be written into the motion. City Attorney Thomson stated that currently the ordinance prohibits any alcohol sales prior to 10:00 a.m. on Sundays. She stated that Council could include a statement in the motion that pertains to the specific hours.

MOTION BY RICE, SECONDED BY BIGHAM, TO GRANT A VARIANCE TO CITY CODE 7-3-4-G ALLOWING POSSESSION AND CONSUMPTION OF ALCOHOLIC BEVERAGES AT THE STRAWBERRY FEST SOFTBALL TOURNAMENT AFTER 12:00 P.M. NOON ON JUNE 18 AND 19, 2005.

Deputy Public Safety Director Zurbey noted that he could not guarantee that Reserve Officers would be there the entire time of the tournament, but indicated that they would have a presence throughout the weekend.

MOTION BY RICE, SECONDED BY BAILEY, TO:

- A. ACCEPT AND PLACE ON FILE THE FOLLOWING MINUTES:
  - i. PUBLIC WORKS COMMISSION OF MARCH 14, 2005.
- B. APPOINT MR. JUSTIN OLSEN TO THE PUBLIC SAFETY, HEALTH AND WELFARE COMMISSION TO FILL A REMAINING TERM, WHICH EXPIRES FEBRUARY 28, 2006.
- C. AUTHORIZE ISSUANCE OF SINGLE OCCASION GAMBLING PERMITS TO THE COTTAGE GROVE CRIME PREVENTION ADVISORY BOARD TO CONDUCT RAFFLES AT THE RUSH, 7359 WEST POINT DOUGLAS, ON JUNE 18, 2005 FOR STRAWBERRY FEST; AND AT WOODRIDGE PARK, 9000 – 90<sup>TH</sup> STREET SOUTH, ON AUGUST 2, 2005 FOR NATIONAL NIGHT OUT.
- D. ADOPT **RESOLUTION NO. 05-054** APPROVING BUDGET ADJUSTMENTS TO THE 2004 BUDGET.

- E. ADOPT **RESOLUTION NO. 05-055** APPROVING INTERFUND TRANSFERS BETWEEN FUNDS. ADOPT **RESOLUTION NO. 05-056** AUTHORIZING CLOSING CERTAIN FUNDS. ADOPT **RESOLUTION NO. 05-057** AUTHORIZING INTERFUND LOANS IN THE AMOUNT OF \$500,000 TO GOLF COURSE FUND (640).
- F. ADOPT **RESOLUTION NO. 05-058** ADOPTING 2004 GENERAL FUND BALANCE DESIGNATIONS AND AUTHORIZING TRANSFERS FROM THE GENERAL FUND.
- G. MOVED TO 6C – PUBLIC HEARINGS.
- H. ADOPT **RESOLUTION NO. 05-059** AUTHORIZING PUBLICATION OF ORDINANCE NO. 771 BY TITLE AND SUMMARY.
- I. RATIFY THE APPOINTMENT OF ROBERT DAVY AS CHAIR OF THE PARKS, RECREATION AND NATURAL RESOURCES COMMISSION.
- J. APPROVE RE-PAINTING THE CITY'S TRAFFIC SIGNAL POLES AND MAST ARMS A DARK BROWN COLOR.
- K. REMOVED FOR SEPARATE MOTION
- L. ADOPT **RESOLUTION NO. 05-060** APPROVING PLANS AND SPECIFICATIONS AND ESTABLISHING A BID DATE FOR THE PINECLIFF ADDITION UTILITY, STREET AND STREET LIGHTING IMPROVEMENTS PROJECT.

MOTION CARRIED 5-0.

Mayor Shiely stated that all items on the Consent Agenda have been approved as amended.

#### RESPONSE TO PREVIOUSLY RAISED OPEN FORUM ISSUES

#### PUBLIC HEARINGS

- A. Conduct a Public Hearing on the proposed modification of the Development Program for Development District No. 1 and establishing Tax Increment District No. 1-13 and Adopting a Tax Increment Plan.

Finance and Administrative Services Director Hedberg provided Council with brief presentation stating that this is a public hearing on the proposed modification of the development program for Development District No. 1 and establishing a Tax Increment District No. 1-13 and adopting a tax increment plan. He explained that following the public hearing the Council is being asked to consider adopting resolutions that would take the action to remove four parcels from existing TIF District 1-10 and separate actions to modify the development plans for Development District No. 1 to create a new TIF district and approve the terms on any of the interfund borrowing that would be needed. He explained that the new district would provide for the infrastructure needs in the development of 140 acres that would include completing 3,700 feet of roadway with utilities, an additional 4,000 feet of utility lines and the development of a 10-acre pond, and the reconstruction of 100<sup>th</sup> Street as well as grading costs. He reviewed a map of Development District 1 and the Tax Increment District with Council noting that there are four contiguous parcels. He provided an overview of the schedule of actions noting that the Planning Commission had no additional comments and the EDA passed resolutions in March. He stated that the City also received a letter from the County that suggested if the project were to occur at the projected dollar amounts, they would

be forgoing \$250,000 in County taxes. He stated that it also indicates that the County does not see any impacts to the County road system and the County has also offered technical corrections to the plan that have been incorporated. He provided the Council with an overview of the interfund loan noting that the loan would be made only as expenses occur. He explained that the immediate dollars needed would be to cover the upfront costs, provide for the purchase and resale of the land and initial project costs.

