

**REGULAR MEETING
OF THE COUNCIL OF THE
CITY OF VADNAIS HEIGHTS
MARCH 16, 2016**

The regular meeting of the Council of the City of Vadnais Heights was held on the above date and called to order by Mayor Johannsen at 7:00 p.m.

Mayor Johannsen provided several announcements.

Everyone present stood and said the Pledge of Allegiance.

ROLL CALL

Upon roll call, the following members were present: Mayor, Marc A. Johannsen
Councilmembers: Gerald J. Auge, Terry S. Nyblom, Craig A. Johnson, and Bob B. Fletcher.

The following members were absent: None.

Also present were: Kevin Watson, City Administrator; Ed Leier, Fire Chief; Bob Sundberg, Finance Director; Carie Fuhrman, Planning/Community Development Director; Caroline Bell Beckman, City Attorney; Jeff Melcoch, Cable Producer; and Carla Wirth, Recorder.

APPROVAL OF AGENDA

Upon motion by Auge, seconded by Johnson, it was

16-03-070 “RESOLVED, that the agenda for the March 16, 2016, Council Meeting be approved as presented.”

Ayes – 5 Nays – 0

The resolution was adopted.

APPROVAL OF MINUTES

A. March 2, 2016, Workshop Meeting

Upon motion by Johnson, seconded by Nyblom, it was

16-03-071 “RESOLVED, to approve the March 2, 2016, Workshop Meeting Minutes as presented.”

Ayes – 5 Nays – 0

The resolution was adopted.

B. March 2, 2016, Regular Meeting

Upon motion by Auge, seconded by Johnson, it was

16-03-072 “RESOLVED, to approve the March 2, 2016, Regular Meeting Minutes as presented.”

Ayes – 5 Nays – 0

The resolution was adopted.

APPROVAL OF CONSENT AGENDA

Upon motion by Nyblom, seconded by Auge, it was

16-03-073 “RESOLVED, that the Consent Agenda items for the March 16, 2016, meeting be approved as follows:

- A. Approve Claims #72535 through #72600, and Electronic Claims #936 through #940 for payment.
 - 1. US Bank Visa Payment in the amount of \$5,325.98
- B. Accept and Acknowledge 2016 Heritage Days Grants/Donations Through March 4, 2016.”

Mayor Johannsen acknowledged and thanked those who made donations to Heritage Days.

Ayes – 5 Nays – 0

The resolution was adopted.

OPEN TO THE PUBLIC

No one wished to speak.

PRESENTATIONS

None.

PUBLIC HEARINGS

- A. Ordinance No. 692 – Zoning Code Amendment: Self Storage Unit

Planning/Community Development Director Fuhrman stated North Star Mini Storage-Vadnais Heights LLC has submitted an application for an amendment to the Zoning Code in order to allow self-storage units with living quarters as an accessory use in the Industrial District. They are seeking this amendment in order to develop the property located at 3880 Labore Road, which they have purchased. Their application for development of this property will be considered by the Planning Commission on March 22, 2016 and will come to Council at its next meeting.

Planning/Community Development Director Fuhrman explained the Council's consideration tonight is only for the Zoning Code amendment that, if approved, would be in effect for all Industrially-zoned properties.

Planning/Community Development Director Fuhrman noted that currently, self-storage units are a permitted use in the Industrial District via warehousing. The Code does not address self-storage units with living quarters, resulting in the need for this application for an amendment.

Planning/Community Development Director Fuhrman stated the applicant noted in their narrative that they have found self-storage sites with managers living on-site have fewer incidents of security violations (i.e., false alarms). The applicant has multiple sites including Oakdale and Shoreview. The Oakdale Police Department indicated they have had no calls to their site and the Ramsey County Sheriff's Department indicated there have been several false alarms at the Shoreview location. Planning/Community Development Director Fuhrman stated in terms of zoning, living quarters for managers to live on-site for security purposes is a supportive use to self-storage units; therefore, it meets the Purpose Statement of the Industrial District.

Planning/Community Development Director Fuhrman reviewed the other two self-storage unit locations currently in the City. One is zoned C-3 (Commercial Three), where self-storage units are not a permitted use; so it is a legal non-conforming use in that district. The other is zoned I (Industrial District). She advised of past issues with items stored in these units and resulting enforcement issues as these uses were not issued under a Special Use Permits so there are no specific conditions that govern these properties, only general nuisance and zoning provisions that can be utilized in those enforcement situations. She noted some of the regulations that other communities have. She also stated that tonight's public hearing has been noticed in the City's official newspaper.

