

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

The meeting of the Council of the City of Vadnais Heights was held on the above date and called to order by Mayor Gunderson at 7:01 p.m.

Everyone present stood and said the Pledge of Allegiance.

ROLL CALL

Upon roll call, the following members were present: Mayor Heidi Gunderson, Council Members: Craig Johnson, Bob Morse, Patricia Youker and Greg Urban.

The following members were absent: None.

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

City Administrator Watson provided several announcements.

APPROVAL OF AGENDA

Upon motion by Morse, seconded by Johnson, it was

20-01-001 “RESOLVED that the Amended January 7, 2020 Regular Meeting Agenda be approved as presented.”

Ayes – 5 Nays – 0

The resolution was adopted.

APPROVAL OF MINUTES

A. December 17, 2019 Regular Workshop Meeting

Upon motion by Morse, seconded by Youker, it was

20-01-002 “RESOLVED, to approve the December 17, 2019 Regular Workshop Meeting Minutes as presented.”

Ayes – 5 Nays – 0

The resolution was adopted.

B. December 17, 2019 Regular Council Meeting

Upon motion by Youker, seconded by Morse, it was

20-01-003 “RESOLVED, to approve the December 17, 2019 Regular Council Meeting Minutes as presented.”

Ayes – 5 Nays – 0

The resolution was adopted.

APPROVAL OF CONSENT AGENDA

Upon motion by Urban, seconded by Johnson, it was

20-01-004 “RESOLVED, that the Consent Agenda Items #7A-7E for the January 7, 2020 meeting be approved as follows:

- A. Consider Approving Claims #78702 Through #78769 and Electronic Claims #1447 Through #1456 for Payment
- B. Consider Approving a Partnership Agreement with Northeast Youth & Family Services for 2020
- C. Consider Approving Appointment of Alexandra Geiger to Part-Time, Regular Firefighter
- D. Consider Approving a Request for a Leave of Absence – Goecke
- E. Consider Approving Commission Reappointments/Appointment on the Parks, Recreation and Trails Commission.”

Ayes – 5 Nays – 0

The resolution was adopted.

OPEN TO THE PUBLIC

Mayor Gunderson opened the floor to the public at 7:05 p.m. There being no one that wished to speak, Gunderson closed the floor at 7:05 p.m.

PRESENTATION(S): None.

PUBLIC HEARINGS

- A. Case 19-019: At Home Apartments, LLC – Comprehensive Plan Amendment and Concept PUD Plan at Unaddressed Parcel at County Highway 96/McMenemy Street
Mayor Gunderson recapped the Public Hearing Process which will include a presentation by staff and the applicant, and after that, the Council will discuss the item before the floor is opened for public testimony. Gunderson stated that the Council does not intend to take

a vote on the item at this meeting and that it will be brought back for a vote at the next Council meeting on January 21.

Planning/Community Development Director Wall reviewed the applicants application for an amendment to the 2040 Comprehensive Plan to re-guide the subject property from office business to mixed use as well as a Planned Unit Development (PUD) for the property located at the southeast corner of County Highway 96 and McMenemy Street which is currently zoned and guided office-business. Wall noted that if the Comprehensive Plan amendment is approved the applicant would then be allowed to pursue rezoning the property to a multi-family residential development.

Wall outlined the planning process which began with an informational open house held by the applicant on December 11, 2019. After the open house, the applicant proceeded with the formal application process requesting an amendment to the 2040 Comprehensive Plan and a concept PUD review. Wall noted that the Planning Commission held a public hearing on the application at their December 18. The Planning Commission recommended that the Council deny the applicant's request.

Wall noted that if the amendment to the Comprehensive Plan was approved by the Council and the Metropolitan Council, the application process would then continue with the PUD and site plan review and additional public hearings before the Planning Commission and City Council, and then lastly it would progress to the building permit process which is not a public process. Wall showed a copy of the future land use map from the 2040 Comprehensive Plan which was adopted in November 2019. He said that a city cannot consider rezoning a property if it's not allowed with the future land use designation contained in the Comprehensive Plan.

Wall noted that the Comprehensive Plan forecasts that there would need to be about 1,000 additional housing units and this development would help with that. He said that there is no subsidy being requested or proposed for the project and there would be no affordability component, it would be a market rate project. The Plan designates the property for redevelopment or infill. The development would provide housing options within the community and would increase property tax revenue.

