

## COON RAPIDS CITY COUNCIL MEETING MINUTES OF MAY 3, 2011

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### OPEN MIC/PUBLIC COMMENT

Marlin Henning, 2030 127<sup>th</sup> Avenue NW, stated the boulevard areas along Shenandoah Boulevard have not been restored since the reconstruction of the road. Mr. Henning asked if this area was scheduled to be restored.

Alan Williams, 10740 Yellow Pine Street NW, stated the number of solar panels on the Home for Generations property on 109<sup>th</sup> would generate a minimum amount of energy and requested Council review the expenditure versus the benefit.

### CALL TO ORDER

The first regular meeting of the Coon Rapids City Council for the month of May was called to order by Mayor Tim Howe at 7:10 p.m. on Tuesday, May 3, 2011, in the Council Chambers.

### ROLL CALL

Members Present: Mayor Tim Howe, Councilmembers Denise Klint, Melissa Larson, Paul Johnson, Joe Sidoti, Bruce Sanders and Scott Schulte

Members Absent: None

### PLEDGE OF ALLEGIANCE TO THE FLAG

#### 1. ADOPT AGENDA

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MOTION BY COUNCILMEMBER SIDOTI, SECONDED BY COUNCILMEMBER SANDERS, TO ADOPT THE AGENDA AS PRESENTED. THE MOTION PASSED UNANIMOUSLY.

#### 2. PROCLAMATION FOR VOLUNTEER RECOGNITION WEEK

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Mayor Howe read a proclamation declaring the week of April 18, 2011, to be Volunteer Recognition Week. He thanked the many volunteers for their service, as the community has been greatly enriched. The Golden Tones accepted the Proclamation on behalf of the volunteers, and were introduced to the Council. Mayor Howe thanked the Golden Tones for their service to the community.

#### 3. CONSIDER APPROVAL OF MINUTES OF APRIL 19, 2011, REGULAR MEETING:

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MOTION BY COUNCILMEMBER SANDERS, SECONDED BY COUNCILMEMBER JOHNSON, FOR APPROVAL OF THE MINUTES OF THE APRIL 19, 2011, COUNCIL MEETING. THE MOTION PASSED UNANIMOUSLY.

4. CONSENT AGENDA:
    - A. CONSIDER WAIVER OF CARNIVAL LICENSE FEE FOR GOLD STAR AMUSEMENTS, INC. AT EPIPHANY SPRINGFEST
    - B. CONSIDER RESOLUTION 11-57 ESTABLISHING THE POSITION OF MERCHANDISER FOR BUNKER HILLS GOLF CLUB
    - C. CONSIDER RESOLUTION 11-54 TO SUPPORT AND ENDORSE A COUNTYWIDE INTEGRATED PUBLIC SAFETY INFORMATION SYSTEM THROUGH THE ANOKA COUNTY JOINT LAW ENFORCEMENT COUNCIL (JLEC)
    - D. AUTHORIZE FINAL PAYMENT, PROJECT 09-6, STREET RECONSTRUCTION – SPRINGBROOK DRIVE
    - E. CONSIDER RESOLUTION 11-56 ACCEPTING A DONATION FROM THE MENS CLUB TOWARDS THE PURCHASE OF HALL OF FAME PLAQUES AT BUNKER HILLS GOLF CLUB
    - F. INFORMATIONAL ITEM:
      1. CORRECTION OF AREA MAPS FOR 2011 SANITARY SEWER LINING PROJECT, PROJECT 10-29
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MOTION BY COUNCILMEMBER SCHULTE, SECONDED BY COUNCILMEMBER JOHNSON, FOR APPROVAL OF THE CONSENT AGENDA AS PRESENTED.

Councilmember Johnson thanked the Joint Law Enforcement Council and County Attorney Polumbo for their service to the City. He indicated the cooperation between the City and Anoka County was a great asset to the community.

