

REGULAR MEETING COTTAGE GROVE CITY COUNCIL

June 18, 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
Ron Hedberg, Finance and Administrative Services Director
Corrine Heine, City Attorney
Jennifer Levitt, City Engineer
Harry Taylor, Public Works Supervisor
Craig Woolery, Public Safety Director

Not Present: None.

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

State Representative Karla Bigham thanked and congratulated all the volunteers and City staff for putting on the Strawberry Festival. She said that she was very pleased with the last Legislative Session, the results of which include \$25 million being put into direct property tax relief, an increase in County government aid, 3.9% tax relief over the next three years and exemptions for flexibility regarding foreclosures and public safety, property exemptions for disabled veterans, a transportation bill of \$6.6 billion over the next ten years, approval for inmates to be checked against a predator registry which is important to collect noncompliance offenders, passage of a bill that between October 15 and April 15 a utility company must provide services to a resident if the City requests, and tighter restrictions on dangerous dog ownerships. She reported that the Red Rock Corridor was vetoed in the bonding bill but the Central Corridor did go through and, in conclusion, expressed appreciation to the City for input and, in particular to the City Administrator and Mayor Shiely, for completion of the signage for the new roundabout.

Mayor Shiely thanked Representative Bigham and Senator Katie Sieben for their assistance with the roundabout signage and also expressed her continued concern regarding levy limits.

There being no additional speakers, Mayor Shiely closed the Open Forum at 7:22 p.m.

CALL TO ORDER

The City Council of the City of Cottage Grove, Washington County, Minnesota, held a regular meeting on Wednesday, June 18, 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
Ron Hedberg, Finance and Administrative Services Director
Corrine Heine, City Attorney
Jennifer Levitt, City Engineer
Harry Taylor, Public Works Supervisor
Craig Woolery, Public Safety Director

Not Present: None.

ADOPTION OF AGENDA

MOTION BY BAILEY, SECONDED BY GROSSKLAUS, TO APPROVE THE AGENDA AS SUBMITTED.

MOTION CARRIED 5-0.

Mayor Shiely stated that the presentation for Night Out had been moved to a later date.

PRESENTATIONS

A. 2007 Comprehensive Annual Financial Report (CAFR) Presentation

The Finance Director introduced Brock Geyen of Larson Allen, Weishair & Co. LLP, who thanked the Finance staff for being well prepared for the audit and provided an updated summary for Council: The General Fund balance increased by \$538,000 for 2007 and the operating indicator is 73.2%, which is healthy; capital project fund deficits were under \$5.5 million, there was a golf fund deficit of \$26,000, and the EMS Fund had a positive result of \$153,000. In summary, he said the City is overall operating very positive.

Mayor Shiely said she is very proud of the City regarding the issue of oversight, which is not easy and speaks well for the Finance Department.

MOTION BY RICE, SECONDED BY GROSSKLAUS, TO RECEIVE AND ACCEPT THE COMPREHENSIVE ANNUAL FINANCIAL REPORT.

MOTION CARRIED 5-0

APPROVAL OF MINUTES

A. May 21, 2008, Special Meeting (with Economic Development Authority)

Mayor Shiely stated that the minutes stood approved as submitted.

B. May 21, 2008, Regular Meeting

Council Member Rice requested that the designation of “State” be added to the wording of Council Member Grossklaus’ comment in paragraph nine on page five of the minutes, in the discussion that the City would be able to work with the State regarding the double yellow line on TH 95.

Mayor Shiely stated that the minutes stood approved as amended.

CONSENT CALENDAR

Council Member Bailey pulled Items B, F, and G to acknowledge donations: Andersen Corporation, CenterPoint Energy Minnegasco, Cogentrix LSP, Cottage Grove Estates Inc., Cottage Grove Fun Run Motorcycle Ride, Davanni’s Pizza & Hot Hoagies, Kowalski’s Woodbury Market, Rainbow Foods, and Rocco’s Pizza for Cottage Grove’s 15th Annual Safety Camp; the Cottage Grove Area Chamber of Commerce for the Strawberry Festival; and the Cottage Grove Crime Board for the Public Safety Department, Police Division, Trek 6000 Mountain Trail bicycles.

