

MEDINA CITY COUNCIL MEETING MINUTES OF FEBRUARY 17, 2004

The City Council of Medina, Minnesota met in regular session on February 17, 2004 at 7:30 p.m. in the City Hall Chambers. Acting Mayor Lane presided.

I. ROLL CALL

Members present: Workman, Lane, Smith, and Brinkman.

Members absent: Zietlow.

Also present: City Attorney Ron Batty, Public Works Director Jim Dillman, City Engineer Tom Kellogg, City Administrator Chad Adams, Planning & Zoning Administrator Loren Kohnen, and Recording Secretary Liza Weniger.

II. PLEDGE OF ALLEGIANCE

III. ADDITIONS TO THE AGENDA

*Moved by Smith, seconded by Brinkman, to approve the agenda. **Motion passed unanimously.***

IV. APPROVAL

A. Approval of the February 3, 2004 Regular City Council Meeting Minutes

It was noted on page 1, the last sentence of the last paragraph, should state: "...amendment to permit for an interim uses...."

It was noted on page 3, the 3rd paragraph under "D. Resolution Granting...", should state: "...questioned if this sum is an acceptable sum by to all parties."

It was noted on page 9, second sentence of the 5th paragraph, should state: "...turn their lights off down at 11:00 p.m...."

*Moved by Brinkman, seconded by Smith, to approve the February 3, 2004 regular City Council meeting minutes as amended. **Motion passed unanimously.***

V. CONSENT AGENDA

A. Resolution Modifying Resolution No. 02-64

B. Approve Specifications for Road Material and Equipment Rental Bids; Set Bid Opening Date for 10:00 a.m. on Friday, March 19, 2004

Lane summarized item A to be the resolution that extends the authority of plat requirements for two years. Lane inquired whether the intent is for the extension to be 2006 rather than 2005.

Adams stated construction will start in 2005 with a grace period until 2006.

Moved by Smith, seconded by Workman, to approve the consent agenda. Motion passed unanimously.

VI. COMMENTS

A. Comments from Citizens on Items not on the Agenda

There were none.

B. Park Commission

Adams stated that there will be a meeting on Wednesday, February 18 to discuss the park fee policy again.

C. Planning Commission

Kohnen stated that March's meeting schedule will include a discussion of the preliminary plat for the Farmers State Bank of Hamel, and "Lake Villages of Medina" project by Charles Cudd Development. A letter from the Mayor of Loretto will be reviewed concerning development south of Highway 55.

VII. OLD BUSINESS

A. Hamel Legion Park Community Building

1. Authorization to Prepare Final Specifications and Drawings

Adams stated that the Hamel Lions and Bonestroo architects recently made changes to the plans and specs based on comments from Bill Wolters and staff. The majority of those changes are building code related. Wolters has reviewed the changes and has provided a memo addressing more clarification. Friday, February 13, Adams met with Mike Routman, Bonestroo, Tom Dykhoff, Jim Dillman, Jim Lane, and Mayor Zietlow to discuss Wolters' memo. Staff will work on getting comments to Bonestroo regarding the site design work being separated into an alternate. Bonestroo and the Lions will make final changes on the plans, but will not have those completed until February 24. Therefore, Lane and Mayor Zietlow advised to place this item on the agenda to authorize final preparation of plans and specs, and to set a special Council meeting, preferably for February 24. At the February 24th meeting, the Council would decide to approve final specs and plans, advertise for bids, and approve the pre-development agreement with the Lions.

Lane stated that the estimated cost of building has gone up 4%, or \$28,000. The estimated cost of the site work has also gone up which is another reason for splitting the cost of the site work from the building cost.

Discussion among the Council members ensued in regard to clarification on the development agreement specifics authorizing advertisements for bids when the potential building costs are exceeding the original budgeted amount.

Batty informed Council that the City can advertise for bids, and ultimately the Council has the final decision on whether to accept the bids based on the available funds vs. the lowest bid cost.

Lane requested that Adams inform the Lions that they should be prepared to transfer the available funds if the returned bids are in the ballpark of what is budgeted.

Adams stated that March 1st would be the first publication date of the advertisement for bids, pending Council approval of plans and specs and March 25th is the date set for opening the bids. He will provide a schedule to Council upon clarifying with Bonestroo.