County Attorney Palumbo addressed the Council and provided further information on the collaboration efforts that would be taking place between the 11 law enforcement agencies in Anoka County. He indicated the Joint Law Enforcement Council was proposing a public safety data system that would be shared by all agencies along with the 15 fire departments. This system would increase efficiencies for each agency while reducing the error rates. He was thankful for the City's endorsement.

Councilmember Sanders explained there was great value to the proposed system and was encouraged by the cooperation of the agencies, adding he felt that Anoka County was ahead of the curve on this issue. City Attorney Palumbo agreed that Anoka County was a frontrunner on this collaboration.

THE MOTION PASSED UNANIMOUSLY.

5. OPEN MIC REPORTS:
    - A. ALAN WILLIAMS, 10744 YELLOW PINE STREET NW RE: SOLAR PANELS AT HOME FOR GENERATIONS REMODEL PROJECT
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Neighborhood Coordinator Kristin DeGrande presented a memorandum to Council stating Mr. Williams expressed concerns about the return on investment of solar panels on a Home for Generations house.

During the April 19<sup>th</sup> Council meeting, Mr. Williams questioned the use of solar panels on the Home for Generations house at 537 109<sup>th</sup> Avenue NW. The Home for Generations program is a demonstration project aimed at current homeowners and potential homebuyers in Coon Rapids. As a demonstration project, the City highlights new remodeling ideas and concepts that educate and motivate residents to make similar improvements to their own homes.

During the planning phase, it was decided the house on 109<sup>th</sup> Avenue NW would be remodeled using green and sustainable techniques, products and technologies. The scope of work includes the solar panels as a demonstration project. A solar panel was shown at the mid-construction open house in March, and generated lots of interest. The panels selected are a four-panel array with a project cost of approximately \$6,200 that shows residents what the current technology looks like. Given that the cost of electricity is expected to double in the next five years, they appeal to those homeowners who are interested in reducing their carbon footprint and long term energy costs. The use of solar energy for this project was not meant to produce all of the electric needs of this home.

At the final open houses information will be made available about Xcel's attractive rebate program for subsidizing solar energy. It is anticipated that business owners who live in Coon Rapids may also attend these open houses and express interest in the installation of solar panels at their own businesses where payback terms are much shorter. On May 3<sup>rd</sup>, 2011, the HRA will be meeting in closed session to consider an offer to purchase the home and modify the scope of the project. If the HRA accepts the offer, the Council will be updated on changes to the scope of the project.

Mayor Howe also noted the topic of solar panels was discussed at the recent Green Expo, and that the Home for Generations concept is to outline ideas and alternatives for people to consider.

6. ECONOMIC DEVELOPMENT ASSISTANCE FOR RMS COMPANY, 8600 EVERGREEN BOULEVARD:
    - A. PUBLIC HEARING, 7:00 P.M.
    - B. CONTINUE PUBLIC HEARING TO MAY 17, 2011
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Community Development Specialist Brown presented a memorandum requesting the Council authorize the Economic Development Authority to expend excess tax increment funds as authorized by the State of Minnesota's 2010 Jobs Bill, to provide economic development assistance to RMS Company.

RMS Company proposes an expansion project that involves creating a significant number of manufacturing jobs. A public hearing notice was published for the May 3<sup>rd</sup> meeting regarding expenditure of excess tax increments for economic development assistance. However, the scope of

RMS' project has been modified slightly and its cost may change. Because the project's scope will be solidified within approximately the next week, staff requests that Council postpone consideration of the assistance package until its May 17th meeting. Council was asked to open a public hearing and continue it until May 17th.

Mayor Howe opened the public hearing at 7:30 p.m.

MOTION BY COUNCILMEMBER SCHULTE, SECONDED BY COUNCILMEMBER SANDERS, TO CONTINUE THE PUBLIC HEARING UNTIL MAY 17, 2011. THE MOTION PASSED UNANIMOUSLY.

7. CONSIDER RESOLUTION AWARDING CONTRACT, WATERMAIN LINING ON XEON STREET NW SOUTH OF 121<sup>ST</sup> AVENUE NW, PROJECT 11-6

City Engineer Vierzba presented a memorandum to Council stating the existing watermain pipe on Xeon Street NW south of 121<sup>st</sup> Avenue NW has been a maintenance problem for the past few years. The City's consulting engineer, SEH, Inc., has prepared plans and specifications for lining this portion of watermain.