Wall noted that the subject property is surrounded by a variety of land uses and with the exception of the IC Systems campus, roadways separate all of the surrounding land uses. He said that certain impacts to the surrounding properties can be mitigated through appropriate design.

Wall noted that the City is not reviewing rezoning at this point in time just an amendment to the 2040 Comprehensive Plan and that first the land use change has to be completed. He said that land use aims to balance property rights with the desire of the community. Wall reviewed a multi-family residential development gross density comparison chart and noted that At Home is on the low end of the chart with 12.5 units per acre.

Wall also reviewed some information the City received from the Ramsey County Sheriff's office regarding accident incident data in the area and a traffic report done by SEH and Biko. Wall reviewed a memo from Ramsey County in response to questions raised at the Planning Commission meeting about traffic. He said that potential public safety information was provided by the City's Fire Department and the Ramsey County Sheriff's office. He noted that the Fire Department does do annual inspections of rental properties in the City and maintains a data base of all rental properties. Both memos indicate that each department has the ability to serve the proposed development. He said that a proactive rental policy and residential manager on site would provide an extra level of enforcement and that a majority of the issues in the City involving property issues are for properties that are single family owned.

Wall provided a table that showed a breakdown of estimated taxable value for apartments of 4 units or greater and the taxing jurisdictions.

Wall noted that the proposed development would meet the required PUD qualifications and that a PUD allows the City to request changes that may improve a plan. A PUD is a common tool used by the City in previous developments, and are widely used by other communities. The Code does require notice of public hearings at the Planning Commission and City Council to surrounding properties, and staff and the applicant extended the notice boundaries further into the surrounding area for the two hearings held.

Wall reviewed the options for action before for City Council: 1) adopt the denial resolution denying the proposed Comprehensive Plan Amendment for the unaddressed parcel at the SE quadrant of County Highway 96/McMenemy Street as recommended by the Planning Commission; 2) adopt the resolution, approving the proposed Comprehensive Plan Amendment for the property as recommended by staff; or 3) table the requests until the January 21 meeting and extend the application review period an additional sixty days, in compliance with Minnesota Statute Section 15.99 and review the proposed concept PUD plans and advise the applicant of the positive features and preliminary concerns, including the Planning Commission recommendations for consideration as part of a potential future final PUD plan. Wall noted that any approval for an amendment to the Comp Plan requires a 4/5 vote in order to pass it.

Council Member Johnson said that Wall mentioned that the 2040 Comprehensive Plan details that the Metropolitan Council had plans for the City to add 1,000 housing units. He asked if the City is required to do that. Wall responded no, and said that the region as a whole is forecasted to absorb a certain amount of housing.

Urban said that he believes the Metropolitan Council does have guidance that has to be followed as part of their sign off with regards to density and that an amendment would have to be in line with their forecasts. Wall said, yes and no, that the City sets the density. He said that this particular land use is a mixed use and would fulfill the City's plan and the Metropolitan Council's plan. The City sets the standard and the Metropolitan Council holds us to that standard.

Council Member Youker asked about the PUD, should it pass this first round and the City has various variances that we want to have done, at what point can the PUD process stop if the City doesn't get what it wants. Wall said that there is no action required as part of a concept PUD, approval to approve or deny would come during the final PUD process which is a full rezoning and site plan review and at that time the City can add conditions.

Leanna Stefaniak, Chief Real Estate Officer, with At Home introduced the land owner, John Erickson with IC Systems.

Erickson gave a brief history of the property and IC Systems decision making process which ultimately led them to talking with At Home. He said IC System purchased the lot in 1982 when they decided to relocate to Vadnais Heights. The lot was initially intended for expansion of the business but IC System does not plan any expansion. They have this lot that they have been paying property taxes on for many years and there is no reason for them to continue to hold onto it any longer, so they have decided to sell it. They were approached prior to listing the land in 2018 by businesses including Walgreens, VH Sports Center, and a manufacturing facility. In 2018, they decided to market the property and received four offers, all of them residential. He said they liked At Home best because they think it strikes a balance between density and value and seems upscale and a complementary addition to the City. Erickson said At Home is a family owned business and said he is not convinced that the alternative to having At Home would be better for the community.

Stefaniak introduced Mike Cashill and Alan Spaulding, At Home Principals, and Pete Keely, AIA, College Architects.