*Moved by Smith, seconded by Workman, to authorize the final preparation of specifications and drawings for the Hamel Legion Park Community Building. **Motion passed unanimously.***

2. Schedule Special Council Meeting to Approve Final Specifications and Drawings, Approve Pre-development Agreement with Hamel Lions, and Authorize Advertisement for Bids

Adams stated that at the proposed February 24th Special Council meeting, the Council will decide to approve the building's final specs and plans, advertise for bids, and approve the pre-development agreement with the Hamel Lions. Adams proposed a 6:30 p.m. special meeting time.

*Moved by Workman, seconded by Smith, to schedule a special Council meeting on Tuesday, February 24, 2004 to consider the final specifications and drawings, the pre-development agreement with Hamel Lions, and advertisement for bids. **Motion passed unanimously.***

VIII. NEW BUSINESS

A. Spruce Way Construction – Kearin/Rudd Subdivision

Kellogg reviewed his memo which addresses additional funding of \$121,000 that is available for the construction. The City needs to inform the State by February 27, 2004 that they will accept the MnDOT funding. By June 30, 2005 the City will need to award the project and construction will need to be completed by June 30, 2006. Staff is seeking Council approval to accept the MnDOT funding and to proceed forward accordingly with Kellogg's recommendations.

*Moved by Smith, seconded by Brinkman, to authorize staff to send a letter to MnDOT formally accepting the \$121,000 in funding for the Spruce Way Construction - Kearin/Rudd Subdivision, and also agreeing that the City is responsible for engineering and right-of-way costs. **Motion passed unanimously.***

*Moved by Workman, seconded by Smith, to authorize staff to prepare a feasibility report that identifies the options and associated costs of Spruce Way Construction - Kearin/Rudd Subdivision, which would include bituminous surfaced road with storm sewer, water main and sanitary sewer. **Motion passed unanimously.***

B. Final Approval to Plat of Belle Terra

Kohnen stated that one condition was missing from the final plat resolution which was the request made by Metropolitan Council to provide additional easement footage east of County Road 101.

Batty stated that Kellogg has spoke to the developer and surveyor about agreeing to change the easement along the lots that abut County Road 101 to match the 30 foot easements that the Metropolitan Council requires (which aren't shown on the plat).

Batty instructed Council that tonight's role is to authorize preparation of the final plat resolution, which as always, would not come back for adoption until plat is corrected.

Kohnen stated that a change in the park dedication fee is an option due to a house that already exists on one of the proposed 13 properties. Workman requested the Council agree to a credit of 1/13 of the \$60,920 park dedication fee.

*Moved by Workman, seconded by Smith, to authorize preparation of the final plat resolutions for Belle Terra. **Motion passed unanimously.***

C. Final Approval to Plat of Medina Business Suites

Kohnen requested direction for the City Attorney to prepare the final resolutions for the final plat approval for the property on the north side of Hamel Road (Jubert property).

*Moved by Workman, seconded by Brinkman, to authorize staff to prepare the resolutions for final plat of Medina Business Suites. **Motion passed unanimously.***

D. Resolution Regarding Variances for 2895 County Road 19

Adams reviewed the requested variances in Independence Beach.

*Moved by Smith, seconded by Workman, to adopt Resolution approving variances for 2895 County Road 19. **Motion passed unanimously.***

E. Planning Commission Membership

Adams stated that he attended the Planning Commission meeting on Tuesday, February 10 to gain some feedback on desired Planning Commission membership. As discussed in the November 2003 work session, most of the Council had no objections to a seven-person Commission (membership is nine now). At that time, the Council discussed that the reduction to seven members take place through some form of attrition. Staff has recently advertised that Commission appointments/re-appointments are coming up in March. Staff will know before the March 16th Council meeting the individuals that are interested in serving on the Commission.

Staff is seeking direction on the Council's desired number of Planning Commission membership. Staff can prepare an ordinance amendment for March 3 or March 16 Council approval if a change is desired.

Elizabeth Weir, Chair of the Planning Commission, stated that she believes seven members is a more efficient number, however, the current group is a very motivated group. She stated that she doesn't feel like it is fair to ask anybody to step down when everybody on the Commission is doing really well.

Workman stated that he agreed with Weir, and suggested that perhaps at re-appointment time in March, the Commission address the issue again and perhaps downsize the group at that time.

