

REGULAR MEETING COTTAGE GROVE CITY COUNCIL

April 16, 2008

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 and Administrative Services Director
Corrine Heine, City Attorney
Jennifer Levitt, City Engineer
Craig Woolery, 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 16, 2008, 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 and Administrative Services Director
Corrine Heine, City Attorney
Jennifer Levitt, City Engineer
Craig Woolery, Public Safety Director

Not Present: None.

ADOPTION OF AGENDA

Mayor Shiely announced there were two revisions to the agenda, that the effective date for the temporary liquor license to the St. Paul Park/Newport Lions Club at Lamar Park be changed to June 14, instead of June 13, and that item 8D, regarding a parcel of land at Lehigh and Manning, be pulled due to complications.

MOTION BY BAILEY, SECONDED BY RICE, TO APPROVE THE AGENDA AS AMENDED.

MOTION CARRIED 5-0.

PRESENTATIONS

A. 2008 Arbor Day and Spring Cleanup

Brian Voelker, City Management Analyst, provided information regarding upcoming events for Arbor Day, April 26 from 9 a.m. to 12 p.m. at Highland Park, and the annual spring cleanup, May 3 from 7 a.m. to 4:30 p.m. at the Public Works Facility.

B. Washington County HRA Foreclosure Prevention Counseling Program

The Community Development Director provided a brief overview of the foreclosure prevention counseling program and introduced Rich Malloy of Washington County, whose presentation included the magnitude of the foreclosure program, how the foreclosure process works (which may take 6-12 months), and what the HRA is doing to mitigate the impact of foreclosures (prevention counseling and acquiring and rehabilitating abandoned or vacant homes).

Statistics showed an increase of Washington County foreclosures, documented as 100 in 2004, 835 in 2007, and 1,200 projected for 2008. Cottage Grove foreclosures include the City as well as St. Paul Park and Newport and were 32% of the County's total foreclosures.

Three-Point Strategy

1. Establish foreclosure prevention programs
2. Establish clearinghouse for foreclosure remediation programs
3. Establish neighborhood stabilization programs for post-foreclosure impacts

Washington County residents may contact homeownership specialists (who are paid by State funding) at 651-458-0936 x551 or x553 for assistance. The counseling process can assess the client situation (ability to stay in home or alternative housing plan), determine course of plan, and advocate for the client. It was reported that 60% of cases involve financial constraints as a result of the mortgage process (such as interest rate), unemployment, or loss of income. The County reported that the average monthly mortgage is \$1,900 PITI with an average monthly income of \$2,400, and the average amount that residents in foreclosure are behind payment is \$10,000.

Foreclosure Clearinghouse

- HRA and County, to provide cities with monthly reports of sheriff sales locations and GIS maps (location, value, types of houses)
- Foreclosure counselor services
- Collecting information on successful strategies from other cities
- Monitor legislation and advocate where necessary

Neighborhood Stabilization

- Vacant properties
- Notification to cities
- Acquisition rehabilitation funds
 - Center for energy and the environment
 - Minnesota housing funds (RV, fix-up fund)
- Working with Two Rivers Community Land Trust
- Foreclosure policy issues
 - Minnesota housing
 - Home ownership center

Mayor Shiely thanked Mr. Malloy for the presentation and said City staff would contact him about a possible cable communication on the subject. She asked what percentage of people in foreclosure purchased the property for investment, and the response was that there is not much data on that but foreclosures tend to involve resident owners.

APPROVAL OF MINUTES

A. March 19, 2008, Regular Meeting

Mayor Shiely stated that the minutes stood approved as submitted.

CONSENT CALENDAR

Council Member Bailey pulled item I, regarding donations for the Ice Arena Expansion Project, to acknowledge donors Ryan Schroeder and Patricia Wilder (\$1,200), SWCTC Commission (\$300), Ken Brittain (\$300), Dave Burtman (\$300), Rick Burtman (\$300), Chad and Stephanie Dockter (\$300), Kelly Eichler (\$300), Marty Carlier (\$100), Bill Buth (\$100), Donna Lanners (\$100), and Alec Gutterman (\$100).

