

**WORKSHOP MEETING
OF THE COUNCIL OF THE
CITY OF VADNAIS HEIGHTS
JANUARY 7, 2020**

The workshop meeting of the Council of the City of Vadnais Heights was held on the above date and called to order by Mayor Gunderson at 6:00 p.m.

The following members were present: Mayor Heidi Gunderson, Council Members: Greg Urban, Craig Johnson, Patricia Youker and Bob Morse. The following member was absent: None.

Also present were: City Administrator Kevin Watson, Assistant City Administrator Tim Sandvik, Planning/Community Development Director Nolan Wall, Public Works Director Jesse Farrell, Finance Director Bob Sundberg, Fire Chief Ed Leier, City Attorney Caroline Bell Beckman, and Deputy City Clerk Peggy Aho.

Others present were: David Newman, The Bancor Group

1. Discussion of Staeheli Property

David Newman, The Bancor Group, gave a PowerPoint presentation that discussed constraints and development viability for the Staeheli property. He showed a basic proforma which he developed that shows a road connection all the way through the site to the north that takes into consideration natural constraints on the site. He said that another constraint is the property values near the property. He said positives of the site are its location, close proximity to good schools and all the lots abutting to open space. Constraints to the site are the parcel configuration, the amount of wetland, location of wetland, wetland buffer and some of the lots would abut to an existing home, and 1,500 feet of a road that is single loaded and some with no homes and that drives costs up for development.

Newman said that a possible solution would be allowing smaller lots size (60 feet wide x 115 feet deep), less street right-of-way, and not requiring the full length of the street to be built which would mean losing two lots on the north end. He said that the City could consider waiving some of its fees or consider doing a joint venture with a developer.

Council Member Urban said that he appreciated Mr. Newman coming in and that his presentation was very informative. Urban asked if the City gave the land away is there a developer that would come in and develop it as shown with the road connection through the entire site. Newman said you might find a builder developer but they would need to realize an internal rate of return, 25% of revenue or 30% of costs. He said it would be more attractive to investors if the City put the street in and assessed it back to the properties.

Planning/Community Development Director Wall noted that there were two adjoining property owners which previously indicated to the City that they might be willing to sell.

He said that perhaps the City should contact them. Urban asked when the City last sent out an RFP for developing this site. Wall responded that this was last done in 2017. Urban said that perhaps if the City sent out an RFP with more flexibility to allow them to come back and say what they would pay and to only develop a cul de sac. Wall said the City may be better off just sending it to people instead of sending an RFP.

Council Member Johnson asked what if there could be duplexes or quads developed on the site. Newman said you could get more revenue out of the smaller lots and that is a sweet part of the market right now.

City Administrator Watson asked how important the road connection is to the Council. Mayor Gunderson said it's not that important to her. Urban asked if it would be possible to get one lot on the north end coming off of existing roads. Wall replied perhaps and Newman said it may be possible to get two lots.

Wall said that staff are looking for direction on what level of priority this is for the Council and what they would like staff to do. Perhaps contacting the two property owners that had indicated interest in selling before and see what their interests are to be included in developing this site. He said that this could be the first step and Council agreed.

2. Other Staff Updates:

Assistant City Administrator Sandvik noted that at the next Workshop, staff are planning on doing a year-end review of the Commons. If Council has questions they would like answered about the Commons at the Workshop, he asked that they get them to him before the meeting. Mayor Gunderson asked if Ms. Palmer would be coming to the Workshop. Sandvik said he is not sure she would be able, but he can look at having her at another time.

Council Member Urban brought up a question after the last meeting as to the application of the park dedication fees and how they apply to multi-family. He asked if the Council would want to revisit the fee structure. He said that he believes that a residential use should pay for parks, but thinks a 450% increase in park dedication fees is too steep. City Administrator Watson asked what the 450% is based on. Urban said he based it on what Aster Meadows paid and what they would pay under new fee structure. Council Member Johnson said he is willing to discuss the fee structure again, but from the standpoint of apartment development, we are putting the burden on apartments. He's not sure it's not unreasonable to charge more but it does seem like a big increase. Mayor Gunderson said she would be ok discussing it again. Maybe look at it specifically for multi-family dwellings. Council agreed. Watson asked if additional analysis would be needed from staff or is it just for discussion. Urban said he thinks it's just for discussion and that he will come with a proposal. City Attorney Beckman said there has to be a nexus. You can distinguish between single family and multi-family but it needs to be proportionately fair.

Council Member Johnson said that he would like to have a discussion on ditch maintenance this winter on an upcoming agenda. Gunderson said that she has been getting calls about this. City Engineer Farrell said the City had a contractor do some ditch cleaning a few years ago and that contractor walked the ditch south of Bear last week. Farrell said that this would be a logical extension of what the City has already started. He said he will bring this item before the Council at the next meeting for approval.

The meeting adjourned at 6:41 p.m.