Mayor Shiely opened the Public Hearing at 7:52 p.m.

Mayor Shiely closed the Public Hearing at 7:53 p.m.

MOTION BY RICE, SECONDED BY SHIELY, TO ADOPT **RESOLUTION NO. 05-061** APPROVING THE ELIMINATION OF PARCELS FROM TAX INCREMENT FINANCING DISTRICT NO. 1-10 (WASHINGTON COUNTY TIF DISTRICT NO. 66), LOCATED WITHIN DEVELOPMENT DISTRICT NO. 1, IN THE CITY OF COTTAGE GROVE. MOTION CARRIED 5-0.

MOTION BY RICE, SECONDED BY BAILEY, TO ADOPT **RESOLUTION NO. 05-062** ADOPTING A MODIFICATION TO THE DEVELOPMENT PROGRAM FOR DEVELOPMENT DISTRICT NO. 1; AND ESTABLISHING TAX INCREMENT FINANCING DISTRICT NO. 1-13 THEREIN AND ADOPTING A TAX INCREMENT FINANCING PLAN THEREFOR. MOTION CARRIED 5-0.

Council Member Bigham asked if the funds are needed upfront or would this be the process they use to ensure that the funds are available if needed. Finance and Administrative Services Director Hedberg stated that in the State Auditor's interpretation if they publish the notice of public hearing, this would be an example of an upfront cost that would require payment, which would be paid out of this tax district.

MOTION BY BAILEY, SECONDED BY RICE, TO ADOPT **RESOLUTION NO. 05-063** RESOLUTION APPROVING THE TERMS OF \$2,000,000 INTERNAL LOAN IN CONNECTION WITH TAX INCREMENT FINANCING DISTRICT NO. 1-13. MOTION CARRIED 5-0.

B. Conduct a Public Hearing on the proposed Application for Approval of Industrial Development Bond Project for East Suburban Resources.

Finance and Administrative Services Director Hedberg stated the East Suburban Resources, Incorporated has requested that the City authorize an application for approval of the industrial development bond financing. He explained that the bonds would finance the acquisition, construction and equipping of a 7,600 square-foot office facility to be located on West Point Douglas Road. He stated that the maximum amount of the bonds to be issued is \$1 million and would not be a direct obligation of the City of Cottage Grove. He explained that the bonds would be repaid with the revenues of the facility and is not considered a debt of the City of Cottage Grove. He further explained that it is called a conduit debt and would be a debt for East Suburban Resources.

Steve Fendlen, 665 Woodridge Drive, Midwest Capital, stated that he is currently engaged by East Suburban Resources. He stated that East Suburban Resources provides training to individuals with disabilities noting that the training helps improve their employment opportunities. He stated that 8200 Hadley would be redeveloped by Presbyterian Homes adding that the current tenants would be required to move. He stated that the new building would be constructed and located on West Point Douglas Road, north of Jamaica. He confirmed that this would be a conduit financing and assured the Council that the City of Cottage Grove has no legal or moral obligation to the debt.

Mayor Shiely opened the Public Hearing at 8:01 p.m.

Mayor Shiely closed the Public Hearing at 8:02 p.m.

MOTION BY BAILEY, SECONDED BY BIGHAM, TO ADOPT **RESOLUTION NO. 05-064** APPROVING THE ISSUANCE AND SALE OF ITS COMMERCIAL DEVELOPMENT REVENUE NOTE AND AUTHORIZING THE EXECUTION OF DOCUMENTS RELATING THERETO (EAST SUBURBAN RESOURCES, INC. PROJECT). MOTION CARRIED 5-0.

C. Receive information from the Public Hearing on the Wellhead Protection Plan – Part 2.

City Engineer Levitt explained that the Wellhead Protection Plan is intended to be a means for the City to safeguard the City's public water wells. She stated that the Report is an accumulation of efforts to adopt a wellhead protection plan for the City of Cottage Grove. She explained that this program is now required in Minnesota noting that the Wellhead Protection Plan contains four main elements: Potential Contaminant Source Inventory; Plan Goals and Objectives; the Action Plan; and the Plan Evaluations and Updates. She provided Council with an overview noting that they have received three comments back from the Washington County Conservation District, Washington County and the Minnesota Rural Water District. She stated that the final version of the plan would be brought back to Council for adoption once the Health Department approves the proposed plan.

BID AWARDS

NONE

UNFINISHED AND NEW BUSINESS

A. Receive Information – Jamaica Avenue and TH 61 Intersection Roundabout presentation and Discussion.

City Engineer Levitt provided the Council with an overview of the Roundabout proposal for Jamaica Avenue and TH 61. She provided Council with an overview of the proposed ramp and entry points noting that the documentation was compiled by the Police Department based on a study that was done on the backup issues at the ramp off Highway 61. She reviewed the existing conditions, connections and legs with Council in addition to the options available that would address the backup concerns. She stated that a light signal intersection would cost a considerable amount to install and maintain noting that one solution to the

backup issues would be to install a roundabout. She stated that they initially reviewed a single-lane roundabout and found that there would still be considerable backup in the area. She stated that they then reviewed a multiple lane roundabout for both interchanges and provided the Council with a simulation overview.