MOTION BY GROSSKLAUS, SECONDED BY LUDEN, TO:

- A. ACCEPT AND PLACE ON FILE THE FOLLOWING MINUTES:
 - I. ECONOMIC DEVELOPMENT AUTHORITY MEETING FROM MARCH 11, 2008.
- B. AUTHORIZE ISSUANCE OF A TEMPORARY LIQUOR LICENSE TO THE ST. PAUL PARK/NEWPORT LIONS CLUB FOR EVENTS HELD IN CONJUNCTION WITH STRAWBERRY FEST AT KINGSTON PARK ON JUNE 13 AND 14 AND AT LAMAR PARK ON JUNE 14.
- C. ADOPT **RESOLUTION NO. 08-075** AUTHORIZING ISSUANCE OF A PREMISE PERMIT TO THE COTTAGE GROVE ATHLETIC ASSOCIATION TO CONDUCT BINGO GAMES AND PULL-TAB OPERATIONS AT VFW POST 8752, 9260 EAST POINT DOUGLAS ROAD.
- D. APPROVE CHANGE ORDER #1 FOR THE WELL NO. 6 MAINTENANCE PROJECT, WIRE BRUSHING OF THE WELL CASING AND TELEVISION INSPECTION, AND NEW PUMP BOWL.
- E. ADOPT **RESOLUTION NO. 08-076** ACCEPTING THE DONATION FROM KRAUS-ANDERSON CONSTRUCTION COMPANY FOR THE ICE ARENA GROUNDBREAKING AND RIBBON-CUTTING CEREMONIES.
- F. ACCEPT THE RESIGNATION OF RAJEAN MOONE FROM THE HUMAN SERVICES/HUMAN RIGHTS COMMISSION AND APPROVE THE APPOINTMENT OF JENNIFER PETERSON AS THE NEXT COMMISSION CHAIR.
- G. APPROVE THE RIGHT OF ENTRY AND CONSTRUCTION AGREEMENT BETWEEN 3M AND THE CITY OF COTTAGE GROVE CONTINGENT UPON CITY ATTORNEY REVIEW AND APPROVAL.
- H. ADOPT **RESOLUTION NO. 08-077** PROCLAIMING ARBOR DAY.
- I. ADOPT **RESOLUTION NO. 08-078** ACCEPTING DONATIONS TOTALING \$3,400.00 FOR THE ICE ARENA EXPANSION PROJECT.
- J. APPOINT KEN BRITTAIN TO THE PARKS, RECREATION AND NATURAL RESOURCES COMMISSION TO FULFILL AN UNEXPIRED TERM THAT ENDS ON FEBRUARY 28, 2009.
- K. ADOPT **RESOLUTION NO. 08-079** AUTHORIZING ACQUISITION OF A UTILITY AND ROADWAY EASEMENT ALONG JAMAICA AVENUE ACROSS FROM PROPERTY OWNED BY THE WILDER FOUNDATION.
- L. ADOPT **RESOLUTION NO. 08-080** APPROVING THE FINAL PLAT FOR KOHL'S-CULVER'S ADDITION, WHICH CREATES TWO COMMERCIAL LOTS, LOCATED NORTH OF 80TH STREET AND WEST OF HARDWOOD ON LOT 1, BLOCK 2, GATEWAY NORTH ADDITION.

MOTION CARRIED 5-0.

RESPONSE TO PREVIOUSLY RAISED OPEN FORUM ISSUES

None.

PUBLIC HEARINGS

- A. Consider approving a conditional use permit to allow for an off-sale liquor store to be located at 6939 Pine Arbor Drive South.

The Community Development Director's report stated that the Planning Commission held a public hearing on March 24, 2008, regarding Keiser & Company, LLC's request for a conditional use permit to allow an off-sale liquor store to be located at 6939 Pine Arbor Drive South and recommends Council approval. The one dissenting vote was based on "the quantity of the alcohol and (commenting that) five liquor stores in a community of this size is enough" and "hours of operation and trash issues."

Mayor Shiely acknowledged that residents Chad Magle and Kim Sao were present to offer their opinions regarding the proposed permit. She then asked the applicants to address the Council.

The applicants, Amy Jo and Steven Keiser, stated that they are ready to start their own family business, will work hard, and would like the opportunity to proceed.

Chad Magle, 2481 Eagle Tree Road, Woodbury, stated, on behalf of Kim Sao, owner of Shamrock Liquor, that there is over saturation in the market of liquor stores, with five now currently in Cottage Grove for 33,000 residents. He said that they don't see adding another liquor store does justice to anyone. He also stated that his wife, who owns a business in the area, was deeply affected by the Jamaica road closure, dropping sales by 60%, and said the City needs to do something to get people back into that area.

Kim Sao commented that business has been slow and their family has worked hard for the liquor store, which they have owned for five years.

Mayor Shiely thanked them for their comments and asked whether the number of liquor stores was correlated to population. The City Administrator stated that they are not regulated by population after a 2005 ordinance change, which had previously allowed one liquor store per 7,500 residents.