MOTION BY LUDEN, SECONDED BY RICE, TO:

- A. ACCEPT AND PLACE ON FILE THE FOLLOWING MINUTES:
 - I. MAY 2008 ECONOMIC DEVELOPMENT AUTHORITY MEETING
 - II. APRIL 28, 2008, PLANNING COMMISSION MEETING
- B. ADOPT **RESOLUTION NO. 08-108** ACCEPTING DONATIONS IN THE AMOUNT OF \$2,035.00 ON BEHALF OF THE PUBLIC SAFETY, FIRE AND RECREATION DEPARTMENTS FOR THE 15TH ANNUAL YOUTH SAFETY CAMP.
- C. APPOINT RYAN RAMBACHER TO THE PUBLIC SAFETY, HEALTH AND WELFARE COMMISSION TO FILL A VACANT SEAT WHOSE TERM ENDS FEBRUARY 28, 2010.
- D. ADOPT **RESOLUTION NO. 08-109** APPROVING FINAL PAYMENT IN THE AMOUNT OF \$20,225.00 TO DETAIL ELECTRIC FOR THE WELL 2 ELECTRICAL UPGRADE.

- E. ADOPT **RESOLUTION NO. 08-110** AUTHORIZING THE PREPARATION OF PLANS AND SPECIFICATIONS FOR THE ULTIMATE STREET RECONSTRUCTION OF PINE ARBOR 3RD ADDITION AND SUMMERHILL CROSSING ADDITION.
- F. ADOPT **RESOLUTION NO. 08-111** ACCEPTING A DONATION FROM THE COTTAGE GROVE AREA CHAMBER OF COMMERCE FOR THE STRAWBERRY FESTIVAL.
- G. ADOPT **RESOLUTION NO. 08-112** ACCEPTING THE DONATION OF THREE TREK 6000 MOUNTAIN TRAIL BICYCLES (TOTAL VALUE \$1,905.00) FROM THE COTTAGE GROVE CRIME BOARD TO THE PUBLIC SAFETY DEPARTMENT, POLICE DIVISION, TO BE USED TO PATROL PARKWAYS AND TRAILS WITHIN RETAIL AND MULTI-FAMILY AREAS OF THE CITY TO PROVIDE A SAFER COMMUNITY TO THE CITIZENS OF COTTAGE GROVE.
- H. ADOPT **RESOLUTION NO. 08-113** APPROVING VARIANCES TO MINIMUM OFF-STREET PARKING REQUIREMENTS AND MAXIMUM BUILDING COVERAGE REQUIREMENTS TO ALLOW FOR AN ADDITION TO TRADEHOME SHOES, 8300 97TH STREET SOUTH.
- I. ADOPT **RESOLUTION NO. 08-114** ORDERING THE ABATEMENT OF NUISANCE VIOLATIONS AT 8334 77TH STREET COURT SOUTH AT THE COST OF THE PROPERTY OWNER.

MOTION CARRIED 5-0.

RESPONSE TO PREVIOUSLY RAISED OPEN FORUM ISSUES

None.

PUBLIC HEARINGS

None.

BID AWARDS

None.

UNFINISHED AND NEW BUSINESS

- A. Consider approving a zoning text amendment to allow an outdoor window test facility at Renewal by Andersen, and 2) consider approving the site plan for the test facility.

The Community Development Director displayed the site aerial photograph and described the ordinance amendment to allow outdoor window and door accessories testing as an allowable use in the district.

He described the facility and stated that the area would be surrounded by 8-foot berms and the grade of the site was nearly identical to property on the west, which does a better job of screening, and said the Planning Development Commission recommended approval.

MOTION BY BAILEY, SECONDED BY GROSSKLAUS, TO PASS **ORDINANCE 840** ALLOWING OUTDOOR WINDOW TEST FACILITIES IN THE I-2 ZONING DISTRICT.

