

## OFFICIAL PROCEEDINGS

Pursuant to due call and notice thereof, the regularly scheduled meeting of the Spring Lake Park City Council was held on November 21, 2016 at the Spring Lake Park Community Center, 1301 81st Avenue N.E., at 7:00 P.M.

### 1. Call to Order

Mayor Hansen called the meeting to order at 7:00 P.M.

### 2. Roll Call

Members Present: Councilmembers Nash, Nelson, Wendling and Mayor Hansen

Members Absent: None

Staff Present: Building Official Brainard; Public Works Director Randall; Engineer Gravel; Fire Chief Smith; Liquor Store Manager Hachey; Parks and Recreation Director Rygwall; Administrator Buchholtz and Executive Assistant Gooden

Visitors: Larry Bruncko, 770 Maple Street NE  
Christina Bossany, 770 Maple Street NE  
Barbara Goodboe-Bisschoff, 8309 Monroe Street NE  
Suzanne Bickford, 1095 Manor Drive NE  
James Misuraca, 1075 Manor Drive  
Vicki Crofton, 840 Lund Ave NE  
Jeff and Kathy Bernhagen, 889 Manor Drive NE  
Jeannie Hutchinson, 107 Victoria Street, St. Paul  
Jill Meyer, 813 83<sup>rd</sup> Avenue NE  
Jodi Lowinske, 4812 108<sup>th</sup> Avenue NE, Blaine  
Sondra, Sara and Samantha Hilbrands, 7805 Van Buren Street NE  
Brian and Jamie Hilbrands, 8365 Able Street NE  
Robert Roerig, 8365 Able Street NE  
Bob and Cindy Bushey, 912 Dee Place NE  
John Evans, 7701 Lakeview Lane NE  
Olivia Alveshere, ABC Newspapers  
Owen Metz, Dominum Development  
Tammy Omdal, Northland Securities  
Marilee Moerke-Green

### 3. Pledge of Allegiance

### 4. Additions or Corrections to Agenda

Administrator Buchholtz asked that Item 6I, Contractor's Request for Payment No. 3/ Final, be added to the agenda. He noted that an updated copy of Exhibit A for Items 12B and 12C, Resolution 16-34 Certifying Delinquent Accounts – Anoka County and Resolution 16-35 Certifying Delinquent Accounts-Ramsey County, had been distributed to the Council.

5. Discussion From The Floor

Barbara Goodboe-Bisschoff, 8309 Monroe Street NE, stated that she wished to express her concerns with Item 11, Establishment of Development District No. 6, the Establishment of TIF District No. 6-1 and the Adoption of the Development Program and TIF Plan, she stated that she is speaking against the item. She stated that the proposed development will increase flooding in the area, increase sewage, negatively impact housing values and will cause new resident problems. She stated that she feels the ownership and funding facts have not been clear to the residents.

Ms. Bisschoff stated that she would have liked to see the question of funding this project on the ballot this past election.

Suzanne Bickford, 1095 Manor Drive NE, reported that she has been made aware of a series of vehicles being vandalized in the area. She advised everyone to be warned and cautious.

Christina Bossany, 770 Maple Street NE, inquired if children will be allowed in the proposed Dominion development or if it will be an adults only building. She also inquired as to how this proposed development will affect residents taxes.

6. Consent Agenda:

Mayor Hansen reviewed the following Consent Agenda items:

- A. Approval of Minutes – November 7, 2016 and November 14, 2016
- B. Disbursements
  - 1. General Fund Disbursement Claim No. 16-19 -- \$273,723.46
  - 2. Liquor Fund Disbursement Claim No. 16-20 -- \$164,629.64
- C. Budget to Date/Statement of Fund Balance
- D. Approval of SafeAssure Contract
- E. Approval of Resolution 16-32 Calling for Public Hearing for Housing Program and Issuance of Revenue Bonds
- F. Contractor's Licenses
- G. Sign Permit
- H. Correspondence
- I. Contractor's Request for Payment No. 3– Hydro-Klean, LLC

MOTION BY COUNCILMEMBER NASH APPROVING THE CONSENT AGENDA. ROLL CALL VOTE: ALL AYES. MOTION CARRIED.

7. PresentationA. Jeanne Mason Proclamation

Mayor Hansen welcomed the family of former Councilmember Jeanne Mason and read a proclamation from Governor Dayton acknowledging for her contributions to the City of Spring Lake Park and her dedication to several other organizations and committees. Governor Dayton proclaimed November 21, 2016 as "Councilmember Jeanne Mason Day" in the State of Minnesota.

B. Fire Department Update

Fire Chief Smith provided the Council with an update of the Fire Department. He reported that there has been some reorganization and restructuring of personnel as well as a promotion. He stated that the 2017 Budget for the Fire Department has been reviewed and the total share for the cost of services provided to the City of Spring Lake Park is \$207,450.

