

**REGULAR MEETING  
OF THE COUNCIL OF THE  
CITY OF VADNAIS HEIGHTS  
April 6, 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 Fletcher.

The following members were absent: None.

Also present were: Kevin Watson, City Administrator; Kathy Keefe, Assistant City Administrator; Mark Graham, City Engineer; Ed Leier, Fire Chief; Bob Sundberg, Finance Director; Carie Fuhrman, Planning/Community Development Director; Caroline Bell Beckman, City Attorney; Jeff Melcoch, Cable Producer; and Beckie Gumatz, Deputy Clerk.

**APPROVAL OF AGENDA**

Upon motion by Auge, seconded by Johnson, it was

16-04-079      “RESOLVED, that the agenda for the April 6, 2016, Council Meeting be approved.”

Ayes – 5                      Nays – 0

The resolution was adopted.

**APPROVAL OF MINUTES**

A.      March 16, 2016 Workshop Meeting

Upon motion by Johnson, seconded by Auge, it was

16-04-080      “RESOLVED, to approve the March 16, 2016 Workshop Meeting Minutes as presented.”

Ayes – 5                      Nays – 0

The resolution was adopted.

B. March 16, 2016 Regular Meeting

Upon motion by Johnson, seconded by Fletcher, it was

16-04-081 “RESOLVED, to approve the March 16, 2016 Regular Meeting Minutes as presented.”

Ayes – 5                      Nays – 0

The resolution was adopted.

**APPROVAL OF CONSENT AGENDA**

Upon motion by Auge, seconded by Fletcher, it was

16-04-082 “RESOLVED, that the Consent Agenda items for the April 6, 2016, meeting be approved as follows:

- A. Approve Claims #72601 through #72684, and Electronic Claims #941 through #948 for payment.
- B. Accept and Acknowledge Heritage Days Donations Through March 25, 2016
- C. Accept Resignation of Paid-Per-Call/Duty Crew Firefighter Tony Bigelbach effective March 31, 2016
- D. Accept Resignation of Paid-Per-Call/Duty Crew Firefighter Russ Wyganowski effective April 1, 2016
- E. Ratify 2016 Vadnais Heights Fire Department Officers
- F. Accept Resignation of Planning Commission Second Alternate Ronald Laumer
- G. Conditionally Approve a For-Profit Solicitor’s License for Mark Josephs/Ameriprise Financial Beginning April 7, 2016 Through December 31, 2016

Ayes – 5                      Nays – 0

The resolution was adopted.

**OPEN TO THE PUBLIC**

Sara Moore, new Editor of the Vadnais Heights Press and Shoreview Press, introduced herself. She stated she looks forward to working with the City.

**PRESENTATIONS**

None.

**PUBLIC HEARINGS**A. Ordinance No. 693 – Zoning Code Amendment: Medical Marijuana Distribution Facilities

Planner/Community Development Director Fuhrman stated that state law changed in 2014 to allow medical marijuana to treat certain medical conditions. The City passed a moratorium soon after to have time to study how it might affect zoning and land use standards. The Planning Commission worked with staff to come up with a proposal.

There are three types of land uses that are affected by the change in state law. The first is manufacturing facilities. These are heavily regulated by the state. Because of the state's strict requirements, staff is recommending no additional changes or regulations to the city code. As such, medical marijuana distribution facilities would be allowed in the City in the Industrial district.

The second land use item affected is laboratories. It is staff's understanding that there is only a small amount of medical marijuana product on site for testing purposes. Staff is recommending some housekeeping updates to our code to address this. One update is adding a definition of laboratory. A second is adding laboratories as a permitted use in the Industrial zoning district. Lastly, staff recommends removing the term "research" from "research laboratories" in the Office and Office-Business zoning districts. Based on this, medical cannabis laboratories, and any laboratories, would be allowed in the Office, Office-Business, and Industrial zoning districts.

Planner/Community Development Director Fuhrman noted that the Planning Commission agreed with staff's recommendation for both manufacturing and laboratory facility recommendations.

The last land use type affected is distribution facilities. These facilities are also regulated by state statute in that they can't be within 1,000 feet of a public or private school. Beyond that, the state does not have many regulations. Staff and the Planning Commission recommend option one of the council memo, which is most stringent option of the three that were presented to the Planning Commission. In summary, this option would prohibit sale of any product other than medical marijuana within the facility as well as the sale of non-medical marijuana. It would also reiterate the state requirement that these facilities cannot be located within 1,000 feet of a school, but also add that they cannot be located within 1,000 feet of an existing commercial daycare facility. It would allow one distribution facility per 10,000 Vadnais Heights residents, at this point only one facility would be allowed in the City. This option would also set multiple requirements for security measures.