MOTION CARRIED 5-0.

MOTION BY RICE, SECONDED BY LUDEN, TO ADOPT **RESOLUTION NO. 08-115** APPROVING THE SITE PLAN FOR AN OUTDOOR WINDOW TEST FACILITY AT RENEWAL BY ANDERSEN.

MOTION CARRIED 5-0.

RESPONSE TO PREVIOUSLY RAISED COUNCIL COMMENTS AND REQUESTS

None.

COUNCIL COMMENTS AND REQUESTS

Mayor Shiely announced that Cottage Grove lost the Mayor's Challenge Cup Bocci Ball Championship but said she was glad that the loss had been to School District 833, who are good competitors. She also acknowledged Council Member Rice's efforts and complimented all involved with the Strawberry Festival.

Council Member Bailey said the Strawberry Festival occurred on a great day when the weather cooperated and a record crowd was achieved, and acknowledged the work of Public Safety, Public Works staff, and the Festival committee.

PAY BILLS

MOTION BY RICE, SECONDED BY GROSSKLAUS, TO APPROVE PAYMENT OF CHECK NUMBERS 155492 TO 155709 IN THE AMOUNT OF \$1,373,417.73.

MOTION CARRIED 5-0.

WORKSHOP SESSION – OPEN

A. Draft Comprehensive Plan Update

The Community Development Director provided a brief overview of the Comprehensive Plan, which is required every ten years by the Minnesota Land Planning Act in evaluating conformance to the larger plan. The City has six months in which to submit its response but it isn't expected to take that long.

Key elements of the plan include land use, which is distinct from zoning; development staging plan (purpose to economize infrastructure improvements), which is distinct from the 3M plan; and future transportation plan for current and future alignments (principal and minor arterial streets, major and minor collector streets, and local streets). Two particular concerns are meeting increased traffic volumes on Highway 61 (with recommendation to have three access points at Keats, reconstructed intersection between Manning and 61, and another future roadway in between those east of Kimbro) and the extension of Highway 19.

He then reported on the recent Planning Commission's public hearing that concerned the Transitional Planning Area from Urban Reserve and asked for Council feedback.

Council Member Grossklaus commented that he believes the entire city doesn't need to be developed, and the Community Development Director offered reassurance that the City is identified as long-term Agricultural. Mayor Shiely agreed with Council Member Grossklaus. Council Member Bailey added comment that he doesn't know how the designation between Agricultural versus Transitional would matter right now, that it could be addressed further in the next Comprehensive Plan ten years from now. Council Member Luden said there are areas planned beyond 20-30 years and some will likely not be changed. Council Member Rice specifically referenced land designations 6, 7, and 8 on the map.

The Community Development Director next described the proposed reguiding from Rural Residential to Commercial for the Smallidge parcel. Though the landowner proposes that it be changed to Commercial, the Planning Commission recommends that it remain Rural Residential.

Mayor Shiely opened the floor to public comment from the landowner.

Mr. Smallidge described his land, noting its separation from the rest of the farm by a residential plot that has two homes and that one owner would like to vacate it and have it be designated Commercial. He then described the surrounding land, owned by a speculator developer, marine facility, numerous commercial properties, and said there is not much frontage road left after 3M and that it would be perhaps wise to designate both sides of the highway property that is not owned by 3M as Commercial.

Mayor Shiely expressed her concern for good transportation along Highway 61, a major factor for incoming businesses to the City, and said a series of frontage roads may make a huge difference to make it as safe and user friendly as possible.

Council Member Luden asked if there would be infrastructure for roads identified in the Transitional Plan going to Commercial rather than leaving as Rural Residential, and the Community Development Director responded affirmatively, that it would allow for further studies, to look at interaction between transportation and land use. Mayor Shiely noted her support for that.