Chief Smith reviewed the projects that the Fire Department has been working on since he became Fire Chief and shared significant incidents that the Department answered for provided assistance. He reported one structural fire for the City of Spring Lake Park and 55 calls within the last six months.

8. Police Report

Police Chief Ebeltoft reviewed the October 2016 department statistics.

Chief Ebeltoft's report stated that the Police Department responded to five hundred two calls for service for the month of October 2016 compared to four hundred one calls for service in October 2015.

Chief Ebeltoft reminded residents of the city-parking ordinance that prohibits the parking of vehicles on the local roadways from November 1, 2016 through March 21, 2017 from 2:00 AM to 8:00 AM.

Chief Ebeltoft reported, in addition to addressing the day-to-day operations of the Department, he attended numerous meetings throughout the month representing Spring Lake Park Police Department and the City of Spring Lake Park.

Chief Ebeltoft reported that he attended the International Association of Chiefs of Police Conference held in San Diego, CA. He thanked the Council for the opportunity to attend the conference, as he was able to attend many beneficial training sessions.

9. Parks and Recreation Report

Parks and Recreation Director Rygwall reported that the Parks and Recreation Commission met and discussed improvements for Triangle Park; the creation of a naming policy for park facilities and reviewed the website and suggested changes for the website.

Ms. Rygwall reported that she applied to the Minnesota Department of Natural Resources for the aerator permit for Spring Lake. She stated that staff is busy preparing for winter and spring programs.

Ms. Rygwall provided an update on the classes offered in October and stated that the 2017 travel show was very well attended. She stated that the school programs that are offered when students are not in school remain very popular.

10. Liquor Report

Liquor Store Manager Hachey reviewed the improvements that have been made to the liquor store with the new management. He reported that coolers have been reset and rearrangement of the inventory has taken place. He stated that transaction sales have gone up approximately \$1.50 per transaction and overall sales figures are improving. He reported that staff has been very supportive of the new changes.

Councilmember Nelson stated that he has noticed how happy and helpful the employees have been when he has spoken to them.

### 11. Public Hearing

#### A. Establishment of Development District No. 6, the Establishment of TIF District No. 6-1 and the Adoption of the Development Program and TIF Plan

Mayor Hansen opened the public hearing at 7:40 PM to consider the Establishment District No. 6, the Establishment of TIF District No. 6-1 and the Adoption of the Development Program and TIF Plan.

Tammy Omdal, Northland Securities, explained that the City of Spring Lake Park has received a proposal from Dominion Development and Acquisitions for tax increment financing assistance for the proposed development of Spring Lake Park Senior Apartments by Spring Lake Park Leased Housing Associates I, LLLP. She stated that Dominion will agree to least 100% of the units to persons with incomes at or below 60% of the county median income. She stated that the project is estimated to cost \$44.8 million and the request for the tax increment-financing assistance is to assist with the affordability of the Project.

Ms. Omdal explained that due to the extraordinary costs associated with the acquisition and development of the Project, the Developer is seeking tax increment financing in the form of a pay-go \$3,270,000 Tax Increment Financing (TIF) Note. She reported that the proposed plan for the TIF District retains 100% of the increased local property taxes (the tax increment) from the property within the TIF District to pay for project costs. She stated that the Plan for the TIF District provides that the City retain 5% of the tax increment to reimburse the City for the cost of administrating the TIF District and the remaining 95% of the tax increment will be available for payment on the TIF Note.

Ms. Omdal stated that the Plan for the TIF District elects the first year of tax increment collection to be no earlier than year 2020 in order to maximize the amount of tax increment available over the duration of the TIF District. She stated the maximum term of the TIF District is set to be 20 years of tax increment collection, with an estimated decertification date of December 31, 2039.

Councilmember Nelson inquired that if the City creates a TIF District there would be no increase in property taxes and that over time, the tax base will grow, resulting in lower taxes. Ms. Omdal confirmed.

Administrator Buchholtz stated that within the TIF language there is reference to bonds however they are not general obligation bonds. There is no obligation to pay more to the Developer than what is collected annually.

Owen Metz, Dominion Development, informed the Council and residents that the proposed development will house any person over the age of 55. He reported that less than 4 percent of the residents, in the apartment complexes Dominion has developed, were under the age of 55. Regarding stormwater, Metz stated that he feels the development will actually slow down the flow of water into the storm water system since much of the stormwater passing through the development will need to pass through a filtration system.

Administrator Buchholtz inquired to Attorney Thames if only certain items can be referenced on a ballot for voters to vote on. Attorney Thames agreed and stated that the Dominion Development request for tax increment financing would not be an item that could have been place on the ballot.