Stefaniak provided an example of what resort style apartment living looks like in 2020. The development At Home is proposing is described as resort style living, luxury homes

with luxury finishes. She showed a promotional video of the Reserve in Mendota Heights.

Keely noted that he has worked with At Home for over 20 years and that this project would be the ninth project they have worked on together. He said that they always look at what is the right mix for the community and that there is changing needs in apartment living demographics. He noted that At Home could have put more density on the site but didn't think that was called for. At Home thinks the site calls for a mix including a four story apartment building and one and two story townhomes.

Council Member Urban said that At Home mentions higher price points and asked what those are. Keely responded roughly about an average of \$2 per sq. ft. and rents would range between \$1,400 to \$3,500 a month. Urban asked what sort of income requirements will be required to rent both the low and high rentals units. At Home replied three times the monthly rent. Urban replied then that a renter would need to make somewhere between \$4,500 a month or approximately \$60,000 per year to rent a 1 bedroom and about \$120,000 a year to rent a 3 bedroom unit. At Home replied that they also take into consideration an applicant's proof of assets. Urban asked about the background check process. Stefaniak replied that At Home has a strict and strong screening process, they do a credit check and a background check, and every application is reviewed by trained staff.

Urban asked At Home if they have any figures on police calls at their Mendota Heights location. Stefaniak said she has no hard data but they have never evicted anyone for criminal activities from any of their sites. Urban stated that this is a very nice neighborhood and we need to assure that it will stay that way.

Council Member Morse said he has heard from seniors in the City that they wish to make a transition and want to downsize but stay within the City and asked At Home what type of mix of population are they experiencing at their Mendota Heights facility and what type of activities does At Home provide. Stefaniak responded that at Mendota Heights they experience a very tight knit community which were looking to down size and there wasn't anything available for them that had the type of amenities they were used to. Stefaniak said that they have about 225 people living in the 139 unit property and 52% of those are over the age of 50 and that the second largest demographic on the site are millennials. She said in terms of what At Home offers to the community, they provide various activities including wine tasting, dinners, outdoor activities, tenant appreciation events, etc. Most events offered are driven by the resident population.

Gunderson asked what At Homes annual turnover rate is in properties similar to what they are proposing for Vadnais Heights. Stefaniak responded that in properties similar to the one being proposed experience around a 32% rate of turnover rate which is well

below industry average. Mayor Gunderson asked how long their tenants typically stay. Stefaniak replied that their residences stay an average of 2.5 years.

Morse asked what At Home's long-term plans are since it is a family owned business, what is their succession plan. Cashill replied that there are 5 separate owners and all five are actively involved and life-long residents in the area and none of them have plans to get out of the business. He said that their motto is always buy and never sell.

Morse asked what At Home would do for community involvement. They responded that they are members of chambers in locations they are located and that they give their Staff paid-time off to pursue goals within the communities they work in.

Gunderson went through public hearing guidelines and asked that individuals limit their comments and try to avoid repetition. Gunderson opened the Public Hearing at 8:25 p.m.

Jin Baik, 345 Oakwood Terrace, noted his concern that if a person wanted to go east on Highway 96 they would have to go out by Kinder Care but if you wanted to go west you would have to go through McMenemy and there are so many close calls on that road. He said the project looks very nice but what will happen with the traffic in that area.

Nicole Roy, 4463 Foothill Trail, stated a couple clarifiers relative to the traffic data that was collected. She said that each one of those units has 1.5 cars and that the data seems underinflated. She said when she bought her house she looked at the zoning. Her questions were: 1) if the background checks are federal or state level and 2) how does the facility compare to cost per square foot at the Mendota Heights location?

Tim Ewald, 4496 Foothill Trail, stated that he has emailed his concerns about the project to the Council members. He asked that the Council to think critically about the traffic information that was presented when making their decision.

Chris Messerli, 317 Timberline Trail, noted that he has lived at this address since 1986. He respectfully requested that the Council deny this project because he doesn't feel it would be safe because of traffic issues and that he doesn't think it belongs in the neighborhood. He said that the Council should respect the Planning Commission's recommendation.

Larry Nagel, 3989 Woodview Drive, noted his concern about how the project might affect the quality of life in the neighborhood because of increased noise and traffic. He said that his family stays here because it is a community and would like to keep it a community.

Gary Roy, 4463 Foothill Trail, spends \$7,500 in taxes so that he can shovel his own driveway and that he doesn't think it belongs here.

