

REGULAR MEETING COTTAGE GROVE CITY COUNCIL

April 18, 2007

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.

Present: Mayor Sandy Shiely
Council Member Myron Bailey
Council Member Mark Grossklaus
Council Member Fred Luden
Council Member Pat Rice

Also Present: Ryan Schroeder, City Administrator
Howard Blin, Community Development Director
Les Burshten, Public Works Director
Ron Hedberg, Finance Director
Jennifer Levitt, City Engineer
Corrine Thompson, City Attorney
Peter Koerner, Deputy Public Safety Director

Not Present: None.

Mayor Shiely opened the Open Forum at 7:15 p.m.

There being no speakers, Mayor Shiely closed the Open Forum at 7:15 p.m.

CALL TO ORDER

The City Council of the City of Cottage Grove, Washington County, Minnesota, held a regular meeting on Wednesday, April 18, 2007, at the Cottage Grove City Hall, 7516 80th Street South. Mayor Shiely called the meeting to order at 7:30 p.m.

ROLL CALL

Present: Mayor Sandy Shiely
Council Member Myron Bailey
Council Member Mark Grossklaus
Council Member Fred Luden
Council Member Pat Rice

Also Present: Ryan Schroeder, City Administrator
Howard Blin, Community Development Director
Les Burshten, Public Works Director

Ron Hedberg, Finance Director
Jennifer Levitt, City Engineer
Corrine Thomson, City Attorney
Pete Koerner, Deputy Public Safety Director

Not Present: None.

ADOPTION OF AGENDA

Mayor Shiely stated that there had been a request to add an additional item to the agenda as Item 8C related to the Local Government Aid program.

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

PRESENTATION

A. Arbor Day and Spring Clean-up Day Presentations

Brian Voelker, City Management Analyst, reported that the first of Cottage Grove's two back-to-back 2007 outdoor events is the Arbor Day Event at Highlands Park April 28 stating the first 100 attendees will receive a free three-inch maple tree.

Voelker reported that the second event is 2007 Spring Clean-up and Household Hazardous Waste Day on May 5 at the Public Works Facility, 8635 West Point Douglas Road So, stating the event generates approximately \$10,000 to help cover costs.

Mayor Shiely thanked him for the presentation said both of the events are excellent.

APPROVAL OF MINUTES

A. March 21, 2007, Regular Meeting

Mayor Shiely stated that the minutes stood approved as presented.

CONSENT CALENDAR

Council Member Rice pulled Item E to extend appreciation for monetary and/or service donations made to the K9 Program from the Cottage Grove Crime Prevention Board, Dr. Michael Thrasher, and Dr. Peg Frank.

MOTION BY RICE, SECONDED BY LUDEN, TO:

- A. ACCEPT AND PLACE ON FILE THE FOLLOWING MINUTES: NONE.
- B. RECEIVE INFORMATION ON THE ECONOMIC DEVELOPMENT AUTHORITY (EDA) STRATEGIC PLANNING RETREAT.

- C. APPROVE CHANGE ORDER #2 FOR THE SILVERWOOD 1ST AND 2ND ADDITION PROJECT, WHICH PROVIDES FOR ADDITIONAL WORK TO INSTALL A CULVERT BELOW THE BITUMINOUS BIKE PATH, AS REQUESTED BY THE DEVELOPER.
- D. ADOPT RESOLUTION NO. 07-067, A RESOLUTION APPROVING FINAL PAYMENT OF \$16,999.38 TO DANNER, INC. FOR THE HIGHLANDS POND GRADING PROJECT, AS THE CONTRACTOR HAS SATISFACTORILY COMPLETED THE WORK IN ACCORDANCE WITH THE CONTRACT PLANS AND SPECIFICATIONS.
- E. ADOPT RESOLUTION NO. 07-068, A RESOLUTION ACCEPTING DONATIONS TOTALING \$13,675.19 FROM THE COTTAGE GROVE CRIME PREVENTION BOARD TO THE PUBLIC SAFETY DEPARTMENT, POLICE DIVISION K9 PROGRAM.
- F. ADOPT RESOLUTION NO. 07-069, A RESOLUTION APPROVING THE PLANS AND SPECIFICATIONS AND ESTABLISHING A MAY 24, 2007, BID DATE FOR THE GRANGE TANK RECONDITIONING PROJECT.
- G. ADOPT RESOLUTION NO. 07-070, A RESOLUTION REPEALING RESOLUTION NO. 07-004 AND APPROVING FINAL PAYMENT OF \$32,369.00 TO TELEMETRY AND PROCESS CONTROL FOR THE WELL 4 AND 5 ELECTRICAL UPGRADE PROJECT.
- H. APPROVE THE CAPITAL CITY REGIONAL FIREFIGHTER'S MUTUAL AID AGREEMENT WITH THE CAPITOL CITY REGIONAL FIREFIGHTER'S ASSOCIATION ON AND AUTHORIZE FIRE CHIEF BOB BYERLY TO EXECUTE THE AGREEMENT.