Planning/Community Development Director Fuhrman presented options for the Council's consideration: 1. Allow self storage units to remain as permitted and add living quarters to self-storage units as an accessory use in the Industrial District; 2. Allow self-storage units with or without living quarters as a Special Use Permit in the Industrial District, without listing specific conditions of approval in the Code; 3. Allow self-storage units without living quarters to remain as a permitted use, but add self-storage units with living quarters as a Special Use Permit in the Industrial District subject to three conditions; 4. Allow self-storage units with or without living quarters as a Special Use Permit in the Industrial District subject to three conditions; or, 5. Keep the code as is, which would not allow living quarters within self-storage unit facilities.

Planning/Community Development Director Fuhrman stated the Planning Commission recommended Option 2, to allow self-storage units, with or without living quarters, as a Special Use Permit in the Industrial District. This would allow the City to place conditions on the approval of any self-storage facility, which will be determined upon application. The Planning Commission chose not to list specific conditions of approval in the Code language, but instead to review each application on a case-by-case basis and add the conditions as necessary at the time of application.

Planning/Community Development Director Fuhrman stated staff recommends Option 4, which lists the specific conditions new self-storage facilities would be required to abide by via the Special Use Permit process. She noted the City Attorney has advised that by not listing specific

conditions in the Code by which to review each self-storage facility, the City runs the risk of treating the applications differently and adds potential challenges and issues on fair treatment.

Councilmember Auge asked if Option 4 specifically says the living quarters will be sprinkled and if that is for attached or not attached living quarters. Planning/Community Development Director Fuhrman stated it would be required in either case.

Councilmember Johnson asked if a storage facility does not have living quarters, do they usually have an office that is staffed during daytime hours. Planning/Community Development Director Fuhrman answered in the affirmative. Councilmember Johnson asked if the developer wants a separate structure for living quarters. Planning/Community Development Director Fuhrman answered in the affirmative and described the structures at their Oakdale location, which has the office and living quarters located in the same structure. She found it to be a nice operation. She stated at the Planning Commission meeting, the owner confirmed there is a vetting and background process for the managers.

Councilmember Fletcher asked what the differences between the Planning Commission's recommendation and staff's recommendation were. Planning/Community Development Director Fuhrman stated the Planning Commission wants to be able to look at each separate application individually and there was discussion about the business operations out of these units. The Planning Commission felt if looked at separately, conditions could be placed restricting business operations that results in customers coming to the site.

Councilmember Fletcher asked if the only different impact to the applicant would be the requirement for sprinklers. Planning/Community Development Director Fuhrman answered in the affirmative.

Mayor Johannsen asked whether the City allows anybody living in the Industrial District as a permitted use. Planning/Community Development Director Fuhrman stated the City does not. Mayor Johannsen posed the question that if the City allows it here, then why not in a factory and every other place. Planning/Community Development Director Fuhrman explained it would be clear it is for security reasons for this specific use and a different location would require another zoning ordinance amendment.

Attorney Bell Beckman advised that also bodes well for having some specific conditions and then relating them to that use. This is unique to self-storage units.

Mayor Johannsen noted that there are different zones to create different types of uses that are not mutually incompatible with each other and if this is allowed, then another business may want several apartments for other staff members involved in the business. He cautioned that if the Council 'opens the door' from a policy standpoint, it cannot draw a distinction between this use and other residential use. Currently, the City has drawn a firm line in that no residential dwellings are allowed in an Industrial zone. He believed an argument cannot be made why you wouldn't allow that for other Industrial uses as well.

Councilmember Fletcher stated that 'line' is to protect residential zones from being encroached upon by industrial and commercial and it may not be as important to protect commercial and industrial zones from residential uses.

Mayor Johannsen stated residents who come later might ask why it is allowed in the middle of an Industrial zone. He invited the applicant to address the Council.

Councilmember Fletcher asked if the requirement for a sprinkler system is a big issue.

Marty Keihm, Keihm Construction, development contractor for North Star Mini Storage, stated they have been in the mini-storage business since 1984 throughout the United States. In regards to the requirement for a sprinkler system, he stated it is not a 'make it or break it' situation. Their experience has been that the Code should apply to the type of construction proposed, whether residential or commercial.