Council Member Luden inquired about the master plan for the area, and the Community Development Director stated that it is to add two more retail buildings and a restaurant, that this store would take 4,000 square feet, the last space in the first building built, and the other businesses are a salon and dental office.

Council Member Bailey inquired about the plan for the rest of the building, and the Community Development Director referred the response to Alex Young. Mr. Young stated that the market is tough for retail as a whole but especially national groups. Two other buildings are planned for the site, incorporating office and retail users and windows on four sides. He said he doesn't know when the other buildings will be built, each 11,000 square feet, but there wouldn't be any additional liquor stores planned for the site.

The City Attorney cited the Metro 500 case and distinguished differences between the two decisions, the land use conditional use permit and issuance of liquor license.

Council Member Bailey inquired whether another liquor store could locate on the same corner under the PUD, and the City Attorney stated that it wasn't clear and she would have to check. The Community Development Director commented that he didn't believe the owner would want competing businesses in the same center, and Mr. Young agreed.

Mayor Shiely commented that there doesn't appear to be evidence of increased crime or unsavory routine or noise in the area of off-sale liquor stores.

MOTION BY GROSSKLAUS, SECONDED BY MAYOR SHIELY, TO ADOPT **RESOLUTION NO. 08-081** APPROVING A CONDITIONAL USE PERMIT TO ALLOW AN OFF-SALE LIQUOR STORE LOCATED AT 6939 PINE ARBOR DRIVE SOUTH.

MOTION CARRIED 5-0.

- B. Hold the public hearing and consider authorizing issuance of an off-sale intoxicating liquor license to Keiser & Company, LLC/DBA Summerhill Liquor, 6939 Pine Arbor Drive.

Amy Jo and Steven Keiser have applied for an "Off Sale" Intoxicating Liquor License to open a retail off-sale liquor store to be known as Summerhill Liquor and a conditional use permit as property located at 6939 Pine Arbor Drive is in excess of 1,000 feet from a church/school. No facts have been found to disqualify the applicant from obtaining a liquor license, and staff recommends Council hold a public hearing and approve the license application.

Mayor Shiely opened the public hearing at 8:17 p.m.

Amy Jo Keiser stated that she and her husband would like the application approved by Council.

There being no additional speakers, Mayor Shiely closed the public hearing at 8:17 p.m.

MOTION BY BAILEY, SECONDED BY LUDEN, TO AUTHORIZE ISSUANCE OF THE LIQUOR LICENSE CONTINGENT ON CONDITIONS LISTED IN CITY CLERK CARON STRANSKY'S MEMO DATED APRIL 10, 2008.

MOTION CARRIED 5-0.

BID AWARDS

- A. Consider awarding the contract for Bid Division No. 16 of the Ice Arena Expansion Project to All Metro Glass, Inc. in the amount of \$162,352.00.

The City Engineer's written report stated that Council rejected on March 5, 2008, the bids for

Division 16, Aluminum Entrances, Windows and Glazing for the Cottage Grove Ice Arena Expansion and authorized a new re-bid. Modifications were made to the elements of the windows. The new low bid is \$162,352.00 (compared to the initial low bid of \$194,900.00) and changes in the window system produced a savings of \$32,548.00. Council received a cost breakdown for elements that serve the existing building versus costs associated with the expansion. It was noted that \$938,994 is directly related to the existing building and \$50,000 to the fire protection system, required by code to bring the existing building into compliance. Some discussion ensued.

MOTION BY RICE, SECONDED BY BAILEY, TO ADOPT **RESOLUTION NO. 08-082** AWARDING THE CONTRACT FOR BID DIVISION 16 TO ALL METRO GLASS, INC. IN THE AMOUNT OF \$162,352.00.

MOTION CARRIED 5-0.

UNFINISHED AND NEW BUSINESS

- A. Consider affirming agreement with the Gateway North monument/retaining wall project and directing a contract extension with US Bank to allow for this project to occur. 2. Consider ratifying funding allocations as presented.

The City Administrator cited his written report on the Economic Development Authority's recommendation for an allocation from the Economic Development (ED) Trust Fund toward construction of the fourth and final Gateway monument sign and associated costs that relate to the existing US Bank retaining wall, a sidewalk extension from Hardwood Avenue along 80th Street to the Culver's Restaurant site, and utility and landscaping costs. Council is asked to ratify the EDA action, to allocate other funds to complete the project, and to provide for a development contract extension to complete the project.

Funding for the project would include a contribution from US Bank for about half of the project costs and it would provide ongoing maintenance of the lighting/electrical and landscaping. Culver's and Kohl's would provide their requisite shares of the sidewalk extension. Storm water and street light funding in the amount of \$2,610 and \$5,000 respectively is proposed for fund-related costs. Landscaping would be paid from the landscaping cost center. The balance of the funding would be from the ED Trust Fund.