MOTION CARRIED 5-0.

RESPONSE TO PREVIOUSLY RAISED OPEN FORUM ISSUES

None.

PUBLIC HEARINGS

- A. Hold Public Hearing and Consider: 1) Adopting a Resolution 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; 2) Adopting a Resolution Adopting a Modification to the Development Program for Development District No. 1 and establishing Tax Increment Financing District No. 1-14 therein and Adopting a Tax Increment Financing Plan therefore; and 3) Adopting a Resolution Authorizing an Inter-Fund Loan for Advance of Certain Costs in Connection with Tax Increment Financing District No. 1-14.

The City Administrator displayed the land map, described the site, and noted the completed applicable City processes to date. He reported that the City has received approval from representatives of WAG Farms to proceed with development plans and, due to development costs associated with this site, the City cannot attract this user or other potential clients as site development would be an extreme burden upon any one development project. Should a project not move forward on this site, the City would have the opportunity to close out the TIF district much like has occurred with District 1-10. Should a project proceed as proposed herein, development revenues are projected to be sufficient for the City, through its EDA, to acquire additional parcels for ponding and other public uses.

The City Administrator cited comments from Washington County that had been received regarding the proposal pursuant to Minnesota Statute 469.175, subdivision 2:

1. The proposed TIF District impacts the County as a taxing jurisdiction. Using the City's value estimates, if the project was completed without the use of TIF, it would increase the County tax capacity each year. Based on the projected value increases, the additional value would generate approximately \$306,000 more County levy over the nine-year life of the district without increasing the County tax rate or would have allowed the County to reduce its tax rate.
2. The material provided noted that some of the parcels to be included in the new TIF District are already TIF District (No. 1-10) and will have to be removed from that district. This will need to be done before the County can include these parcels in the new TIF District.
3. The Washington County Property Records and Taxpayer Services Department suggests a change in a notation for Appendix D of the updated 2007 values.
4. The County's Department of Transportation and Physical Development does not see any significant impact to the County's transportation system.

The City Administrator then provided comparison information from the 2005 State Auditor's Report concerning tax increments. Of 853 cities in the state, 421 use tax increment as a development tool. Of those 853, 54 capture \$1 million in tax capacity with a range between 9.4% and 25%. Of the 72 cities that capture 10% or more of tax increment districts, one city is as high as 31.2% total tax capacity, which is extreme, and mean is 6.7%, with Washington County being 3.8% and Cottage Grove being 3% (with 4% projection).

The City Administrator then talked about tax capacities relative to other state communities. In 1997, Cottage Grove was low at 36 of 36. In the past ten years, the City has grown faster than most (number 4 in growth out of 36), but, even with that growth, it is still low at 32 out of 36 in placement. He said the reason to do projects like this is to further Council's policy regarding growing market value and tax capacity value, with Cottage Grove having \$845 per capita, compared with a \$1,124 mean of others with similar populations.

Mayor Shiely opened public hearing at 7:52 p.m.

There being no speakers, Mayor Shiely closed the public hearing at 7:52 p.m.

Mayor Shiely asked the City Administrator to provide general background information and clarification as to what Council is being asked to do.

He said that a district had been created 25 years ago but is now closed and the first action requested of Council is to formally eliminate the parcels that had been contained in that district, the second action is to modify the existing development program, and the third action to allow the City to loan tax increment district money with an interfund loan resolution.

MOTION BY RICE, SECONDED BY BAILEY, TO ADOPT RESOLUTION NO. 07-071, A RESOLUTION 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 MAYOR SHIELY, SECONDED BY LUDEN, TO ADOPT RESOLUTION NO. 07-072, A RESOLUTION ADOPTING A MODIFICATION TO THE DEVELOPMENT PROGRAM FOR DEVELOPMENT DISTRICT NO. 1 AND ESTABLISHING TAX INCREMENT FINANCING DISTRICT NO. 1-14 THEREIN AND ADOPTING A TAX INCREMENT FINANCING PLAN THEREFORE. MOTION CARRIED 5-0.