The Community Development Director recommended between now and the final Plan evaluating the appropriate width of the corridor that is guided by the Transitional Plan, to prevent large residential and preserve land for further study for commercial or other use. Mayor Shiely said Rural Residential makes less sense than Commercial and she is comfortable with Transitional Planning.

Council Member Grossklaus said a decision needs to be made about what to do with the corner of Innovation and the Highway 19 frontage road, whether it is Commercial guided or Transitional. Council Member Bailey noted mistakes that previous Councils have made concerning designations along Point Douglas and agreed a frontage road is needed.

Council Member Rice asked what a good depth would be from the highway, and the Community Development Director cited 600 feet but said much more allowed to get viable commercial pads there, acknowledging Mayor Shiely's preference that there be no strip mall development in the area, and quoted 1,000 feet. Council Member Rice said he could support that.

The Community Development Director said his staff will work on the next iteration of the Plan.

He then presented his report regarding Lower Grey Cloud Island, proposed to be reguided from Rural Residential to Transitional Planning Area, noting the Planning Commission's recommendation that the existing eight residential parcels remain Rural Residential and the part of the island used for Aggregate Mining remain Agricultural.

The next item for discussion was the proposal to reguide the Military Road Parcel from Low Density Residential to Medium Density Residential. The Community Development Director described the mapping and stated that the Planning Commission recommends the five-acre land be reguided to Medium Density and commercial land changed to mixed use.

Council comments included mixed use and whether there would be detriment to have mixed use in that corner. The Community Development Director said a wider range of uses would provide more options. Mayor Shiely stated concern that the City has a plan and Council previously made a decision to not to veer from it, a real estate recession is in effect, and her specific concern is about changing a designation to pump activity into a specific area. The Community Development Director said a city can overguide for Commercial, diluting the base, and the four acres in question could support with some mixed use, between 2,000 - 3,000 square feet of retail development, and a five-year-old market study predicted the possibility of 200,000 square feet on the Cedarhurst site. Discussion ensued.

Mayor Shiely invited the landowners to address the Council.

Paul Kottner, 9770 Military Road, said three corners have some commercial use and he feels a mixed use would make more sense because it gives more options for office condos to buffer the residential area and be able to transition more.

Council Member Rice said he is not convinced about mixed use and think the City would be spreading the commercial area too far.

The Community Development Director next reviewed the 85th Street Industrial area being proposed to be reguided from Industrial to Transitional Planning Area, which is owned by the Marathon Ashland and Minnesota Pipeline Company that jointly operate a tank farm. He said the City's concern is potentially losing a buffer between the existing tank farm and future development in the area.

Council Member Rice asked when the tanks were placed and Gary VanCleve, speaking on behalf of Marathon, stated that he was unaware of the year but will find out and inform Council. Council Member Grossklaus said he would like to see the future plans and creating a way to buffer the tank farm, suggesting to leave it as is and ask the companies what to do with the property.

Council Member Bailey reported that he and John Burbank had met with Marathon the previous week and understood that the company's goal is to have additional tanks. He stated his concern about seeing tank farms getting into future residential, warehousing, and associated traffic challenges. Mr. VanCleve stated Marathon's concern that the two cited parcels be rezoned from Industrial to Transitional without sufficient evaluation, as the company only just received notification of the proposal to change. He asked if reguided to Transitional Planning and then rezoned, if the company would be able to use it as it is currently being used. Mayor Shiely asked if the parcels remained Industrial and expanded, if ordinances would allow for some kind of development as there is now, adding that she would likely support that the current Industrial designation remain. Council Member Luden stated his agreement that the Industrial designation remain during this Comprehensive Plan.

The Community Development Director then addressed the Harkness Avenue Parcel, proposed to be reguided from Low Density Residential to Medium or High Density Residential. He stated that the Planning Commission recommended that the issue be set aside, in order to take a broader look at the area.