The consensus of the Council was to reduce the Planning Commission to a seven-person membership through attrition. The issue will be looked at in March when appointments are due.

F. Ordinance No. 363 Adding new Sections 825.07, subd. 49.5; 832.04.1 and 825.61 et seq. to the Code of Ordinances Regarding Interim Uses

Adams reviewed the ordinance and Ron Batty's memo. The Planning Commission held the public hearing on February 10th, and no changes have been suggested.

Batty reviewed that this ordinance was a culmination of several discussions. The agreement creates a new land use type, an interim use, which is intended to cease on a date certain or upon an occurrence of a specific event. This ordinance allows a very limited number of interim uses within the business park district, which simply allows the City to review the number of applications.

Smith asked Batty for clarification as to why there wasn't anything in the agreement about compliance checks as discussed at the meeting of DMJ.

Batty responded that he didn't hear that part of the discussion because he had to leave the meeting early. He stated that the compliance checks should be part of the permit process and its agreement rather than a part of the ordinance. This is going to be more like a CUP only more dependent on specific terms and agreements. Batty stated that the permits would most likely end up working like a conditional use permit.

Adams stated that it was his understanding as well that compliance checks would be treated as a separate document and not as part of this ordinance.

Batty informed Council that additional uses for the Interim Permit can be listed at a future date if all uses could not be anticipated at this time. However, it is effective to at least have the Interim Use Permit policy in place.

*Moved by Workman, seconded by Smith, to adopt Ordinance No. 363 adding new Sections 825.07, subd. 49.5; 832.04.1 and 825.61 et seq. to the Code of Ordinances regarding Interim Uses, as amended. **Motion passed unanimously.***

G. Resolution Authorizing Publication of Ordinance No. 363 by Title and Summary

Adams reviewed the resolution, which authorizes publication of the Ordinance on Interim Uses by Title & Summary, thus saving expense.

*Moved by Workman, seconded by Smith, to adopt the Resolution Authorizing Publication of Ordinance No. 363 by Title and Summary. **Motion passed unanimously.***

H. Uptown Hamel Development and Highway 55 Corridor Development

1. Schedule Urban-Commercial Development Open House

Adams stated the Saturdays of March 20 and April 3 did not work for the Open House because of area school spring breaks. The Council appeared interested in Saturday, April 17 at 10 a.m., with the back up date of April 15. Adams stated that he will look into available sites to hold the Open House.

2. Concept Plan Review – Darrel Farr Development for “185 Hamel Road” and “32/42 Hamel Road”

Lane acknowledged both presenting Developers by summarizing the rules for the two Concept Plan Reviews. Lane stated that Council will confine each Developer's comments to 10 minutes and further illustrated that the review was not a public hearing

and no discussion would be permitted from the floor. The Council will then provide a discussion so that each Developer will have a sense as to what the audience/residents will be feeling about each of the projects presentations.

Ben Schmidt of Farr Development presented a slide presentation with sketches and photos demonstrating that he wanted to cover two points: To discuss the concepts and vision of the two projects at 185 Hamel Road and 32/42 Hamel Road, and to demonstrate how they fit/do not fit into the Hamel Uptown Ordinance.

Discussion from Council:

Workman stated that he likes the look of the condos but is worried about the limited amount of parking spaces. Schmidt stated that there will be an underground parking area to be added.

Brinkman commented that he also liked the look of the project; stating that there is a need for senior housing in the area, however, he was concerned whether the development will fit with the future vision of Hamel. Brinkman asked Schmidt if there was room for a fire truck to get around the back of the building. Schmidt stated and demonstrated yes.

Smith stated that she likes how the development compliments the church. She indicated that she likes the design, utilization of space, and the coffee shop on the main floor; however, she is concerned that the development is a little too large for the area. She suggested that perhaps the development could be modeled like the downtown Wayzata area, even if it meant losing a few units which would make the buildings appear smaller and more affordable.

Lane asked Workman and Batty if they anticipated a change or an "overhaul" in the ordinance due to the success off this type of project and where the housing market may be heading. Workman stated that the ordinance is relatively flexible, but it may have to be retooled to fit this project. He explained that when the ordinance was originally created, Council did not have a vision for what was to come, and this current project is bigger than what the City could have ever imagined.

Batty commented the ordinance was unusual and suggested modifying the ordinance (not overhaul) but creating it so that similar buildings would not require variances.