Ken Johnson, Design Project Manager, provided the Council with an overview and presentation of roundabouts. He noted that this is one type of intersection that can work very effectively and provides a safer access and exit. He explained that in reviewing the various options to upgrade this section of the highway they reviewed studies of what was done in other states and countries to come up with recommendations on how a roundabout could be implemented. He stated that the report would be provided for Council's review noting that it is also available on their website. He explained that the report provides a history of the roundabout, what it is and how it can improve the flow of traffic. He provided Council with an overview and history reviewing key features and advantages of the modern roundabout as it compares to traffic circles. He indicated that the roundabout provides a much safer environment for both drivers and pedestrians because drivers have to slow down in order to maneuver the roundabouts. He provided the Council with several examples of roundabouts located throughout the country and reviewed the typical traffic volumes. He stated that one of the biggest concerns expressed is safety noting that the increased safety advantages include slower speeds, better reaction times and shallow angles of conflict (less crash impact due to slower speeds).

Brian Malm, Project Engineer, Bolton and Menk, reviewed the implementation process with Council. He provided an overview of the benefits that include: improvements to intersection capacity; a reduction in crash rates; replaces 4-way stops; less delay and it would provide a gateway to the surrounding communities. He urged Council not to add too much in the way of aesthetics as it can result in creating new safety issues that would defeat the intent of the roundabout. He indicated that the interchange locations, with right-of-way, would help with signalization noting that a roundabout does not require left turn lanes, the bridges are narrow and it reduces costs. He provided Council with an overview of the general guidelines used to determine where a roundabout should be installed and used noting that they do not want an arterial or local street. He explained that their recommendations are based on their research adding that recommendations include the need for a professional awareness campaign to increase awareness and educate the public on the benefits. He urged the Council to consider this upgrade on an equal basis, as a controlled intersection and to evaluate and study alternative locations; to consider multi-lanes; and consult an expert to assist with the evaluation of designs, methods and approaches. He suggested that they do a case study of the area to help determine the type of roundabout that would best serve the area.

Mr. Johnson provided Council with a brief overview of the simulation done for TH 61 and Jamaica Avenue. He stated that a single-lane roundabout would work with the current situation adding that he would recommend increasing the number of lanes due to potential growth in the area.

Mayor Shiely stated that there is a considerable amount of truck traffic coming south on Jamaica from the Industrial Park and asked if the trucks could easily manipulate the

roundabout. Mr. Johnson assured the Council that trucks could easily manipulate the roundabouts.

Council Member Bailey asked if Eagan has any roundabouts. Mr. Johnson stated currently there are no roundabouts adding that they are currently working with Dakota County on potential options.

Council Member Bailey stated that he has had the opportunity to talk to individuals from Lawrence, Kansas regarding the roundabouts in their areas noting that they indicated the narrow roundabouts are extremely difficult to navigate. He expressed concerns regarding future traffic growth and asked at what point would a roundabout become more of a hindrance than help. Mr. Johnson explained that there are a variety of traffic intersections that roundabouts can handle noting that they could be designed with three lanes of approach that would be able to handle a very high level of traffic. He noted that a roundabout, in certain situations, could handle considerably more traffic volume than a controlled intersection.

Council Member Bailey expressed concerns stating that he would hate to spend money on something like this to only find out down the road that it is not functioning in the capacity it was expected to function. Mr. Malm assured Council that all of these concerns would be addressed and included in the study.

Council Member Bigham agreed stating that this area is in need of improvement. She noted that she has discussed the roundabout with others adding that wider is better. She agreed that Council should delay placing anything in the center to avoid any distractions until the community has adjusted to the change. She suggested getting feedback from Public Works and Public Safety noting that public education and input would also be an important part of the feedback process.

City Engineer Levitt stated that Public Safety Director Mickelson did attend the presentation and he did not see any immediate concerns, although he did recommend no water features in the center.

Public Works Director Burshten stated that the Public Works Department and the Public Safety Department have discussed the roundabout options and agree that this is one of the best options available and are in support of it.

Mayor Shiely acknowledged the advantages stating that from her viewpoint, they only have one major problem with this intersection and that is the stacking of the cars. She stated that they would want to know if they have a dangerous situation that should be fixed noting that the only danger she sees is the stacking and they would have to determine if this is enough of a reason to do this. She indicated that trucks have a hard time making a left turn out of the Industrial Park area noting that she does not see this problem improving and it should be addressed.

Council Member Rice asked for clarification on the funding. City Administrator Schroeder stated that they have discussed the roundabout options with MnDOT and they would expect to pursue an agreement that would either delay construction of the project until MnDOT

funding is available, which would be around 2010 or the City could front the funds with the agreement that MnDOT would provide funding when funds become available. He indicated that the earliest they could begin to work towards a project would be in 2007.

Council Member Rice clarified his understanding that they are recommending two lanes and asked if they would be able to get by with one on the south side of the highway first and address the north side of the highway at a later time. City Engineer Levitt explained that there would be some issues with the configuration of the lanes. She further explained that Staff is recommending that they do the entire project at once, as they want the least amount of impact on the public.