MOTION BY RICE, SECONDED BY LUDEN, TO ADOPT RESOLUTION NO. 07-073, A RESOLUTION AUTHORIZING AN INTERFUND LOAN FOR ADVANCE OF CERTAIN COSTS IN CONNECTION WITH TAX INCREMENT FINANCING DISTRICT NO. 1-14.

MOTION CARRIED 5-0.

- B. Continue Public Hearing to May 2, 2007, for the Right-of-Way Vacation for the South Point Ridge Development.

The Community Development Director stated that the request to delay the public hearing for the South Point Ridge development is due to a need to work out some details.

MOTION BY BAILEY, SECONDED BY GROSSKLAUS, TO CONTINUE THE PUBLIC HEARING FOR THE RIGHT-OF-WAY VACATION FOR THE SOUTH POINT RIDGE DEVELOPMENT TO THE MAY 2, 2007 MEETING. MOTION CARRIED 5-0.

BID AWARDS

None.

UNFINISHED AND NEW BUSINESS

- A. 1) Consider Approving a Zoning Amendment to Change the Zoning of Property at 7500 80th Street South from B-1 to B-2; 2) Consider Approving a Site Plan Review of a 10,266 Square-Foot Gross Floor Area Multi-Tenant Office/Retail Building; and 3) Consider Approving a Variance to the 35-foot Minimum Parking Setback to Allow Parking to be 10 Feet from the North Property Line

The Community Development Director displayed the area map, described the site, and said the applicant is requesting a zoning change from B-1 to B-2 because of the retail component. He stated that only multi-tenant retail buildings were counted in the site analysis and has a current vacancy rate of 14% and that broker's quote 8-12% as a healthy vacancy rate. The Community Development Director displayed the site plan, including parking, and the architectural drawing. He noted that the Planning Commission commented that the roof appeared asymmetrical but unanimously recommended 5-0 that the applications be approved.

Mayor Shiely invited the developer to address the Council and commented that she liked the asymmetry of the building's roofline.

Bruce Miller, MFC, 3470 Washington Drive, Suite 102, Eagan, greeted Council, thanked City staff for their assistance, and stated that he had relied on the architect and the main tenant (dentist on the upper level) regarding the asymmetry, who liked it very much. Discussion ensued regarding necessary parking accommodations and a temporary building for the dentist to work from in the 5-6 months during construction. Mr. Miller said normally a temporary structure must be removed before a Certificate of Occupancy is issued but there will be need to move the dentist into the building before demolition of the temporary structure occurs. The Community Development Director stated that an extension could be noted in Council resolution to ensure it is done within a reasonable window of time.

Mayor Shiely inquired about running water for the temporary structure. Mr. Miller responded that the preference would be to hook up to the City, rather than utilizing a holding tank.

Discussion

Council Member Bailey asked for clarification as to whether the intent was to put a parking lot in first and then add the modular, and Mr. Miller confirmed this. Council Member Bailey inquired about retailers coming in yet, and Mr. Miller responded that a few contacts had been made but he was confident, due to the great location, that commitments would not be difficult. He also said the dentist would use 3,000 square feet of the upper level, 60% of the office portion.

Mayor Shiely inquired about potential problems with smells for a dentist office if a restaurant would be leased in the same building. Mr. Miller responded that a lot can be done to eliminate odors utilizing an air filtration system and deliberate effort would be made to ensure it would be done satisfactorily.

Mayor Shiely thanked Mr. Miller for the information he provided.

MOTION BY BAILEY, SECONDED BY GROSSKLAUS, TO PASS ORDINANCE NO. 814, AN ORDINANCE FOR THE CITY OF COTTAGE GROVE, MINNESOTA, AMENDING CITY CODE SECTION 11-1-6, ZONING MAP, VIA REZONING CERTAIN PROPERTY LOCATED AT 7500 80TH STREET SOUTH FROM B-1, LIMITED BUSINESS TO B-2 RETAIL BUSINESS. MOTION CARRIED 5-0

Council Member Bailey asked staff about condition #25 of the Senior Planner's report dated April 11, 2007, regarding removal of a temporary structure from the site before issuance of a Certificate of Occupancy for the new building. The Community Development Director stated that a revised condition specifying a timeframe could be added to the resolution to address his concern.

MOTION BY BAILEY, SECONDED BY MAYOR SHIELY, TO AMEND THE SITE PLAN APPROVAL ADDING A 30-DAY EXTENSION FOR REMOVAL OF THE TEMPORARY STRUCTURE FROM THE BUILDING SITE UPON ISSUANCE OF A CERTIFICATE OF OCCUPANCY. MOTION CARRIED 5-0.