Councilmember Fletcher stated he is not a big fan of compelling businesses to meet extra requirements but the City does not want a situation where a storage facility goes up in flames and causes the Fire Department to put out a fire in units where the contents are not known. Mr. Keihm agreed that is a legitimate concern, but noted that concern exists in every element they build and it is always taken into consideration when the Code is being reviewed. He stated if the Code calls for the structure to be sprinkled, then it should be. Councilmember Fletcher stated the City is trying to head off potential issues. Mr. Keihm repeated it is not a 'make it or break it' issue and agreed a sprinkler system does make the structure safer from fire.

Councilmember Johnson asked why companies want someone to reside on the property. Mr. Keihm explained there has been a transition in this business. At the beginning, a resident manager did live on the site for security reasons, but then technology changed so multiple alarms were installed and companies migrated away from having a resident manager. However, it was found there are false alarm incidents, which puts demand on local law enforcement. Mr. Keihm explained that by having a resident manager, they can check the camera and if no movement or activity is observed, they can address it. However, if they see movement, they know it is a legitimate alarm and will contact the authorities.

Councilmember Johnson asked if a family would be living in the unit. Mr. Keihm stated typically it is a single person or semi-retired couple. North Star is proposing to put the residence and office within one building so if there is an alarm, the manager does not need to leave the residence to check security cameras.

Mayor Johannsen opened the public hearing.

No one wished to speak and Mayor Johannsen closed the public hearing.

Councilmember Nyblom stated he supports Option 4 as it assures consistent treatment with anyone who proposes mini-storage.

Upon motion by Nyblom, seconded by Auge, it was

16-03-074 To adopt Ordinance No. 692, an Ordinance amending Chapter 17 (Industrial District) of the City Zoning Code pertaining to self-storage unit facilities as a Special Use with specific conditions listed in the Code.”

Ayes – 5

Nays – 0

The resolution was adopted.

OLD BUSINESS

A. Garceau/Vadnais Market Property Update

Planning/Community Development Director Fuhrman provided an update regarding the properties. Staff has met with AET, an environmental consultant, and got the final information on Phase I and Phase II environmental investigation. Staff is now corresponding with various grant funding programs that may be eligible to help pay for costs of demolition and cleanup of the site. One program is the Tax Base Revitalization Account (TBRA); applications are due May 2, 2016. There is the possibility to use multiple grants together on this project. It is also possible that if the City had to use its own funds to cover some of the project, those costs may be recovered from whoever purchases the property.

Planning/Community Development Director Fuhrman has also met with staff from Emergency Management Solutions (EMS) on site to get an idea of cost to remove the materials from inside the buildings, as well as the buildings themselves and the building materials. There is quite a bit of “regulated waste” that will need to be disposed of in the appropriate manner. The estimate came in at \$225,000.

Staff is planning to host a developer roundtable to gather ideas for redeveloping these, and other properties in town. There has been some discussion about a potential restaurant going in on this site. Planning/Community Development Director Fuhrman spoke with the owner of Clive’s Roadhouse about taking a look at the site and giving his opinion on redevelopment potential. It provides a prospective from someone who has run a successful restaurant. His opinion was that it would be difficult for a restaurant to succeed at that site because of lack of traffic that goes by the location, as well as surrounding uses in the area.

Staff plans to continue working on grant applications, which will come before Council for final approval. One thing that does need to be considered in order to move forward is a potential layout of any redevelopment to get a final cost on cleanup. Planning/Community Development Director Fuhrman asked for comments from Council or if they have any other direction they would like staff to pursue.

Councilmember Nyblom stated that with the uncertainty of what will occur on this site, he would like the hardware building to remain standing until there is a better understanding of all of the options and what the future may hold.

Mayor Johannsen asked whether this estimate is accurate and that perhaps the City should seek an estimate from another provider. Planning/Community Development Director Fuhrman stated that the one estimate was obtained so that it could be used in applying for grants. If a grant was received, the City would go out for bids for the project to get more competitive estimates.

Mayor Johannsen agreed with the need to keep this process moving forward.

Councilmember Johnson asked how long before staff would know if any grant money would be received. Planning/Community Development Director Fuhrman responded that grants recipients will be announced in June or early July, and the next grant round would be in November. Councilmember Johnson also asked if anything needs to be done to the site to make it secure. Planning/Community Development Director Fuhrman indicated there had been a break-in into both buildings. Public Works staff has secured the buildings so hopefully that will not happen again.

City Administrator Watson noted that the Vadnais Market signage has been removed and is being stored in the Public Works garage.

Mayor Johannsen stated that the sooner the roundtable meetings are held with developers, the better.