The proposed Ordinance includes all of the recommendations that staff is making, as well as some housekeeping updates. Staff recommends approval of Ordinance No. 693, as well as approval of the Resolution authorizing summary publication.

Mayor Johannsen opened the public hearing at 7:10 p.m.

No one wished to speak.

Mayor Johannsen closed the public hearing at 7:11 p.m.

Upon motion by Fletcher, seconded by Johnson, it was

16-04-083      “RESOLVED, to approve Ordinance No. 693, amending Chapter 5 (Definitions), Chapter 13 (Commercial One District), Chapter 14 (Commercial Two District), Chapter 16 (Office District), Chapter 16A (Office-Business District), and Chapter 17 (Industrial District) of the City Zoning Code, allowing medical marijuana distribution facilities as a Special Use Permit with standards in the C-1, C1A, C-2, C-3, and O Districts; allowing laboratories as a permitted use in the Industrial District; creating definitions for medical marijuana, medical marijuana distribution facilities, pharmacies, and laboratories; and other housekeeping updates.”

Ayes – 5

Nays – 0

Mayor Johannsen stated that he agreed with the Planning Commission recommendation. It is a sensible solution to allow both the medicine to be available but to also have reasonable regulations.

The resolution was adopted.

Upon motion by Fletcher, seconded by Auge, it was

16-04-084      “RESOLVED, to approve a Resolution authorizing Summary Publication of Ordinance No. 693.”

Ayes – 5

Nays – 0

Councilmember Fletcher thanked Planner/Community Development Director Fuhrman for all her work on this item.

The resolution was adopted.

**B.      Luther Subaru Acura Minor Site Plan Amendment**

Planner/Community Development Director Fuhrman stated that back in September 2015, Council approved rezoning, a land use plan amendment, planned unit development and site plan review for this site. The applicants are now requesting a minor adjustment to their application. They are proposing a 1,300 sq. foot addition to the south side of the building, as well as minor reconfiguration of the parking at the south end of the building.

The original parking plan well exceeded the City’s requirements. While they are losing 26 stalls with this amendment, they are still above what the City requires. The applicant also submitted a revised landscaping plan, which exceeds the City’s requirements.

Planner/Community Development Director Fuhrman also noted that a Public Hearing notice was mailed to neighboring property owners. The Planning Commission has also reviewed this request and recommended approval. Staff also requests that any changes made also be reflected in the development agreement.

Mayor Johannsen opened the public hearing at 7:14 p.m.

No one wished to speak.

Mayor Johannsen closed the public hearing at 7:15 p.m.

Upon motion by Fletcher, seconded by Auge, it was

16-04-085      “RESOLVED, to approve the Minor Site Plan Review to allow a 1,300 square foot addition and parking lot/drive aisle reconfiguration for the redevelopment and expansion project at the Luther White Bear Subaru Acura dealership for the properties located at 3505 Highway 61, 3525 Highway 61, and 1451 Willow Lake Boulevard, subject to the following conditions:

- 1) Conditions as recommended by the City Engineer, if any.
- 2) Conditions as recommended by the Fire Chief, if any.
- 3) The details of the Minor Site Plan Review shall be included with the Development Agreement with the City.”

Ayes – 5

Nays – 0

The resolution was adopted.

## OLD BUSINESS

### A. Approve Ordinance No. 691 – Amending Chapter 119: Public Outdoor Events

Fire Chief Leier stated that this item has been before council previously. In processing applications this spring, staff has noticed some areas of the current Ordinance that need to be updated. Some of the proposed updates included increasing the application deadline to 30 days prior to the event, requiring authorization from the property owner, adjusting the notification radius from 500ft to 350ft, as well as other various housekeeping changes.

Councilmember Nyblom asked for clarification about if a family wanted to use a local park to have a birthday party if they would need to post a \$1,000 bond. Chief Leier answered no they would not.

Councilmember Fletcher asked about the ability to waive the 30 day application timeline. Chief Leier responded that the City Administrator would check with Council and does have the option to waive that requirement after review of the application.

Mayor Johannsen stated that he believes this Ordinance will work as long as it is enforced with the spirit to allow these events to happen with reasonable protections and safeguards.

Upon motion by Auge, seconded by Johnson, it was

16-04-086      “RESOLVED, to approve Ordinance No. 691 to amend Chapter 119 of the City Code regarding Public Outdoor Events.”