MOTION BY BIGHAM, SECONDED BY BAILEY, TO RECOMMEND THAT STAFF COMPLETE AN APPLICATION FOR COOPERATIVE AGREEMENT WITH THE MINNESOTA DEPARTMENT OF TRANSPORTATION. MOTION CARRIED 5-0.

- B. Consider Approving the Preliminary Plat for Pinecliff 2<sup>nd</sup> Addition, which would consist of 118 Lots for Single-Family Homes to be located on the Northeast Corner of Hinton Avenue and 65<sup>th</sup> Street.

Community Development Director Blin stated that U.S. Home Corporation has filed a preliminary plat application to develop 68.7 acres of land located on the northeast corner of Hinton Avenue and 65<sup>th</sup> Street. He provided the Council with an overview of the area noting that Ideal Avenue would be realigned as a result of this project. He indicated that a trail corridor runs through the center of the site, crosses Hinton Avenue and connects at a future park. He stated that the Outlot would be joined by a second piece located on Pulte property and developed into a park. He noted that they are hoping for a park dedication that would allow them to develop the entire park at once. He reviewed the realignment of Ideal Avenue stating that the reason for the realignment is to disconnect Ideal as a straight-through street and to discourage traffic from using Ideal as a north/southbound thoroughfare and redirect traffic to 65<sup>th</sup>. He stated that the Planning Commission has recommended approval with their only point being the landscape border. He stated that there was a discussion around where the fencing would be located. He stated that after considerable discussion it was recommended that any fencing would be installed on the house side of the landscaping. He stated that there has been considerable discussion about the type of fencing that would be allowed noting that they have requested 42-inch high, black vinyl chain link, which would be less visible. He stated that the fencing would only be installed for properties choosing to install the fencing, but all fencing would have to be the black vinyl chain link. He reviewed the corrections and issues with the ponding and clarified that the City, not the developer or Homeowner Association, would maintain the ponding areas. He stated that the application also clarifies the easement that carries the trail and corrects the width.

Jay Liberacki, Orrin Thompson Homes, provided Council with an overview of the site plan. He stated that they continue to work with Staff on the refinements for visibility, landscape and amenities. He stated that Staff did a good job presenting the plan noting that the homes on the east side of Hinton Avenue and north of 65<sup>th</sup> would generally be located above the road. He explained that a landscape buffer is proposed for this area along the property line, along with the black vinyl chain link fencing. He indicated that they are currently working through the

County right-of-way issues with the County Highway Department in an effort to allow them to plant on the bank within the County right-of-way.

Council Member Grossklaus referenced Item 9F of the resolution and asked why 30 was crossed out. Community Development Director Blin clarified that a trail way would be located along this area with landscaping on both sides. He stated that they want to keep the structures and play equipment at least 20 feet back adding that they do not want people who are using the corridor to feel like they are cutting through a yard.

Council Member Bailey referenced Item 9C of the revised resolution initially indicated a white fence and now they are recommending a black vinyl chain link that is not mentioned in the resolution and asked if the change should be reflected in the verbiage. Community Development Director Blin assured the Council that the change in fencing color would be included in the revised verbiage.

Mayor Shiely clarified her understanding that the developer's contributions would be a combination of land and monetary contributions. Community Development Director Blin confirmed that they are dedicating four acres adding that the area is in a nature preserve status. He stated that they are having them dedicate the land now and they would get credit when subdividing the land in the future.

Council Member Grossklaus referenced the west side and asked what would be going in on the hill next to the fence. Mr. Liberacki explained that they plan to use a granular material fill seeded with a prairie mix. He stated that the area would be part of the larger outlot, which would be used mainly for a retention pond.

Council Member Bailey noted that during the Planning Commission discussion Staff was recommending that additional trees should be planted on each lot and asked what happened with the recommendation. Community Development Director Blin explained that each lot owner would be required to have four additional trees and ten shrubs, which is over the one tree required for each lot.

Council Member Biggam asked if the homeowners would be free to choose the type of trees they want to plant. Community Development Director Blin confirmed that the homeowners would be able to choose the trees noting that one of the four trees has to be coniferous.

MOTION BY RICE, SECONDED BY BAILEY, TO ADOPT **RESOLUTION NO. 05-065** APPROVING THE PRELIMINARY PLAT FOR PINECLIFF 2<sup>ND</sup> ADDITION AND ADDING VERBIAGE TO ITEM 9C STATING THAT THE REQUIRED FENCING IS TO BE 42-INCH BLACK VINYL CHAIN LINK FENCING. MOTION CARRIED 5-0.

C. Consider Approving the Preliminary Plat for Oak Wood Glen, which would consist of Six Rural Estate Lots located on the West Side of Lamar Avenue, North of 68<sup>th</sup> Street.

Community Development Director Blin stated that this is a proposal for six rural estate lots located on the west side of Lamar Avenue. He explained that there would be four lots with access off Lamar Avenue, all would be approximately 1.7 acres in size and the plat itself is a

cluster design. He stated that an outlot is located in between to preserve the ravine through this area adding that the outlot would be under common ownership with the surrounding owners and unavailable for building. He stated that the lots off Lamar would provide direct access through a shared driveway. He explained that the grade drops off severely at Lamar and creates one point of access versus four. He noted that it would be a private drive that meets City Standards.