Vicky Crofton, 840 Lund Avenue NE, inquired as to what will be done with the increased traffic flow from Able Street and is there a plan in place to redirect traffic. Councilmember Nelson stated that most the parking

will take place in front of the building or underground so there should not all not much traffic turning from Able Street. He stated that traffic will also be taking the service road around to get in and out of the building.

John Evans, 7701 Lakeview Lane NE, inquired if there has been consideration to reconnect the County Highway 10 Service Drive to Able Street. Engineer Gravel stated that access from the frontage road to Highway 10 was part of the Able Street improvements in the past and he stated that Anoka County is not willing to allow additional access on Highway 10.

Mr. Gravel commented that the traffic issues will be addressed at the time of the plan and site review. He stated that a traffic analysis will need to be done. He stated that primary findings showing that if the property stayed zoned commercial and a business opened on the property, more traffic would be generated than what is predicted with the senior housing proposal.

Mr. Evans inquired as to why the property on Osborne Road was not chosen for a senior development as the site on Osborne Road was envisioned for senior housing. Mayor Hansen commented that the Osborne Road property is not for sale at this time and it owned by another entity. Administrator Buchholtz added that it is beyond the scope of the City to tell a developer or a business where to place their business.

Mr. Evans inquired if there is a need for senior housing in the community. Administrator Buchholtz reported that he has been in contact with the local senior housing community and waiting lists exist at all the facilities. He stated that it is unknown of who is on the waitlist and whether or not they are current residents of Spring Lake Park. Mr. Metz commented that all Dominion properties have waiting lists in other communities.

Mr. Evans inquired as to why potential residents would be interested in a three-bedroom apartment when most older residents are looking to downsize into smaller living spaces. Mr. Metz reported that in many circumstances, Dominion has found that residents are using a third bedroom as a formal dining space.

Suzanne Bickford, 1095 Manor Drive NE, stated that she is very concerned about the residents that will move into the building and is worried that there could be possibility of younger children. She expressed her concerns with the increased traffic that she anticipates will be created with this new development.

Ms. Bickford inquired as to how many people will be living in each unit and if there will be a limit. Mr. Metz stated that there is an occupancy limit but in most circumstances it is single persons living in the apartments.

Councilmember Nelson reminded residents that the City has an ordinance in place for rental properties. He stated that the property is allowed three strikes against it and if there is trouble or many police calls, the rental license is cancelled. He stated that the City is prepared to handle rental situations. Building Official Brainard added that inspections of the common areas will be done annually and individual unit inspections will be conducted every two years.

Administrator Buchholtz added that the Certificate of Occupancy will not be issued until all the conditions of the Planned Unit Development (PUD application are completed.

Bob Bushey, 912 Dee Place NE, inquired about the traffic concerns and felt they are not being addressed. He inquired if there will be a procedure in place to discuss the concerns. Administrator Buchholtz reported that the Public hearing on the PUD will take place on November 28, 2016 and details of the proposal will be discussed as well as an analysis of the plans affecting the area and engineering reports. He stated it is open to all residents.

Mr. Evans inquired about the risk to the City by entering into a TIF agreement, citing California's decision to repeal their TIF statute. Administrator Buchholtz explained that a pay-go TIF places the risk onto the property owner as the City is only obligated to pay what it collects in increment.

Mayor Hansen asked for any additional public comments. Hearing none, Mayor Hansen closed the public hearing at 8:50 PM.

## 12. Ordinances and/or Resolutions

### A. Resolution 16-33 Approving TIF District 6-1

MOTION MADE BY MAYOR HANSEN TO APPROVE RESOLUTION 16-33 APPROVING TIF DISTRICT 6-1. ROLL CALL VOTE: ALL AYES. MOTION CARRIED.

### B. Resolution 16-34 Certifying Delinquent Accounts – Anoka County

Administrator Buchholtz presented the list of properties that will be certified to the County Assessors Offices for collection with their 2017 property taxes. He stated the delinquent amounts are a combination of delinquent utilities, service or citation fees and administrative fees.

MOTION MADE BY MAYOR HANSEN TO APPROVE RESOLUTION 16-34 CERTIFYING DELINQUENT ACCOUNTS – ANOKA COUNTY. ROLL CALL VOTE. ALL AYES. MOTION CARRIED.

### C. Resolution 16-35 Certifying Delinquent Accounts – Ramsey County

MOTION MADE BY MAYOR HANSEN TO APPROVE RESOLUTION 16-35 CERTIFYING DELINQUENT ACCOUNTS – RAMSEY COUNTY. ROLL CALL VOTE. ALL AYES. MOTION CARRIED.

### D. Resolution 16-36 Establishing Water and Sewer Rates for 2017

MOTION MADE BY COUNCILMEMBER NASH TO APPROVE RESOLUTION 16-36 ESTABLISHING WATER AND SEWER RATES FOR 2017. ROLL CALL VOTE: ALL AYES. MOTION CARRIED.