Ayes – 5                      Nays – 0

The resolution was adopted.

Upon motion by Auge, seconded by Fletcher, it was

16-04-087      “RESOLVED, to approve a Resolution authorizing Summary Publication of Ordinance No. 691.”

Ayes – 0                      Nays – 0

The resolution was adopted.

B.      Approve Encroachment Agreement – 3677 Edgerton Street

City Administrator Watson noted that Council has previously had the discussion with the Borle’s about having had a deck built on the back of their property that encroaches on the easement. The Encroachment Agreement between property owner and the City states that if the property to the rear of the Borle’s were to ever develop, they would be required to tear down their deck.

Upon motion by Fletcher, seconded by Nyblom, it was

16-04-088      “RESOLVED, to approve the Encroachment Agreement for 3677 Edgerton Street.”

Councilmember Auge asked if the contractor who built the deck was cited. Planner/Community Development Director Fuhrman stated in the affirmative. Attorney Bell Beckman also noted that he does not have a court date yet as this violation of city code is not in their system yet.

Councilmember Johnson asked if other houses in the development could end up having the same encroachment issue. Planner/Community Development Director Fuhrman stated that the house that is currently built has a deck proposed that does meet the setback requirements, and that she does not foresee the other property having an issue.

Ayes – 5                      Nays – 0

The resolution was adopted.

C.      Adopt Resolution to Accept Bids, Order Preparation of Proposed Assessment Roll, and Set May 4, 2016 at 7:00 pm as the Public Hearing Date to Consider the Proposed Assessments of the 2016-1 Street Improvements

City Engineer Graham stated that bids were opened a couple weeks ago. This project includes English Street, Montmorency Street, and Hoffman Road East. Bids were separated out between the commercial and residential streets. Bids came in about 10% less than estimated. The request before Council tonight is not to award the project or deciding to move forward with any streets, rather, tonight Council is asked to accept the bids and order staff to get the assessment rolls together. The assessment hearing will take place at the May 4, 2016 Council meeting. Public

Assessment Hearing notices will be published in the newspaper and mailed out to affected property owners. City Engineer Graham also noted that he has not heard from any property owners regarding these assessments.

Councilmember Fletcher responded that he is opposed to Hoffman Road East assessments. He also asked for clarification that the pieces of this project will be able to be discussed and voted on separately at the May 4, 2016 meeting. City Engineer Graham responded in the affirmative.

Councilmember Johnson asked when property owners can come to voice objection to the project. City Engineer Graham replied that May 4, 2016 Council Meeting is the time.

Upon motion by Auge, seconded by Johnson, it was

16-04-089      “RESOLVED, to adopt a Resolution to Accept Bids, Order Preparation of Proposed Assessment Roll, and Set May 4, 2016 at 7:00 p.m. as the Public Hearing Date to consider the Proposed Assessments of the 2016-1 Street Improvements.”

Ayes – 5

Nays – 0

The resolution was adopted.

D.      Accept Plans for City Center Street Lighting, Authorize Advertisement for Bids, Order Poles/Hardware

City Engineer Graham explained that Council has had several discussions regarding street lights and staff is asking Council to accept the plans that SEH has prepared for the street lighting, authorize the City to go out for bids to hire a contractor to put up the poles. The City will order the equipment itself.

Councilmember Auge asked about ordering poles separately and if it was to get a better price. City Engineer Graham answered in the affirmative.

Councilmember Johnson asked for clarification that tonight is giving staff the approval to order the poles now. City Engineer Graham answered in the affirmative.

Councilmember Nyblom stated his opposition to this project. He has asked for and would like more information regarding the City’s pooled TIF fund balances. He is also opposed to spending \$200,000 for an irrigation system. He believes the City should conserve water for human consumption rather than use it for an irrigation system.

Councilmember Fletcher spoke about his excited about project. He believes the street lights will change the feel of the community. He thanked staff for their teamwork on this project. He also thanked the City Center Task Force for all of their work on this project. He believes the new street lights will bring people to the community.

Councilmember Auge expressed his support from public safety standpoint. One pole has already fallen. He believes it is time to update them all.

Mayor Johannsen stated he supports the project as well. He noted that this is the first time the light poles will be replaced in the city center. He believes that for the amount of time these poles will be used, the money being spent is a reasonable investment. The new street lights will be much more energy efficient, and have the ability to modify the light level at times when it doesn't need to be as bright. The more decorative items will give the downtown a sense of place and identity. He believes that by making strategic investments like this, the City will bring in additional development and investment and make current businesses want to stay. It will also help to attract residents to want to come and live in the community.