Mayor Shiely commented that it seems individual groups of landowners are looking to being upgraded or rezoned in order to increase their land values and that the City needs to keep blinders on and talk about what is best for the future of the City. Council Member Rice said it seems appropriate to look at the whole picture rather than spotting, and Mayor Shiely agreed. Council Member Luden asked whether locations have been identified for potential high density, and the Community Development Director stated that the city has sufficient land designated for High Density.

The Community Development Director then reviewed the final discussion item, the Majestic Ballroom site, including transportation issues. He also reported that a developer wishes to place a Gold's Gym facility on the site, the Planning Commission recommends that only the Majestic be changed and the remainder stay in stage 3.

Council Member Grossklaus said the Council does not address spot development and the

plan should have been processed appropriately. The Community Development Director said the developer has had this concept for a long time and, being fair to the developer, staff has not been ready to plan for such a development. Mayor Shiely agreed with Council Member Grossklaus and said she would welcome a Gold's Gym but that she does not want Council to have to keep discussing the same items over and over and that someone has to run interference.

Council Member Bailey reported that he remembered the developer coming to an EDA meeting asking for an opinion regarding the Langdon development. He stated his opinion that it would be advisable to hold some pieces for the commuter station on the master plan, determine the timing of the area, and not leave it stagnant for 10-20 years. Mayor Shiely favored the master plan process and need for commuter rail, high-density housing, etc. and said stage one may take a while.

Council Member Luden cited the definition of the utility staging plan and asked how long a master plan would take, and the Community Development Director responded that it could take a year, also noting that the County has a federal grant to do planning around identified stations. Council Member Bailey asked, if Federal money is dedicated, whether there would be opportunity for the City to move forward quicker with the master plan, and the Community Development Director said he could ask about the County's plan. Discussion ensued regarding Langdon and Red Rock.

Mayor Shiely invited the developer to address the Council.

Paul Abdo, Anton, Inc., Minneapolis, the developer, reported that he has been working with the Community Development Director for a year and hopes to get momentum to figure out whether the Community is in favor of a Gold's Gym development and the next steps to take if so. He said there is tremendous opportunity for the City to bring in such an amenity, his group is committed coming to Cottage Grove, and retail visibility is key. Mr. Abdo said he understands Council's concern of a master plan and noted that his civil engineer has done a good job of planning for the 25-acre Langdon site, Gold's Gym wants to be on site there for economic reasons, and he would be happy to work with the City to develop a plan and assist in any effort to step up the development process.

Council Member Rice asked whether the land would be valuable if a train station was not built there, and Mr. Abdo reported that the development is not concerned about a train station, that the concern surrounds frontage property.

Mayor Shiely asked how far the developer was into the process before he heard about the water issues and Red Rock Corridor, and Mr. Abdo stated that he'd heard after a couple months. Council Member Luden asked whether other properties were being considered, such as between Jamaica and 80th, and Mr. Abdo stated that none were being considered, as the parcels were too thin, and that the business is not concerned about a dead-end street because there will be an upgrade to the road and parking stalls can be planned.

Mayor Shiely clarified that the developer should not expect automatically that there will be an

upgrade to the road if the business moves onto the site and that she doesn't want the City placed in a situation where one business is putting pressure to do a road project. Mr. Abdo stated that there is no assumption that would be done but that the development would expect to pay for some utilities and upgrade. Mayor Shiely stated that she is not opposed to moving up a study but can't tell the developer how long the study will take and is opposed to having to rush a study to push a development through, that adequate thought is needed. Mr. Abdo agreed and said clarification for the decision falls back into the City's lap to look at opportunity versus what else is going on globally within the City and determine whether such a development should move forward. Mayor Shiely asked how development of the frontage road would affect the developer's decision, and he stated zero, that there would be ability to place utilities.

WORKSHOP SESSION – CLOSED

None.

ADJOURNMENT

MOTION BY GROSSKLAUS, SECONDED BY MAYOR SHIELY, TO ADJOURN THE MEETING AT 9:50 P.M.

MOTION CARRIED 5-0.

Respectfully submitted,

Mary Heintz
TimeSaver Off Site Secretarial, Inc.