## 13. New Business

### A. Public Utilities Budget

Administrator Buchholtz presented the proposed balanced Public Utilities budget to the Council. He reported that the proposed 2017 budget is 1.75% or \$25,000 lower than the 2016 budget. He stated that much of the decrease in expenditures is the result of shifting seasonal employee costs from the Public Utilities budget to the General Fund budget.

Administrator Buchholtz stated that there are some headwinds facing the 2017 Public Utilities budget. He reported that 2016 revenues are not meeting budget targets set in late 2015 due to a decline in water sales. He stated this will likely result in an operating deficit of approximately \$70,000 for the Public Utility Department for 2016.

Administrator Buchholtz reported that water sales have declined in part due to conservation measures put in place by the State of Minnesota. He stated that total water pumped by the City has dropped 14.6% between 2012 and 2015, when the conservation rates were implemented. He explained that water sales have generally correlated with the declined in the amount of water pumped.

Administrator Buchholtz reported that in addition to the decline in waters sales, the City's sanitary sewer treatment costs have grown. He explained that in 2012, the City paid \$392,060 in sanitary sewer charges to the Metropolitan Council Environmental Services and in 2017, that fee is expected to grow to \$499,128 an increase of 27.3% from 2012. He stated that this is despite the fact that the City's sanitary sewer flows have decreased from 211.15 million gallons in 2012 to 200.88 million gallons in 2016, a decrease of 4.9%.

Administrator Buchholtz stated that if rates and water sales were to remain the same as they were in 2016, the Public Utilities budget would show a deficit of \$45,000. He presented the new water and sewer rates to the Council and informed them that the water increase to residents would be \$.97/month and the sewer increase would be an increase of \$1.66/month.

Administrator Buchholtz stated that the monthly bill for those utilizing 18,000 gallons per quarter would increase from \$39.40/month to \$42.03/month. He stated that this proposed rate is still less than the median water/sewer bill for the cities who participated in the AE2S 2016 North Central Utility Rate Survey for the Metro Area.

Administrator Buchholtz added that the hope is with the addition of the proposed senior housing development, a proposed new soda bottling operation and the addition of new commercial businesses, revenues will stabilize. He stated that in addition, staff believes that the continued investment in lining the City's sanitary sewer collection system will reduce the amount of groundwater entering the system, thereby reducing treatment costs.

MOTION MADE COUNCILMEMBER NELSON TO APPROVE 2017 PUBLIC UTILITIES BUDGET.  
ROLL CALL VOTE: ALL AYES. MOTION CARRIED.

#### B. Liquor Store Budget

Liquor Store Manager Hachey presented the proposed 2017 Liquor Store budget. He reported that he proposed budget is anticipating revenues of \$2,531,462.00 and expenditures of \$2,515,508.00. He stated that expenditures include the transfer of \$75,000 from the Liquor Store to the General Fund as well as \$65,000 in capital outlay.

He reported that the proposed capital outlay projects for 2017 include the following:

- New store shelving \$17,000
- Replacement of cooler access and backroom doors \$ 6,000
- New alarm system \$ 4,000
- Interior and exterior lighting conversion to LED \$ 7,000
- Construction/redesign of entry, registers and new storage area \$25,000
- New camera system \$23,000
- New cigar merchandiser \$ 6,000

Mr. Hachey reported that the Liquor Commission reviewed the proposed budget at its October 24, 2016 meeting and recommended approval of the proposed budget.

Councilmember Wendling inquired as to when in the year the larger cash outlays would be take place. Mr. Hachey stated that for more efficiency in the store, shelving would be a high priority early in the year but the construction and redesigning plans are in the early stages and would not take place until midyear.

Councilmember Wendling added that the entryway redesign would be large improvement for the store and help with the incoming traffic flow into the store.

MOTION MADE COUNCILMEMBER NELSON TO APPROVE 2017 LIQUOR STORE BUDGET.  
ROLL CALL VOTE: ALL AYES. MOTION CARRIED.

14. Engineer's Report

Engineer Gravel had no new items report.

15. Attorney's Report – None

16. Reports

Councilmember Nelson thanked the residents of Spring Lake Park for reelecting him to the City Council.

Mayor Hansen congratulated and wished the Spring Lake Park Panthers football team good luck at the state championship.

17. Other

A. Administrator Report

Administrator Buchholtz reminded residents that application for the vacant Council seat are due on Monday, November 28, 2016 at 4:00 PM.

14. Adjourn

MOTION BY COUNCILMEMBER NASH TO ADJOURN. VOICE VOTE: ALL AYES. MOTION CARRIED.

The meeting was adjourned at 9:18 PM.

  
Cindy Hansen, Mayor

Attest:

  
Daniel R. Buchholtz, Administrator, Clerk/Treasurer