Councilmember Johnson commented on City Center Task Force. He noted that it is made up of Councilmember Fletcher and himself, the Vadnais Heights Economic Development Corporation, and a group of people from business community along County Road E.

Administrator Watson clarified that the City's TIF balance is sufficient. He noted that if the City Center Drive Project amount is subtracted, as well as annual street project amounts, the street lighting project, the amount to purchase the Garceau property, debt service related to TIF, Gable Pines and the Heights Plaza project, the remaining balance is in the \$3-\$4 million range. Staff is intending to have a discussion with Ehlers, our financial advisor, as well as a group of developers to talk about the future of some other properties.

Upon motion by Fletcher, seconded by Auge, it was

Fletcher asked about a timeline for retrofitting the streetlights that will not be replaced. City Engineer Graham stated that work will begin as soon as possible and that they will be maintained until they are able to have irrigation hooked up.

16-04-090      "RESOLVED, to approve Plans and Specifications for the City Center Street Light project, authorize City staff to order street lights and hardware as manufactured by Cyclone Lighting and authorize solicitation of bids for all work associated with the lighting and irrigation project."

Ayes – 4

Nays – 1 (Nyblom)

The resolution was adopted.

E.      Approve Final Payment for Garceau Hardware Store located at 3429 Centerville Road

Finance Director Sundberg noted that this property was purchased by the City in December of 2015. The item before Council is a proposal to change the payment method. The City is currently paying with contract for deed. Due to high interest rates, and in an effort to save money, staff is suggesting paying off the amount owned now in cash rather than over time.

There was discussion about the TIF account balance and some scheduled projects for the future that have not been committed to yet. Councilmember Nyblom stated that he will support this item.

Councilmember Fletcher asked about final payment amount. Finance Director Sundberg answered that it is \$639,150.



Mayor Johannsen explained that the City is purchasing this property with the hope that a developer will then purchase the land from the City and redevelop it. This will then allow the city to recoup some, if not all of the money. There was discussion regarding the Garceau property and its importance to the City.

Councilmember Johnson clarified that the City has already purchased property. This payment would have been made regardless. This is not new money that the City is spending.

Upon motion by Johnson, seconded by Auge, it was

16-04-091      “RESOLVED, to approve final payment of \$639,150 for acquisition of the property at 3429 Centerville Road as discussed at the March 16, 2016 Council work session.”

Ayes – 5                      Nays – 0

The resolution was adopted.

**NEW BUSINESS**

A.      Community Survey Approval

Administrator Watson noted that the last two community surveys were done in 2002 and 2005. This survey would be done with the same company, The Morris Leatherman Company. Tonight, Council is asked to approve of an initial payment of \$11,500, and another payment of \$11,500 when complete. He noted that the Vadnais Heights Area Community Foundation has committed to donate \$2,500 to assist in this effort. He gave examples of some of the questions included in the survey. They would like to start the survey next week.

Councilmember Nyblom thanked staff for their work on the community survey. He felt the questions are good ones to be asking in our City.

Upon motion by Nyblom, seconded by Auge, it was

Mayor Johannsen also stated his support for the survey.

16-04-092      “RESOLVED, to approve the final draft of the Community Survey and authorize initial payment of \$11,500 to commence the survey work.”

Ayes – 5                      Nays – 0

The resolution was adopted.

B.      Consider Setting April 20, 2016 Workshop and Agenda

Administrator Watson presented potential items for the April 20, 2016, Council Workshop including: a Rush Line presentation, Frattalone redevelopment project, brewery/taproom

business model, pooled TIF money discussion, potential developers roundtable items of interest they have, temporary sign policy interpretation, and results of County Road E speed study.

As the number of potential items was lengthy, there was discussion of moving some items to the Regular Council meeting, or a future Workshop agenda.

Administrator Watson also mentioned Council wished to discuss the Body Art Establishment Zoning Code Amendment and the Awning Signs Zoning Code Amendment from tonight's workshop.

Upon motion by Nyblom, seconded by Fletcher, it was

16-04-093      "RESOLVED, to set an April 20, 2016 Workshop meeting and Agenda including discussion of Frattalone redevelopment project, breweries/taprooms, a temporary sign policy, a Body Art Establishment Zoning Code Amendment, and an Awning Sign Zoning Code Amendment with a 5:30 p.m. start time."

Ayes – 5

Nays – 0

The resolution was adopted.