Kelly Sokolowski, 282 Meadowood Lane, said that the Public Hearing is happening because of the land owner whom bought the land based on what it was zoned for and now they want it to change. She said it should stay how it is currently zoned.

Joanne Smith, 155 White Oaks Lane, said that she did not get a notice about this project but she did see it on the Next Door Neighbor digest. She noted her concern about traffic on Meadowood Lane through McMenemy and that she believes the proposed project would greatly impact traffic in the area. Smith asked the Council to deny the request for rezoning.

Gary Nelson, 279 Timberline Trail, addressed the Council regarding traffic issues and questioned the type of clientele that would be brought in with this project. He said he believes that people that own their property take more pride in their property and the community. He said that Vadnais Heights is a diverse, rural neighborhood, safe and sheltered.

Randy Ringoman, 4188 Hemlock Lane, noted that he is concerned about safety and traffic. He said that he noticed that both accesses are headed south on Oak Parkway and that there is also a railroad track nearby and that anytime you have a railroad track you have a chance of a derailment. He also noted his concern about adequate tornado shelters for the townhomes. He then asked about amenities for children or pets.

Unifeng Xiau, 4443 Foothill Trail, said that he uses Oakwood Terrace and is concerned about the traffic. He requested that a traffic impact study be done.

Dale Lieb, 277 Meadowood Lane, asked the Council to vote to deny this project. He said it goes back to the issue of quality of life. He asked that the Council consider the Planning Commission's recommendation to deny the Comprehensive Plan amendment, because many of the Commission members live in the area.

Andrew Malourh, 4495 Foothill Trail, reviewed pieces of the Comprehensive Plan and zoning. He suggested that the project get built on a site that is already zoned for such a development.

Carol Cincotta, 367 Jay Way, said that she thinks the property should remain zoned as it is.

Yuying Hu, 4519 Foothill Trail, said that the traffic would be in the opposite direction if the site was developed for business use rather than residential but that renters would have the same traffic patterns as current residents. She also said she is concerned about her house losing its market value. She asked that the Council deny the request because it is changing the rules by changing the zoning.

John Simon, 269 Meadowood Lane, said he built his house 8 years ago, has kids in elementary school, and thanked the community for attending the public hearing and said

that the community is at the hearing because they are home owners and take pride in the community. He said that this project goes against the grade.

Xiuhong Zhai, 323 Oakwood Terrace, noted that she moved here 3 years ago and is raising a young family and is concerned about safety of the trail and riding bicycles in the area if another 150 units are built and occupied. She would like the City Council to deny the request.

Sue Mehrkens, 4475 Foothill Trail, concerned about water usage and that there is only one pumping station in the area.

There being no one else that wished to speak, Gunderson closed the Public Hearing at 9:24 p.m. She thanked everyone for their comments and for the correspondence that she and the Council has received.

Gunderson said that she heard a lot of concern about the traffic and asked staff how the traffic counts came to be. Joe Lux, Ramsey County, said that the actual counts are samples and that the County does traffic counts annually but biannually on Highway 96 and that they take into consideration similar developments when doing a count. He said that traffic growth has been rather flat in the area. The indications they have is that it is not an everyday occurrence having traffic stack up past Oakwood Terrace. He noted that the County just finished retiming the traffic signals on Hwy 96 in 2018. He also said that Ramsey County may not need to make physical changes to the roadways but may want to retime the signals.

Johnson said when Lux mentioned Ramsey County could do something about it, would they make the left hand turn light longer. Lux responded probably.

Gunderson welcomed the applicant back up to address questions raised by the residents. Cashill noted that they are proposing as part of the project to add a sidewalk from Oakwood through to McMenemy to connect to the trail system which should add an element of safety. He said they plan on maintaining a high quality project and that they will do their very best to be positive members of the community.

Stefaniak noted that At Home does federal, state and county to county background checks. Morse asked At Home to address the pet and child question. Cashill said that their policy on pets is that pets will be allowed in the townhomes but not in the apartments. He said that people with kids can be good neighbors and that they are looking at putting in a swing set and tot lot area near the swimming pool.

Upon motion by Johnson, seconded by Urban, it was

20-01-005 “RESOLVED, that the Council table the applicants request until the January 21st meeting and extend the application review period an additional 60 Days, in compliance with Minnesota Statute Section 15.99.”

Ayes – 5

Nays – 0

The resolution was adopted.