MOTION BY GROSSKLAUS, SECONDED BY RICE, TO ADOPT RESOLUTION NO. 07-074, A RESOLUTION APPROVING THE SITE PLAN REVIEW FOR THE CONSTRUCTION OF A 10,266 SQUARE FOOT GROSS FLOOR AREA MULTI-TENANT OFFICE/RETAIL BUILDING AT 7500 0TH STREET SOUTH, AS AMENDED. MOTION CARRIED 5-0.

Mayor Shiely asked for clarification regarding the setback as to what building abutted the property line, and the Community Development Director responded that it is an apartment building approximately 50 feet from the property line.

MOTION BY BAILEY, SECONDED BY RICE, TO ADOPT RESOLUTION NO. 07-075, A RESOLUTION GRANTING A VARIANCE FROM TITLE 11-1B-6C(1), LOT REQUIREMENTS IN THE B-2 ZONING DISTRICT, TO REDUCE THE REQUIRED 35-FOOT MINIMUM PARKING SETBACK TO ALLOW PARKING TO BE 10 FEET FROM THE NORTH PROPERTY LINE AT 7500 80TH STREET SOUTH. MOTION CARRIED 5-0

B. Consider Approving the McHattie Farms Preliminary Planned Development Overlay Plan

Mayor Shiely asked for assurance that Council would still have control following approval of a Preliminary Development Plan (PDO). The Community Development Director confirmed this and said a final development plan must conform to the preliminary plan, details would be forthcoming, but the general layout of development should align with what Council is currently reviewing.

The Community Development Director described the concept plan (construction of 157 detached single-family homes and 44 twin-home units on approximately 90 acres of land located south of Military Road, east of Jamaica Avenue, and north of Rose of Sharon Church), displayed the site map, and stated that Homes by Chase had submitted a preliminary development plan for a residential development in Neighborhood 1 north of the East Ravine. He reported that the Planning Commission reviewed the plan on March 26, there was no public testimony opposing the plan, the proposed concept plan is generally consistent with the East Ravine Master Plan, and the Commission voted 3-2 to approve the plan subject to the following conditions: 1) reduce the number of lots with widths less than 85 feet by eliminating the 76-foot lots adjacent to the 100-foot wide lots (currently, approximately 20% of the single-family lots are 76-feet wide); 2) an emergency vehicle access or second street access be provided in the twin home neighborhood; and 3) park and open space areas should be more clearly defined.

Mayor Shiely invited the developer to address the Council.

Bill Pritchard, Vice President of Land Development for Homes by Chase, 2400 West County Road 42, Burnsville, greeted Council, thanked City staff for their assistance, and said he would appreciate Council feedback to ensure that development would proceed correctly. He made a brief PowerPoint presentation on the proposed plan, pointing out features of a cornerstone, Jamaica Avenue landscape buffer, varying housing products, open spaces, connection to pedestrian trails, ponding, quality investment (\$380,000-500,000 range), and housing architecture.

Discussion

Council Member Rice asked the developer what he thought about reducing lots to 85 feet. Mr. Pritchard responded that one lot would be eliminated with a reduction. Council Member Rice then asked about losing two units with the extra fire access for the twin homes.

Mr. Pritchard responded that he had been unaware of the new regulation but said losing the two lots would be necessary to adhere to code.

Council Member Rice commented he really liked the style of homes and agreed with staff about making the east side of the road 85-foot lots as a buffer.

Council Member Bailey said the overall concept looks great and agreed with Council Member Rice and the Planning Commission that he prefers to see 85-foot lots on the east side. He said he was fine with 76-foot lots along Jamaica and on the east side closer to Military and was fine with the differing lot sizes. Council Member Bailey recommended that a permanent road be placed, rather than temporary, for emergency access for the twin homes, as it would then be set up for future development. He then asked about plans for parks. The Community Development Director responded that the City has a tentative agreement with the Wilder Foundation (owner of the private property) and Minnesota Land Trust (controller of the conservation easement) for public trails to cross the property under consideration and that a future community park is to be developed east of the McHattie site on land owned by the South Washington County Watershed District. He added that neighborhood parks serving the McHattie Farms project would be located in the “eyebrow” open space area along Ravine Parkway.

Mayor Shiely expressed her concern that the plan’s designation for open space seems insufficient and access is limited to the 100-foot lots. The Community Development Director responded that final designs would show the parkway to have more trees and shrubs and that the idea is that access to the open spaces will come along the parkway. Discussion ensued about eyebrows and park dedication, totaling 1-2 acres, and Council Member Bailey asked that specific examples of similarly sized open space be cited at a future Council meeting for the purpose of visual comparison. Council preference appeared to be getting away from commercial monuments and having more natural, attractive entryway features. Mr. Pritchard responded that he is open to working with staff to create a satisfactory result.