Councilmember Fletcher mentioned making workshop agenda more visible and accessible. Staff will add them to the website homepage. Administrator Watson also mentioned that the new website will be much more accessible as well.

### **COUNCIL AND DEPARTMENT REPORTS**

Fire Chief Leier reported there was a structure fire last Friday in the neighborhood of Woodridge and County Road F. The Fire Department was on scene with water deployed in 4 minutes. There was a small loss of property.

Assistant City Administrator Keefe reported that the City has a seasonal opening for a youth lacrosse instructor. Interested parties should visit the City's website for more information.

Attorney Bell Beckman had no report.

Finance Director Sundberg had no report.

Planner/Community Development Director Fuhrman reported that all BR&E visits have been completed. There was a research meeting at the U of M. There will be a task force retreat on May 19, 2016 from 12 – 4 p.m. and all Councilmembers are invited. She also noted that the City has received two new land use applications; one is for Gentry Academy which is a 5-8<sup>th</sup> grade school proposed to be built on Lot 1 of the Sports Center complex, and Liberty Village which is proposed to be built on the former Green Value nursery site and is a memory care and assisted living unit and 42 townhome units that would not be age restricted. Both items will be going to the Planning Commission in late April.

Councilmember Fletcher asked about community notification before the Liberty Village item goes to the Planning Commission.

Planner/Community Development Director Fuhrman stated there has been one community meeting held by the developer. Public Hearing notices will be sent out for both planning and council. Administrator Watson attended the community meeting. He thought there were about ten people there. They had some concerns about drainage. They were generally more receptive to this proposal than the last.

City Engineer Graham reported that at the next council meeting a representative from Ramsey County will be coming to talk about the Rice Street Bridge. Spring road restrictions are still in place. Street sweeping is done. Pothole patching will begin soon, if there are particular potholes of concern let him know. Spring recreation signs ups are going well.

City Administrator Watson reported that Shoreview approved a project at Rice Street and Vadnais Blvd. He also reported that the City has been actively engaged at legislature regarding the White Bear Lake augmentation issue. At the last Council meeting, a resolution was approved asking for deferral of the project until some more studies have been done on the science and that Vadnais Heights be more involved in the process. Staff and Councilmembers have met with several legislators, members of the Governor's staff, DNR representatives, and are attempting to get language in any bill that may be passed in order to protect Vadnais Heights' residents. Information, as well as the Resolution that was passed, can be found on the website.

Councilmember Fletcher reported on meeting with legislators. He is encouraged by the work being done to make sure the City is not negatively impacted. The water quality won't be significantly impacted in Lake Vadnais by this plan.

Councilmember Johnson reported on attending a VHEDC board meeting. He noted their Business Expo is coming up on May 1, 2016 at the Sports Center. There will be many family friendly activities, food, and businesses in attendance. He also mentioned that the White Bear Lake lake level is coming back up, it is very close to its 100 year average. Also attended the research meeting for BR&E project.

Ling Becker, VHEDC Executive Director, spoke about the inaugural North East Community Business Expo being held by the Vadnais Heights Economic Development Corporation and Press Publications. This event is free to members of the public, and will be from 11 am to 4 pm at the Vadnais Sports Center. There will be many family fun activities and entertainment, as well as many area businesses in attendance.

Councilmember Nyblom reported that he would like to see more information on the cost of maintaining the White Bear Lake augmentation plan as it relates to surrounding communities and tax payers. He also hopes to see everyone at the Lions Club Spring Waffle Breakfast on Sunday.

Councilmember Fletcher noted that part of the language that the City is trying to get put into any bill regarding the White Bear Lake augmentation is to protect the residents of Vadnais Heights from having to pay any costs associated with the project.

Councilmember Auge had no report.

Mayor Johannsen reported that he received a letter from Girl Scout troop from Vadnais Heights. He read the letter aloud; they are concerned about the safety of walking and biking to school along Koehler Rd and would like a sidewalk to be built. He believes it is really neat that they're getting involved with their local government. He will be responding to their letter. He mentioned the City is looking at a trail plan and this section of road should be considered. He also reported on meetings with the legislature, they have been receptive to our concerns. He elaborated on the draft language that the City is requesting to be adopted by legislature. He also encouraged everyone to attend the Waffle Breakfast on Sunday and support Lions.

Upon motion by Auge, the meeting was adjourned at 8:09 p.m.

Respectfully submitted,

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Kevin P. Watson, City Administrator

ATTEST:

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Marc A. Johannsen, Mayor