Council Member Rice asked Mr. Pierce what housing style is being considered. Mr. Pierce stated that single-family homes would be built on each lot. He stated that they have not determined a specific design noting that he would prefer not to implement a covenant or apply any restrictions outside of what would satisfy the City. He stated that he provided a copy of the draft Homeowners Association document for Council review and asked if the document had been received. City Attorney Thomson confirmed that the draft document has been received and is in the process of being reviewed.

Council Member Rice asked Mr. Pierce if they have a specific price range or style in mind for the homes. Mr. Pierce explained that they are looking for the freedom to allow the buyer to build whatever design they choose, as long as it is in compliance with City standards.

Mayor Shiely asked what the size of the lots would be. Mr. Pierce stated that the lots would be one-and-one-half to two acres in size.

Council Member Rice expressed concerns that if basic design standards are not determined prior to the purchase of the property that someone could purchase the land and build a home that does not fit the vision of what the City would like to see developed in this area.

Mr. Pierce indicated that he is willing to add language to address lot size and square footage. City Attorney Thomson stated that if the property owner places a covenant they could set standards using the covenant.

Council Member Bailey agreed with Council Member Rice's concerns stating that the Council wants to make sure that the quality of the housing is unique and upscale. Mr. Pierce agreed stating that his intent is to do this in whatever manner that is necessary to comply with City standards and requirements. He asked if there is a boilerplate example that he could review.

City Attorney Thomson stated that she would talk to Mr. Magnuson, Mr. Pierce's representative, noting that if Mr. Magnuson has drafted declarations for property owners in the past, he could already have the provisions necessary to draft the document. She indicated that it would not be difficult to draft the document and reviewed with Council.

Community Development Director Blin stated that he would meet with the applicant and the City Attorney to work through the minimum requirements.

Council Member Biggam suggested that Council consider tabling this request for two weeks in order to give the applicant and Staff time to put together a draft.

Community Development Director Blin suggested stipulating in the motion that the covenant and the minimum requirements must be determined by the time the applicant is ready to present the final plat.

City Attorney Thomson stated that the applicant might find that outlining the restrictions, ahead of time, and including them in the lot deeds could be to their benefit during the sale process, as buyers might want the added comfort in knowing that future neighbors would be required to build something comparable to their own structure. She stated that the requirements could be stipulated and addressed with modification of language to paragraph twelve to show the minimum design standards. She suggested adding a sentence to paragraph twelve that states a declaration that the applicant would include design standards for the development. Community Development Director Blin and Mr. Pierce agreed to the modification.

Mr. Pierce asked if the design standards would have to be further defined. City Attorney Thomson explained that Staff would discuss the details further with him and his attorney. She suggested that Mr. Pierce discuss this with his attorney prior to meeting with Staff.

MOTION BY RICE, SECONDED BY GROSSKLAUS, TO ADOPT **RESOLUTION NO. 05-066** APPROVING THE PRELIMINARY PLAT FOR OAK WOOD GLEN CONTINGENT UPON UPDATING THE LANGUAGE IN PARAGRAPH TWELVE TO OUTLINE THE MINIMUM STANDARDS FOR THE DEVELOPMENT PRIOR TO PRESENTING THE FINAL PLAT TO CITY COUNCIL FOR APPROVAL. MOTION CARRIED 5-0.

D. Consider Approving a Site Plan Review and Conditional Use Permit for a Gas Station with Car Wash and Convenience Store to be located at the Shoppes of Almar Village.

Community Development Director Blin stated that Kath Oil is requesting approval of a conditional use permit and a site plan for a gas station and car wash proposed for the southwest corner of Keats Avenue and 70<sup>th</sup> Street. He stated that the Council has reviewed and approved this project, but that the approvals have expired and now require the current application. He provided the Council with a brief history of the project noting that the proposed project remains identical to the original proposal with one exception, which is the entry point. He stated that the applicant has redesigned the entrance to conform with the entry points at Almar Village. He stated that the applicant has indicated that they plan to begin construction of the gas station this fall.

Mayor Shiely recalled that there was considerable discussion about the pillars under the canopy and the need for 75 percent of the pillars to be brick. She stated that this requirement was not included in the first approval and asked for clarification.

Community Development Director Blin agreed that this was strongly suggested and assured Council that it is one of the conditions that 75 percent of the height of the canopy posts must be faced in brick. He stated that Michael Nysly, Architect, Distyle Design, along with Bruce Kath and Steve Dahl, Kath Oil, are present and available to answer questions for the Council.

Council Member Bailey asked when the City would see the gas station. Bruce Kath acknowledged the Council's concerns and assured the Council that they have every intention of building the gas station. He stated that they wanted to build two years ago noting that they were presented with an opportunity to purchase an additional nine stations, which delayed the construction of the gas station for a short time. He stated that they are ready to move forward with the gas station adding that they are very committed to building and would like to begin as soon as possible.

Council Member Bailey asked if a date has been set to begin construction. Mr. Kath stated that a date has not been set adding that they would like to begin early this fall. He assured Council that they are very committed to building the station adding that they want to be sure they are financially stable before they begin the build process.

Council Member Rice asked if they could begin construction by July. Mr. Kath stated that July would be too early noting that they could begin sometime in August. He stated that they want to be sure that all of the soft work is done before the weather changes.