Lane asked Dillman if the demand on the water and sewer system would be greatly influenced due to the new development. Dillman stated that the development wouldn't demand too much on the current system and the water demands would be a manageable situation.

Workman asked Dillman if the City would have to redo the street's sewer and water. Dillman stated that whichever side of the road the developer was to excavate would require a rebuilt water and sewer system.

Lane asked Schmidt about the type and results of market research that has been done. Schmidt explained that he hired a third party research firm to perform a study on the demand for this type of development. Results indicate that demand shows to be high. Schmidt indicated that he will also have a couple of focus groups meet next week to

study what it would take to get potential customers to purchase and move into this specific development.

Schmidt stated that the 185 Hamel Road development would have 18 units, which would be modeled like a similar project that is being built in Maple Grove. Each unit would be approximately 1400 – 1500 sq. ft. with a price tag of \$228,000 before options.

Schmidt stated that the 32/42 Hamel Road development would have 27 units which would average 1,600 sq. ft. He summarized that the price for the units would be in the high \$200,000 range with the exception of three units with less desirable views which would place them in a lower price bracket.

Lane proposed to Schmidt that he consider acquiring lots nearby since 185 Hamel is on less than a half ($\frac{1}{2}$) acre lot size, and 32/42 Hamel is on three-quarter ($\frac{3}{4}$) acre lot.

Schmidt stated that as an architect, Farr is a big believer in the design of a building. He summarized that Farr wants to create a development that is striking which also honors the past. Farr will look to incorporate items from existing buildings into their buildings.

3. Concept Plan Review – Ryan Companies for “Medina Retail”

Dick Brooks and Richard Kopyy of Ryan Companies presented their newly revised site plan, based on discussions from February 10 Planning Commission meeting.

Discussion from Council:

Brinkman stated that he was very impressed with what Ryan presented, however had some concerns. Brinkman stated that he believes the shape, size, color, and texture really needs to be adjusted. He would like to see light colored stone instead of brick on this style of building and wants to see a smaller building size. Architecturally, he'd like to see the development look more “homey,” with smaller type of shops and integrated more with the look of Uptown Hamel. Brinkman stated that he thought the bridge and the lighting looks really nice.

Smith commended Ryan for presenting more diversity than originally proposed, however, stated that she felt Ryan missed a chance to be more creative, utilize natural resources, and assess the needs of the surrounding residents. She stated that she understands that Ryan has to meet their clients' needs, but reminded Ryan that the City of Medina is a unique community. She stated that she likes the entrance to the site, but feels Ryan lost the opportunity to utilize the wetland area and instead replaced it with a parking lot, fast food restaurants and a bank. She suggested that Ryan initiate some focus groups with residents to find out what retail spaces consumers need instead of sacrificing valuable retail (125,000 sq.ft.) space to yet another Target corporation of which there are three other Targets located nearby in Plymouth, Minnetonka, and Maple Grove.

Workman summarized that he thinks this is an ideal location in the City to do this type of project, however the City is fortunate to be in a tax bracket that allows the community to get what they really want. He stated that the Council's objective is to provide feedback to the developers, not to tell the developer what to do; however, the Council and the developer need to assess what the community wants versus what makes sense for the site development.

Lane stated that he was concerned with the increased traffic volume and congestion at the site of the development. He stated that if this project goes forward, obviously a stoplight will need to be added. He felt that Target is the best fit for this community in comparison to other big boxes.

Workman reiterated that Council has taken special care on the ordinance process where commercial buildings meet residential areas as to protect the residents. He asked Brooks if there was anything they could do to protect the residents from the view of this large complex.

Brooks of Ryan Companies stated that they, Target, and the fast-food restaurants recognize that a stoplight will be needed for the area. Brooks also stated that Ryan will focus monies and budgeting on the landscaping, screening and design work based on the view from the street. Ryan Companies will need to meet with the residents and find out what they want to see/do for the screening process.

*Lane called for a five-minute recess at 9:50 p.m.
The City Council reconvened at 9:55 p.m.*

I. Appointments to Hamel Volunteer Fire Relief Association Board of Trustees

Adams stated that Pursuant to MN Statute 424A.04, the Hamel Volunteer Fire Relief Association Board of Trustees shall have two ex-officio members who are elected officials of the City of Medina. The Relief Association Board meets regularly on the second Monday of the month at 9:00 PM. The meetings are held at the fire station located at 92 Hamel Road. The Council needs to appoint two Councilors to the Board as ex-officio members.