Council Member Bailey inquired as to how the tiers design would affect the sign as originally planned, and the City Administrator stated that the sign remains essentially the same though the tier was necessary for the infrastructure and the fence is no longer necessary.

MOTION BY RICE, SECONDED BY GROSSKLAUS, TO AFFIRM THE AGREEMENT WITH THE GATEWAY NORTH MONUMENT/RETAINING WALL PROJECT AND DIRECT A CONTRACT EXTENSION WITH US BANK TO ALLOW FOR THE PROJECT TO OCCUR

MOTION CARRIED 5-0

MOTION BY LUDEN, SECONDED BY RICE, TO RATIFY THE FUNDING ALLOCATIONS AS PRESENTED.

MOTION CARRIED 5-0.

- B. Consider approving the plans and specifications and establishing a May 22, 2008, bid date for the US Bank Retaining Wall Project.

Plans and specifications have been prepared in accordance with the City's standards and the estimated cost for improvement is \$149,870.00.

Funding Sources:	\$73,970.00	US Bank contribution
	53,468.57	EDA contribution
	6,059.84	Kohl's agreement
	5,900.00	Landscaping
	5,000.00	Street Light Utility Fund
	2,861.59	Culver's agreement
	2,610.00	Storm Water Utility Fund

Staff recommends Council approve plans and specifications and establishing May 22, 2008, as a bid date for the US Bank Retaining Wall Project.

MOTION BY RICE, SECONDED BY GROSSKLAUS, TO ADOPT **RESOLUTION NO. 08-083** APPROVING THE PLANS AND SPECIFICATIONS AND ESTABLISHING A MAY 22, 2008, BID DATE FOR THE US BANK RETAINING WALL PROJECT.

MOTION CARRIED 5-0.

- C. Consider adopting a resolution approving the feasibility report, authorizing preparation of plans and specifications, and establishing a May 21, 2008, public improvement hearing date for the Trunk Highway 95 (Manning Avenue) at Lehigh Road, Street and Drainage Improvements.

The City Engineer provided background information regarding site, including residential concerns for safety (due to skewed angle) and poor drainage (standing water in spring), and said it is believed that the ultimate solution is to create a ditch section along Lehigh Avenue to contain the water and add additional culverts to contain drainage to existing drainage and utility easements.

Options for the project:

1. Not move forward. The City would notify MnDOT that it would not be accepting the funds allocated to this project (\$210,000) and need to compete in 2010 for future funding for the project.

2. Do only realignment. Construct only the TH 95 and Lehigh realignment portion and do nothing else on Lehigh. The City would utilize the Cooperative Agreement money from MnDOT and have less assessments related to the project. This option would not fix the drainage problems and expressed resident concerns. The City would continue to incur maintenance costs associated with spring drainage problems. Total cost for this option would be \$245,700, with funding of \$210,000 in Cooperative Agreement Dollars, assessments, and State Aid funds.
3. Do project as outlined in the Feasibility Report. This would include improvements on TH 95, Lehigh realignment, Lehigh reconstruction and drainage correction. This option would include acquiring the small remnant portion of land. Right-to-enter agreements would need to be secured from residents to make some improvements and permanent drainage and utility easements would be sought to address more substantial drainage concerns. Total cost for this option would be \$515,400, with funding of \$121,300 in assessments and \$394,100 from various City sources.

Project History

- June 2005 – reviewed drainage options for road with neighborhood
- October 4, 2006 – requested MnDOT funds for road improvements
- March 21, 2007 – City Council accepted funds for project from MnDOT (\$210,000)
- September 2007 – WSB and Associates was selected to provide engineering services
- September 5, 2007 – City Council authorizes a feasibility study
- Neighborhood meeting – March 17, 2008

Funding Summary

- \$245,700 TH 95 and Lehigh intersection improvements (includes \$210,000 from State)
- \$151,400 Lehigh Road improvements
- Staff recommends Council adoption of the resolution approving the feasibility report, authorizing preparation and plans and specifications, and establishing a May 21, 2008, public improvement hearing date.

Council Member Grossklaus asked how the tabling of item 8D would affect the project, and the Community Development Director said the project would not be affected because the City will have acquired the property, that an agreement had been reached with the property owner. The City Attorney added that she is expecting to receive the title report on Wednesday, a probate records check will be likely, and it appears that the property was a forgotten parcel.

Council Member Rice inquired as to the depth that will be needed for improvements, and the City Engineer cited a measurement of approximately 24 inches.