Council Member Rice stated that his biggest concern is the impact this delay has had on the current tenants who located here because of the proposed station and the potential it brings for additional traffic in the area. Mr. Kath acknowledged Council Member Rice's concerns stating that this is one of their biggest concerns too. He assured Council it is their goal to begin construction in the early fall timeframe.

Council Member Grossklaus stated that an expressed goal does not make him feel very comfortable. He explained that he is very concerned that this is not going to happen and he would like a solid commitment from the applicant. Mr. Kath acknowledged Council Member Grossklaus' concerns stating that they are not able, at this time, to commit to a firm date. He stated that he does not want to disappoint the Council if he finds that they cannot meet the commitment.

Steve Dahl asked the Council what they could do to make them feel more comfortable about their commitment to build. He stated that their plan has always been to build this station. He stated that they could try to begin construction in July with the intent to be completed by fall but he is concerned about committing to a date and failing to make that commitment due to financial constraints. He stated that they have to sell two of their properties before the bank would move forward with the construction loan for the station.

Mayor Shiely noted that the additional stations they purchased, after agreeing to build this gas station, is a sore point in the Community. She stated that it has been difficult for staff in trying to explain and answer questions as to when the station would be built.

Council Member Bailey clarified that the Council and the community is not against them coming into Cottage Grove but they are frustrated that the construction has not yet begun. He asked how long the CUP would be effective. Community Development Director Blin stated that the CUP would give them one year.

Mr. Dahl stated that he has concerns regarding the restricted hours of operation for the car wash. He stated that the new Holiday Station Car Wash operates between 5:00 a.m. to 10:00 p.m. and he would like to be able to have the same hours of operation, allowing him to be on the same, level playing field with his competition.

Mayor Shiely asked if the Council has to set standard hours of operation that apply to all businesses or can they be modified to fit the need of the area the business is located. City Attorney Thomson explained that the Council could identify a standard and be able to modify the standard hours of operation if it is found that there is something different about the site where a 24-hour fueling or car wash could have an impact on the surrounding area.

Council Member Grossklaus stated that he would be extremely disappointed if the station is not built this fall. He stated that he does not want to see the applicants before the Council again asking for an extension.

Council Member Bailey suggested reducing the timeframe on the CUP from one year to six months. He stated that he does not have an issue with the pay at the pump service or having the same hours of operation as the Holiday Store, but he would have problems with the application if the request extends to another year. He suggested reducing the CUP to six months and include the two stipulations, a committed date and a certificate of occupancy. If they come back to request an extension at the end of six months it would be denied and they would have to go back to the beginning on the request and the design process.

Community Development Director Blin agreed and asked if the six-month limit would be doable. City Attorney Thomson confirmed that the Council could place a six-month limit on the CUP.

Mr. Kath expressed his disagreement with Council stating that the Council is placing limits on them that are not being placed on other businesses. He stated that he intends to stay true to their business plan adding that they are not going to become financially unhealthy to open this store.

Mayor Shiely asked Mr. Kath and Mr. Dahl to try and understand where the Council is coming from and asked what would prevent the Council from thinking that they are holding on to the land with no intention to development. She stated that the best option for the City at this point is to look into the possibility of placing limits on the CUP. City Attorney Thomson stated that she could not tell them, with certainty, that the limits couldn't be challenged without doing further research.

Mayor Shiely suggested tabling a decision stating that she would like to know the legal implications for the 6 months and whether Council can vary the hours of operation between various stations. She stated that she would also like to know what the distance is for this station in relation to the surrounding residential areas as it compares to other stations located in Cottage Grove.

Steve Dennis, Dennis Brothers Liquor, representing the business owners at Almar Village, stated that this has been a very difficult situation for all of the tenants and very challenging for

the community. He assured Mr. Kath and Mr. Dahl that the community wants this station noting that he disagrees with the three-year timeframe for business viability. He stated that the community is first rate all the way noting that they made a promise that wasn't kept. He stated that most of the tenants at Almar came there because of the station and the delay has greatly impacted their businesses. He asked Mr. Kath and Mr. Dahl to please make the commitment and get the job done.

City Attorney Thomson clarified that the six-month period would include the timeframe for commencement of the construction and the time needed to pull the permit. She explained that City Code requires 12 months for construction to start, not complete, and clarified that Council is suggesting that they allow six months to pull the permit noting that once the permit is pulled they are vested and have to complete construction.

MOTION BY RICE, SECONDED BY BAILEY, TO ADOPT **RESOLUTION NO. 05-067** APPROVING THE SITE PLAN REVIEW AND CONDITIONAL USE PERMIT OF A MOTOR FUEL STATION WITH CAR WASH AND CONVENIENCE STORE IN ALMAR VILLAGE, 7033 JORGENSEN LANE SOUTH, WITH A REQUIREMENT THAT A BUILDING PERMIT IS TO BE PULLED WITHIN SIX MONTHS AND PROVIDE A ONE-YEAR PERIOD FOR A TWENTY-FOUR HOUR GAS DISPENSING SERVICE; HOURS OF OPERATION FOR THE CAR WASH WILL BE 5:00 A.M. TO 11:00 P.M.

E. Consider Approving Increasing Residential Park Dedication Fees from \$2,000 per Housing Unit to \$3,000 per Housing Unit.