Council Member Grossklaus objected to 76-foot lots and said the plan today had changed from the one presented a year ago. Mr. Pritchard responded that the items proposed last year had come with increased dollars and the plan did not receive sufficient support. Council Member Grossklaus commented that the homes in the plan seem like a lot of what Cottage Grove already has and he is not impressed.

Council Member Luden expressed his concern about community access and making it more amenable for use and help when trying to sell the homes.

The City Administrator summarized Council concerns: support for a permanent twin-home roadway (though the Community Development Director stated the need to reserve judgment at this time), support for reducing lot sizes, look at whether there should be an eyebrow design similar to the south side, desire for larger lots relating to the south side, and concern for eligible land for park dedication.

Mayor Shiely thanked Mr. Pritchard for his presentation and feedback. She then opened the chamber floor to public comment.

Dave De Bace, 7305 Iverson Avenue South, said he wished that Council would stay with the standard 85-foot lot, noting smaller lots remind him of row houses, and expressed deep dislike for monuments, stating that they do nothing to enhance an area, instead, create hazards for traffic because they block views, and add weeding maintenance.

The Community Development Director said the next step would be for Homes by Chase to come back with a preliminary plat and final development plat. Mr. Pritchard responded that he would not be ready to do that if there was not a clear understanding of the concept. Mayor Shiely agreed and said Council did not wish to be nailed to a plan they could not ultimately support. It was agreed that the plan would be reviewed again and brought before Council within the next 60 days.

Consider Adoption of a Resolution Supporting Legislation to Restore Local Government Aid to Metropolitan Area Cities

Council Member Bailey described Local Government Aid (LGA) history and explained that Council would be looking at providing a resolution stating that it would like to see changes made to the current LGA funding formula. He said the idea behind the disparity between what metro cities are putting in versus getting versus out state and the difficulty in determining how support is calculated.

Council Member Grossklaus cautioned that he did not want any monies received to be considered a budget addition.

Council Member Rice commented that the legislation appears more palatable and he could now support it.

MOTION BY RICE, SECONDED BY MAYOR SHIELY, TO ADOPT RESOLUTION NO. 07-076, A RESOLUTION SUPPORTING LEGISLATION (HF1534/SF1046) RESTORING LOCAL GOVERNMENT AID TO METROPOLITAN AREA CITIES. MOTION CARRIED 5-0

RESPONSE TO PREVIOUSLY RAISED COUNCIL COMMENTS AND REQUESTS

A. Response to Council Regarding Kingston Park Vandalism.

The written report from Zac Dockter, Public Works, noted the addition in the last three weeks of four operational parking lot lights, one high-intensity motion-sensored security light on the building and a security camera inside the pavilion. At the time of writing, there had been no vandalism or damage to report of at this site since the upgrades. The City has not received all invoices for the project but it is expected not to exceed \$25,000.

The Deputy Public Safety Director updated Council that over the weekend there had been a small fire set at a picnic table and the camera footage obtained of the responsible party in action would assist the investigation.

B. Response to Council regarding Compost Facility.

The Public Works Director reported that Rumpca Companies, Inc. made some improvements to the Cottage Grove Compost Facility, located at 95th and Glendenning Road, at their own expense to improve the integrity and safety of the compost site and discontinued service on Sunday.

The City Administrator clarified that the site is really a private venture on private land that provides benefits to the City but the City is not involved in the business other than facilitating use of the land. Elimination or reduction of hours of operation is a private business decision. Council Member Grossklaus added that local sanitation companies are also available to provide services to residents at a cost if needed.

It was Council consensus that the opportunity to use the compost site is very much appreciated.

COUNCIL COMMENTS AND REQUESTS

None.

PAY BILLS

MOTION BY RICE, SECONDED BY BAILEY, TO APPROVE PAYMENT OF CHECK NUMBERS 149679 to 149876 FOR \$671,422.98. MOTION CARRIED 5-0.

WORKSHOP SESSION – OPEN

None.

WORKSHOP SESSION – CLOSED

None.

ADJOURNMENT

MOTION BY BAILEY, SECONDED BY GROSSKLAUS, TO ADJOURN THE MEETING AT 9:28 P.M. MOTION CARRIED 5-0.

Respectfully submitted,

Mary Heintz
TimeSaver Off Site Secretarial, Inc.