Council Member Luden said he wanted to make sure that drainage would be done correctly and consistent with the plan and the response was that affected residents would receive pertinent detail.

Mayor Shiely asked whether the final assessment would be in the fall, and the City Engineer stated that the bid project would be in November, an award in December, project construction in the spring of next year and assessment in October of 2009.

MOTION BY GROSSKLAUS, SECONDED BY BAILEY, TO ADOPT **RESOLUTION NO. 08-084** APPROVING THE FEASIBILITY REPORT, AUTHORIZING PREPARATION OF PLANS AND SPECIFICATIONS, AND ESTABLISHING A MAY 21, 2008, PUBLIC IMPROVEMENT HEARING DATE FOR THE TRUNK HIGHWAY 95 (MANNING AVENUE) AT LEHIGH ROAD, STREET AND DRAINAGE IMPROVEMENTS.

MOTION CARRIED 5-0.

- D. Consider authorizing staff to acquire a part of Parcel 25-027-21-43-0001 for \$5,300.00 to realign the intersection of Lehigh and Manning Avenues.

This item was pulled from the agenda.

- E. Consider license/permit fees paid by nonprofit organizations.

The City Administrator provided information to Council for discussion purposes only regarding license/permits for nonprofit organizations, citing documentation of the various types of licenses/permits issued to nonprofit organizations and fees during the three-year period of 2006 to 2008. He reported that there have been requests made by nonprofits to waive license/permit fees for their organizations, which is contrary to current policy. Options for consideration are to 1) do nothing and maintain policy of charging nonprofit and fraternal organizations for permits and licenses, 2) waive fees for registered nonprofit, fraternal, and veteran organizations, or 3) direct staff to reevaluate existing fees and amounts charged.

Council Member Grossklaus reported that he had been contacted by a charity questioning why City fees were charged when an event is on School District property and how the City can assess a fee for services when City services aren't being used.

Council Member Bailey reported that he had also been contacted by the nonprofit group regarding permit issues.

Mayor Shiely said she respected what nonprofits are doing for their groups and the Community but also noted that the City must pay license/permit fees as everyone else. She, however, would go along with the option for a three-year permit, as noted earlier.

Council Member Luden, referencing 501C3 document, commented that it is not up to the City to determine what charities should be supported or not.

Mayor Shiely said she would be interested in looking at the validity of costs and what the City is responsible for in events that occur on School District property. She said that she is uncomfortable with a change from the current policy and would be opposed to staff going back and totally re-evaluating the existing fee system, preferring that answers be obtained

without having to do that.

Council Member Luden inquired whether it would be possible, instead, to benchmark a few, and the City Administrator responded affirmatively, adding that fee information could be obtained from Metro Cities' surveys.

Council Member Grossklaus requested outdoor event clarification, as there is no outdoor fee for Friday football games. Mayor Shiely said she also would be interested in knowing the School District restrictions in their agreements.

Mayor Shiely opened the floor to audience comment.

Michelle Smith, Relay for Life, stated that this would be the second year of their event, which will be held July 11, and is put on by volunteers with most supplies provided by donations. She said no Public Safety response was needed the previous year, though they made an appearance, or need for Public Works assistance. Ms. Smith cited concern about the cost of the \$250 permit because it means a lot when raising funds for a nonprofit event. She questioned what the \$250 pays for, other than processing the application.

Mayor Shiely said she would like to see the signed School District contracts, which would cite their liability, clean-up, etc.

RESPONSE TO PREVIOUSLY RAISED COUNCIL COMMENTS AND REQUESTS

None.

COUNCIL COMMENTS AND REQUESTS

Council Member Bailey welcomed volunteers to attend the next Strawberry Fest meeting on April 21, 6 p.m., at City Hall. Information can also be obtained on the City website.

Mayor Shiely complimented the Public Works Department for their "innovative and clever" idea of placing orange flags wherever dog feces have been located.

PAY BILLS

MOTION BY RICE, SECONDED BY BAILEY, TO APPROVE PAYMENT OF CHECK NUMBERS 154632 TO 154810 IN THE AMOUNT OF \$664,036.36.

MOTION CARRIED 5-0.

WORKSHOP SESSION – OPEN

None.

WORKSHOP SESSION – CLOSED

None.

ADJOURNMENT

MOTION BY LUDEN, SECONDED BY GROSSKLAUS, TO ADJOURN THE MEETING AT 9:07 P.M.

MOTION CARRIED 5-0.

Respectfully submitted,

Mary Heintz
TimeSaver Off Site Secretarial, Inc.