Lane stated that he had some familiarity with the fire services in area and volunteered his services for the rest of the calendar year.

Smith also volunteered her services.

*Moved by Workman, seconded by Smith, to appoint Council Members James Lane and Carolyn Smith to the Hamel Volunteer Fire Relief Association Board of Trustees.
Motion passed unanimously.*

J. Request to Purchase Wetland Credit from BWSR Bank to Fulfill Wetland Mitigation for Trunk Highway 55 and Willow Drive Intersection Improvement Project

Adams reviewed a memo from John Smyth, Bonestroo, which stated Walter G. Anderson withdrew the possibility of the City purchasing wetland replacement through them. The Council initially agreed to pay WGA \$29,000. The City has an opportunity to buy credits from BWSR for \$11,689. Therefore, staff recommends they prepare the necessary paperwork for the BWSR credit purchase.

Kellogg summarized that this was a new program that allowed the City to save \$18,000 on the purchase of the Wetland Credit.

*Moved by Smith, seconded by Workman, to authorize the Purchase Wetland Credit from BWSR Bank to Fulfill Wetland Mitigation for Trunk Highway 55 and Willow Drive Intersection Improvement Project. **Motion passed unanimously.***

IX. REPORTS

A. City Administrator Report

1. 2004 Cabin Social

Adams reported that the City currently has about \$1,300 in the Community Event Fund that is generally designated for the Cabin Social. The \$1,300 would allow the City to host the event, without fireworks. Donations would be needed for the fireworks. Staff recommends moving forward with planning the event without fireworks at this point.

Staff is looking for direction on scheduling potential dates in the calendar.

Adams asked that the minutes reflect that Council is looking for volunteers to collect donations for fireworks. Adams stated that the cost for fireworks has been \$4,000 the past few years.

Lane requested that each Council Member solicit two people to collect donations.

2. Predevelopment project: TIF Inspections and Funding

Adams stated that he had not received a revised Pre-Development Agreement with Darrell Farr Development, which was to be revised prior to the February 17th Council meeting. He stated that if the City does not receive the necessary funding to conduct the building inspection portion of the TIF review, then the inspections will be delayed.

Adams stated that the costs involved with the project to date have been \$10,000 and an additional \$16,000 will be needed in funding the building inspection portion of the TIF Review on Thursday, February 19, 2004. The development agreement hasn't been secured with Ryan Development as of today's date; therefore, the City will need to consider financing the inspection portion in order to keep the project moving forward.

Batty explained to Council that the risk involved is losing the fronted money. If the City was to finance the inspections portion of the project, and if the development falls apart, or the developer backs away, or if the City ultimately decides that it doesn't want to go ahead with the project, then the money would not be refunded.

Batty further explained that the inspections are good for one year warranted on good conditions. "Good conditions" assumes that current residents won't be making substantial renovations to existing buildings on the development. However, the City has a monitoring system set-up through permit applications. Once tax increment district has been set-up, City has three years to do something with the development.

Ben Schmidt of Farr Development stated that he wants to see the TIF move forward and felt conceptually Farr wants to know where their money is being allocated. The Pre-Development Agreement hadn't been secured yet because he and his firm have been working with Batty's firm on another deal. Schmidt stated that in good faith, he has already written a check for \$10,000 in order to keep the project moving forward. And in addition, in order to keep the inspections portion moving forward, he would offer to send another check for \$6,000.

Schmidt stated that he will meet with Batty on Thursday, February 19 to secure the details of the Pre-Development Agreement.

*Moved by Workman, seconded by Smith, to move forward in the building inspection portion of the TIF review when the City has secured funding in the amount of \$16,000 from Farr Development. **Motion passed unanimously.***

X. APPROVAL TO PAY THE BILLS

*Moved by Smith, seconded by Workman to approve the bills, order check numbers 26188-26234 for \$58,118.52, and payroll check numbers 18511-18533 for \$23,637.00. **Motion passed unanimously.***

XI. ADJOURN

*Moved by Workman, seconded by Smith, to adjourn the meeting at 10:26 p.m. **Motion passed unanimously.***

James Lane, Acting Mayor

Attest:

Chad M. Adams, City Administrator