Community Development Director Blin explained that this reflects the increase in property values. He stated that the Planning Commission has reviewed and agrees with the proposal. He stated that they would like it to go across the board and apply to all types of housing units in lieu of land dedication. He suggested bringing this back in 2006 for an update and review.

Council Member Bailey asked if this would go into affect in 60 days if passed. City Attorney Thomson stated that it would go into effect when published. She further explained that anything currently in process where the final plat application has already been submitted would apply under the existing fee structure.

MOTION BY SHIELY, SECONDED BY BIGHAM, TO ADOPT **ORDINANCE NO. 772** AN ORDINANCE FOR THE CITY OF COTTAGE GROVE, MINNESOTA, AMENDING CHAPTER 10-4-3C, SCHEDULE OF PARK DEDICATION REQUIREMENTS, OF THE COTTAGE GROVE CITY CODE RELATING TO INCREASING THE PARK DEDICATION FEES.  
MOTION CARRIED 5-0.

F. Consider Approving a Conditional User Permit to Allow a 96-Seat Restaurant (Carbone's) with Liquor to be located in the Shoppes at Almar Village and a Variance to Parking Requirements.

Community Development Director Blin stated that Carbone's is requesting a conditional use permit to allow them to serve liquor. He stated that they also need a variance for the parking

noting that Staff believes the parking is sufficient enough to handle the Almar Shopping Center.

MOTION BY RICE, SECONDED BY BAILEY, TO ADOPT **RESOLUTION NO. 05-068** APPROVING A CONDITIONAL USE PERMIT TO ALLOW A RESTAURANT WITH LIQUOR, CARBONE'S, AND A VARIANCE TO PARKING REQUIREMENTS AT THE SHOPPES AT ALMAR VILLAGE, 7155 JORGENSEN LANE. MOTION CARRIED 5-0.

#### RESPONSE TO PREVIOUSLY RAISED COUNCIL COMMENTS AND REQUESTS

NONE

#### COUNCIL COMMENTS AND REQUESTS

Council Member Bailey noted that the signs and poles along Highway 61 have been removed and thanked Community Development Director Blin for their efforts in completing this task. He referenced Las Margarita's and asked for an update on the parking issues.

City Administrator Schroeder explained that the shop owners did approach the nearby large retail business in an effort to lease more parking spaces. He stated that their request was turned down at a corporate level and they are now discussing other options with Staff.

Council Member Bailey stated that he noted that one side of the Gateway sign is not lit and asked if they could have both sides lit. City Administrator Schroeder stated that they are in the process of receiving bids on the lighting for the other side of the monument sign.

Council Member Grossklaus stated that there has been a considerable amount of vandalism at Hamlet Park recently and warned that if the City continues to lose equipment by theft or vandalism at this park he will ask to pull the skateboard park. He stated that he does not like the idea of pulling something that should be a benefit to the youth in this community adding that it is unfortunate that some have trouble following the rules. He asked that people please leave things where they belong so that everyone in the community can enjoy them.

Mayor Shiely agreed stating that one of the biggest complaints they hear from the younger people in this community is that they have nothing to do and now they have a place to go, with over \$50,000 worth of equipment to use and they cannot appreciate it or treat it appropriately.

She confirmed that the City would have to pull the skateboard park if the vandalism continues.

Council Member Bailey noted that most are using the park appropriately and encourage the community to contact the police and report anything unusual in the area.

#### PAY BILLS

MOTION BY GROSSKLAUS, SECONDED BY RICE, TO APPROVE PAYMENT OF CHECK NUMBERS 139430 THROUGH 139696 TOTALING \$520,064.01. (CHECKS 139430 – 139462 IN THE AMOUNT OF \$133,672.39 ISSUED PRIOR TO COUNCIL APPROVAL.)  
MOTION CARRIED 5-0.

Mayor Shiely called a break at 10:32 p.m.

Mayor Shiely called the meeting back to order at 10:43 p.m.

### WORKSHOP SESSION – OPEN

#### A. City Facilities

City Administrator Schroeder stated that Staff has been discussing various municipal projects and would now like direction from Council as to what projects they should begin to focus on. He noted that there has been discussion around several concepts including a Community Center, a new City Hall/Public Safety Building, and expansion of the ice arena. He noted that when Washington County came to the City and requested the opportunity to build the South Service Center in the East Ravine a discussion occurred that they would build the Service Center on acreage that would include a portion reserved for the City.

City Administrator Schroeder explained that as it relates to the Government Center, discussions have been held that a new City Hall could be included as part of the project. He stated that they have also considered other City facilities for the site and would like direction from the Council.

He stated that Staff did a few preliminary reviews to determine staffing needs in Public Safety and City Staff for 2020, 2030 and 2040 and as a result of the reviews the thinking is that a combined City Hall/Public Safety building, that would include both police and fire, would require 50-60,000 square feet and \$10 to \$12 million for the overall project. He noted that \$7-\$8 million would be used for the construction with the balance going towards furniture, fixtures and site work.

He stated that the last project to consider is the ice arena. He explained that they had originally contemplated an expansion of the present facility by expanding from a small sheet of ice to large sheet of ice, expanding towards 80<sup>th</sup> street. He stated that the original estimate was for \$2 million or less. He stated that an engineering firm did a cost estimate of the entire project and came up with a \$6-\$7 million dollar figure for either of the two projects. He stated that he has discussed this with the Ice/Recreation Supervisor and is confident that the project could be reduced in scope and cost but the construction would be in the \$3.5 million range even with a reduced scope. He stated that he was informed that an elevator would have to be constructed in the building noting that all of the projects total to approximately \$33 million.