OLD BUSINESS

NEW BUSINESS

A. 2020 Annual Designations: (City Administrator)

1. Council Assignments

City Administrator Watson noted that each year the Mayor assigns the Council Members to serve as liaisons for various Committees and Commissions in the City.

Upon motion by Youker, seconded by Johnson, it was

20-01-006 “RESOLVED, that the Council accepts the 2020 Council Assignments, as presented.”

Ayes – 5

Nays – 0

The resolution was adopted.

2. Designation of Official Newspaper

City Administrator Watson noted that annually the City is required by state law to designate a “legal newspaper” for placing all legal notices during the year. Carter Johnson, Publisher for the Vadnais Heights Press, said it is their goal to have information out free to the City’s residents but that twice a year they do solicit the residents for subscriptions but do not require it.

Upon motion by Johnson, seconded by Urban, it was

20-01-007 “RESOLVED, that the Council designates the Vadnais Heights Press as the City’s Official Newspaper for 2020 at the rates proposed by Press Publications.”

Ayes – 5

Nays – 0

The resolution was adopted.

3. Designation of Official Depositories and Investment Institutions

Finance Director Sundberg noted that the City is required to annually designate the financial institutions it may potentially utilize for checking and investment activities. He noted that the City doesn’t have investments in all the named financial institutions at all times.

Upon motion by Urban, seconded by Johnson, it was

20-01-008 “RESOLVED, that the Council designates the following financial institutions as official depository and investment institutions of the City’s funds in 2020: League of Minnesota Cities/4M Fund/PMA Financial; Farmers & Merchants Savings Bank; Premier Bank; Dain Rauscher/RBC Capital; Comerica Securities; US Bank; Flagship Bank Minnesota; Bremer Bank; BNC National Bank; Peoples Bank Midwest; and Raymond James and Associates.”

Ayes – 5

Nays – 0

The resolution was adopted.

4. Elected Official Out-Of-State Travel Policy

Assistant City Administrator Sandvik noted that Minnesota Statute Sections 471.661 requires the governing board of each statutory or home rule charter city, county, school district, regional agency, or other political subdivision, except a town, develop a policy that controls travel outside the state of Minnesota for the applicable elected official of the relevant unit of government and the policy must be made available for public inspection upon request and reviewed annually.

Upon motion by Urban, seconded by Morse, it was

20-01-009 “RESOLVED, that the Council approves the elected out-of-state travel policy, as presented.”

Ayes – 5

Nays – 0

The resolution was adopted.

5. Accept Statutory Limits for Insurance Coverage

Finance Director Sundberg noted that the City obtains its liability, property, vehicle, and workers’ compensation insurances from the League of Minnesota Cities Insurance Trust (LMCIT). The City’s insurance policy year is March through February. As part of the annual renewal process, each city must declare adherence to the monetary statutory tort limits provided by Minnesota Statutes or elect to waive these limits. The limits are \$500,000 per individual with a maximum of \$1,500,000 for a single occurrence.

Upon motion by Urban, seconded by Johnson, it was

20-01-010 “RESOLVED, that the Council accepts the statutory tort limits for coverage as provided by the League of Minnesota Cities Insurance Trust, as presented.”

Ayes – 5

Nays – 0

The resolution was adopted.

6. Designate Mayor and City Administrator as Designated Signatories for City in 2020

Finance Director Sundberg noted that Minnesota Statutes Section 412.271 requires the City Council to designate officials with the authority to sign checks paying for goods and services if it chooses to delegate their authority for this function.

Upon motion by Morse, seconded by Urban, it was

20-01-011 “RESOLVED, that the Council designates Mayor Heidi Gunderson and City Administrator Kevin Watson as official signatories in 2020 by adopting Resolution #20-01-011, Resolution of Designation of Bank Signatories, as presented.”

Ayes – 5

Nays – 0

The resolution was adopted.

A. Setting Tuesday, January 21, 2020 Workshop and Agenda

City Administrator Watson noted that at this time the agenda for the January 21 Workshop may include discussion on GreenStep Cities, park dedication fees and a review of the Commons.

COUNCIL AND DEPARTMENT REPORTS

Mayor Gunderson thanked staff for everything they do at the City and especially Nolan Wall for his work on potential developments.

There being no further business, Council Member Youker made a motion to adjourn the meeting at 9:49 p.m.

Respectfully submitted,

Kevin Watson, City Administrator