Informational item; no action required at this time.

NEW BUSINESS

- A. Conditionally Approve a Public Outdoor Event for the St. Paul Growers Association and Davis Real Estate Group to hold a Farmers Market on Wednesdays beginning on June 22, 2016, and ending on September 28, 2016, from 2:00 until 6:00 p.m.

It was noted that St. Paul Growers Association and Davis Real Estate Group made application to hold a Farmers Market on Wednesdays beginning on June 22, 2016, and ending on September 28, 2016, from 2:00 until 6:00 p.m. This item had been discussed at a previous Council meeting.

Upon motion by Fletcher, seconded by Johnson, it was

16-03-075 “RESOLVED, to approve a Public Outdoor Event for the St. Paul Growers Association and Davis Real Estate Group to hold a Farmers Market on Wednesdays beginning on June 22, 2016, and ending on September 28, 2016, from 2:00 until 6:00 p.m., based on staff’s recommendations and conditioned on the following:

1. The applicant shall post and remove temporary no parking signs in the parking lots where the event is occurring. Maintain public and emergency access to the Allina Clinic thru the parking lot. No parking

on either side of City Center Drive and City Center Lane and Labore Road as posted as the width will not accommodate two-way traffic and parking. All parking should be handled by the applicant’s parking plan on the two parking lots.

2. Waive the requirement for bond or cash payment in lieu of bond.
3. Waive adherence of the security provision other than managing parking and access to Allina.
4. Waive adherence to Section 119.060, Days and Hours Allowed, and allow this event on Wednesdays.
5. Waive adherence to Section 181.075, Portable Privies, and allow placement of portable privies during this event.”

Councilmember Nyblom noted there is a no parking requirement. Fire Chief Leier explained there cannot be parking on Labore Road or narrow roadways. He stated the St. Paul Growers Association has an agreement with the hotel for overflow parking. It was noted the first Farmer’s Market will be Wednesday, June 22.

Ayes – 5

Nays – 0

The resolution was adopted.

B. Resolution Deferring Consideration of Funding White Bear Lake Augmentation Until Appropriate State and Federal Agencies Scientifically Approve Project

City Administrator Watson reviewed the past discussion regarding White Bear Lake and the augmentation bill that may be proposed during the current legislative session. The City’s concerns relate to water quality of Vadnais Lake and impact of pumping significant water from that regional asset; financial impact of Vadnais Heights’ residents for construction and ongoing maintenance; and, impact of construction and placement of a water treatment facility.

These concerns are encompassed in the proposed resolution. The City is asking the legislature to defer any consideration of White Bear Lake augmentation bills proposed by the Minnesota State Legislature until all necessary scientific analysis and studies are completed and approved by appropriate state and federal agencies. City Administrator Watson asked Council if they would like to make any amendments or additions to the proposed resolution.

Councilmember Fletcher stated the Workshop discussion was helpful. He stated he would like to make a couple amendments to the draft resolution including:

WHEREAS, ...could have detrimental effects on the water quality on the Vadnais Lakes chain that have not been reviewed or determined; and

WHEREAS the construction of a pipeline and treatment facilities in and through the City of Vadnais Heights would be extremely disruptive to our infrastructure including Centerville Road and Goose Lake Road, and in conflict with our current Land Use Plans; and

Councilmember Fletcher also proposed to add two additional WHEREAS paragraphs indicating:

WHEREAS, White Bear Lake is currently only 1.5 feet below the 100-year average of the lake water level; and,

WHEREAS, White Bear Lake levels have risen 3 feet in the past 2 years.

Councilmember Fletcher stated that we may be only one year away from the lake gaining an additional 1.5 feet, putting it the 100-year average. The City’s legislators should be aware of that point. Mayor Johannsen stated those are good points.

Upon motion by Fletcher, seconded by Nyblom, it was

16-03-076 “RESOLVED, to approve Resolution Deferring any Consideration of White Bear Lake Augmentation Bill proposed by Minnesota State Legislature until all necessary Scientific Analysis and Studies are Completed and Approved by Appropriate State and Federal Agencies, as amended above.”

Ayes – 5

Nays – 0

The resolution was adopted.

C. Consider Hiring a Lobbyist for Representation for White Bear Lake Augmentation Efforts

The Council was asked to provide direction on whether to hire Lockridge Grindal Nauen for \$25,000 or hire Faegre Baker Daniels lobbyist for \$10,000 to represent the concerns of Vadnais Heights as it relates to White Bear Lake.