Council Member Bailey expressed surprise at the projected costs. He agreed that there is a need to upgrade the ice arena but the City Hall/Public Safety building should be their first priority. He asked if they would be able to do this on their own and propose a referendum for the ice arena and community center. He noted that the pricing for the Community Center

does not include the aquatics center and if included, the price would go higher than what is projected. He stated that he does not want to see a spec building built for the new City Hall. He stated that if they are considering the East Ravine as a location Staff should keep in mind the impression the building would leave with future developers. He stated that he would like everything to bend together with a natural look and feel of the ravine.

Council Member Bigham agreed stating that the City Hall/Public Safety building should be their first priority. She agreed that the City should try to do the government center and propose a referendum for the community center. She encouraged Staff to put their best efforts forward to meet the needs of the citizens and suggested putting together a task force to research the possibilities of a referendum.

Council Member Grossklaus agreed stating that he agrees there is a need for a new City Hall building adding that he is not totally convinced that the police or fire need to move out to the East Ravine. He suggested that Staff consider other options and locations including Station 2.

Council Member Rice stated that the ice arena is something that Staff should seriously review. He stated that they do need a second sheet of ice at the arena noting that many of the teams will start going to other areas for practice and games if the lack of ice time is not addressed. He agreed that they should try to do City Hall on their own. He stated that he would agree to a referendum proposal for the Community Center adding that actual costs should be spelled out. He stated that long-term, the Community Center does concern him noting that the ice arena and City Hall should be their first priorities.

Council Member Bigham stated that she has had several conversations with the Public Safety Director and he has a strong preference to being co-located with both the Fire Department and City Hall. She stated that her concerns are the same as Council Member Grossklaus' with respect to placing the police or fire department in the East Ravine. She asked if there are any metro Cities that could be researched as far as community centers and private/public partnerships.

City Administrator Schroeder stated that the market has to be there for the partnerships to work. He stated that the City of Maple Grove has a similar partnership noting that as they get further into the planning process they can begin to pursue the idea with the local area business owners.

Council Member Bailey stated that whatever Staff can do to keep some of the funds in town would be great. He noted that the ice arena in River Falls is starting to be known as Cottage Grove East due to the amount of ice time the teams use at River Falls. He commended Zak Dockter for the excellent job he has done in bringing the ice arena to its current state noting that Zak would be very supportive of an additional sheet of ice. He stated that it is important to keep the business in Cottage Grove adding that they should review this issue fairly soon. He suggested approaching Northwest Fitness to discuss the possibilities of partnering with them on the Community Center.

Mayor Shiely agreed that the top priority is City Hall. She stated that as far as Public Safety is concerned, she agreed that it is very important to Public Safety Director Mickelson to be co-located with the City offices and the Fire department in order to work efficiently.

Dave DeBace, 7305 Iverson, stated that he was home watching the meeting and the discussion upset him enough to come down and express his opinion. He stated that he is very upset with the Council that they would discuss a new City Hall and not consider putting the decision out to the voters as to whether a new City Hall is needed or not. He stated that he is offended that they would make a decision to put out a referendum for the Community Center yet go around the voters on the ice arena and City Hall. He noted that the working conditions might not be the best adding that others have it a lot worse. He stated that what the Council is discussing is taking his money and the citizen's money to build a City building, without their input. He referenced the costs stating that the City has bigger issues to address and should focus on resolving open issues before beginning another.

City Administrator Schroeder stated Staff would need to know what direction they should move in with respect to the City Hall and the Community Center. He stated that he would have to work hard through the numbers if there is an expectation that the City would consider a Community Center in the near term.

Mayor Shiely stated that she would not agree to considering a Community Center with a referendum. She stated that the Community has to understand that there would be operating costs and that if citizens go into it they must realize that the long-range revenue would never equal the expenditures.

Council Member Rice asked Council to consider Mr. DeBace's suggestion for a referendum on the City Hall. Mayor Shiely agreed that they should consider a referendum. She clarified that Staff is not looking for huge work areas adding that Staff is so cramped now that it has created inefficiencies for both Staff and the Police department. She noted that much of this is all about timing and with the County currently working in Cottage Grove, now would be the opportunity to work with the County on this as much as possible.

Council Member Grossklaus stated that he is okay with this if they can do this without any financial impact to the citizens. He suggested selling the property City Hall is currently located on, which could possibly avoid a referendum and cost to the citizens.

Council Member Bigham stated that the community, to this day, still discusses the referendum for the Fire Hall, how it failed and how the City still went around the vote. She stated that the issue wasn't so much the Fire Hall in as much as the process the City took to develop it.

WORKSHOP SESSION – CLOSED

NONE

ADJOURNMENT

MOTION BY BIGHAM, SECONDED BY BAILEY, TO ADJOURN THE MEETING AT 11:27 P.M. MOTION CARRIED 5-0.

Respectfully submitted,

Bonita Sullivan  
*Timesavers Off Site Secretarial, Inc.*