Councilmember Johnson stated with the direction from the Lake Association, he thinks authorizing this money for a lobbyist will be well spent to address the City’s concerns, impact on Vadnais Lake, and whether it will be naturally affected or needs augmentation. He noted this expenditure may avoid an even greater expense to the City.

Upon motion by Auge seconded by Johnson, it was

16-03-077 “RESOLVED, to authorize the City Administrator to hire Lockridge Grindal Nauen for \$25,000 to represent the concerns of Vadnais Heights as it relates to White Bear Lake.”

Mayor Johannsen stated his support for the motion to assure the City’s interests are included in the decision making process as the proposal will severely impact Vadnais Heights. He stated he does not see where it will be beneficial for the City’s residents to pay a tax or ‘do the heavy lifting’ in this regard so it makes sense for the City to be included in the discussion before committing to do anything, and to not make decisions about the City’s use of water before ascertaining what is best for the City’s residents. Mayor Johannsen stated he hopes the Legislature looks at this proposal in depth before making a decision, as he believes a false sense of urgency was created when the lawsuit was filed. He noted a large public policy determination like this should not be made under stress or expediency. Rather, it should be delayed until all ramifications of the decision are clearly known so the right decision is made. He agreed that White Bear Lake is a wonderful and important asset but the City needs to make good decisions in the broad interest of everyone who will be affected.

Councilmember Fletcher stated the proposal presented to the local cities results in spending \$26 million to \$100 million by the State or local entities to build a large pipe that would run underground from Vadnais Lake to White Bear Lake. The disruption would take place during the construction of that pipe, which would take 2 billion gallons (15% of the normal flow) from Vadnais Lake to raise the water level of White Bear Lake by 1.5 feet to 2 feet. Councilmember Fletcher believed that time will tell whether or not White Bear Lake will naturally increase as it has during the past two years. Councilmember Fletcher stated White Bear Lake is a regional asset, which he uses often, but Vadnais Lake is an important regional asset as well. He does not support artificially tampering with water quality.

Ayes – 5 Nays – 0

The resolution was adopted.

D. Consider Setting April 6, 2016, Workshop and Agenda

City Administrator Watson suggested that the Workshop agenda include discussion of the 2016 Street Crack Seal Award, an Update from the March Planning Commission Meeting, Fire Department Regional Closest Unit Policy, Vadnais Square Tenant Space, Pooled TIF, and presentation of the Frattallone’s residential development proposal with a start time of 5:30 p.m.

Upon motion by Auge, seconded by Johnson, it was

16-03-078 “RESOLVED, to set a workshop meeting for April 6, 2016, at 5:30 p.m. with Agenda to include discussion of the 2016 Street Crack Seal Award, an Update from the March Planning Commission Meeting, Fire Department Regional Closest Unit Policy, Vadnais Square Tenant Space, Pooled TIF, and presentation of the Frattallone’s residential development proposal.”

Ayes – 5 Nays – 0

The resolution was adopted.

COUNCIL AND DEPARTMENT REPORTS

Fire Chief Leier had no report.

City Attorney Bell Beckman had no report.

Finance Director Sundberg had no report.

Planning/Community Development Director Fuhrman advised of the four items the Planning Commission will be considering at its meeting next week.

City Administrator Watson reported on his meeting with Fresh Thyme representatives. They hope to open late summer/early fall and will coordinate with the Taste of Vadnais Event. Coffee with a Cop will be held at Panera Bread on March 22 at 9 am. The White Bear Lake Chamber

had a presentation by a State demographer relating to the impact of an aging population (over 65 years) on City-provided services.

Councilmember Fletcher had no report.

Councilmember Nyblom reported on his attendance at the Heritage Days meeting and stated they are still looking for volunteers. He announced an upcoming event at Macaluso's Roadhouse that includes a meal starting at 11 a.m. and giveaways at 5 p.m.

Councilmember Johnson had no report.

Councilmember Auge had no report.

Mayor Johannsen reported on his meeting with the White Bear Lake Mayor and City Manager Ellen Richter. He commented on having a cooperative relationship with White Bear to work collaboratively moving forward. He encouraged the Council to let him know if there other opportunities that could also be considered. Mayor Johannsen stated he would like to hold this type of meeting with other surrounding communities.

Upon motion by Auge, the meeting was adjourned at 7:58 p.m.

Respectfully submitted,

Kevin P. Watson, City Administrator

ATTEST:

Marc A. Johannsen, Mayor