The existing watermain on Xeon Street NW was installed 33 years ago and there has recently been a problem with small holes developing in the pipe requiring excavation and repair, and requiring watermain shut-downs, affecting many residents. Rick Bednar, Utility Operations Supervisor, learned of a new method of watermain lining at a recent conference and feels this is a very good location to use the new lining procedure for repair. Xeon Street NW is a collector street that is being scheduled for repaving in 2011. It makes good sense to repair the watermain prior to repaving the street surface. Council ordered preparation of plans on December 21, 2010 and approved the plans on April 5, 2011. The watermain work is expected to be done in early June so the street work can be done in July-August.

Staff reviewed the following bids received with the Council:

Insituform Technologies	\$148,600
Fer-Pal Construction	\$157,500
Michaels Corporation	\$401,512
Engineer's Estimate	\$221,360

The City Water Utility fund would fund this project.

MOTION BY COUNCILMEMBER LARSON, SECONDED BY COUNCILMEMBER SCHULTE, TO ADOPT RESOLUTION NO. 11-6(9), AWARDING THE CONTRACT TO INSITUFORM TECHNOLOGIES FOR THE WATERMAIN LINING ON XEON STREET NW SOUTH OF 121<sup>ST</sup> AVENUE NW IN THE AMOUNT OF \$148,600.

Councilmember Sanders noted the engineers estimate was \$221,000 for this project and he felt the City was receiving a great value through the low bidder.

THE MOTION PASSED UNANIMOUSLY.

8. APPROVE SITE LEASE AGREEMENT WITH NEW CINGULAR WIRELESS PCS, LLC FOR SPACE ON THE FOLEY BOULEVARD WATER TOWER, 11316 FOLEY BOULEVARD

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City Attorney Hiljus presented a memorandum to Council stating New Cingular Wireless (AT&T) has proposed to lease space on the Foley Boulevard water tower for the purpose of placing antennae for wireless service and associated facilities. The City Council conducted a public hearing April 5, 2011 and approved a commercial use antenna subject to Council approval of the lease.

The lease with Cingular Wireless is for a five-year term with options to renew for up to three additional five-year terms. The rent for the first year is \$24,100. The rent will increase by five percent per year for the term of the lease. In addition, Cingular Wireless agrees to pay for an interference study and an engineering study to ensure that Cingular's operations do not conflict with other cellular providers. Cingular Wireless will also pay any taxes levied as a result of the lease.

The City is conducting a study of the City water system. One of the recommendations of the study may be to remove the Foley water tower at some point prior to the expiration of the lease. Paragraph 11.a.iv. provides that the City may terminate the lease on 90 days notice if the City Council decides "to redevelop the property in a manner inconsistent with continued use of the Leased Premises by Tenant and/or discontinue use of the Structure for all purposes".

Mayor Howe explained the City charges for antenna space on the water towers. These leases are negotiated with each tenant and the rent would increase by five percent each year during the term of the lease.

Councilmember Schulte added that Council is currently discussing the future of the Foley Boulevard water tower. If the Council determined this water tower was no longer needed, cancellation terms were written into the contract.

MOTION BY COUNCILMEMBER SCHULTE, SECONDED BY COUNCILMEMBER SIDOTI, TO APPROVE A SITE LEASE AGREEMENT WITH NEW CINGULAR WIRELESS PCS, LLC, A DELAWARE CORPORATION, FOR SPACE ON THE FOLEY BOULEVARD WATER TOWER, 11316 FOLEY BOULEVARD. THE MOTION PASSED UNANIMOUSLY.

9. PROPOSED STREET RECONSTRUCTION, COLLECTOR STREET, 121<sup>ST</sup> AVENUE NW WEST OF HANSON BOULEVARD, PROJECT 11-2:  
A. RESOLUTION ACCEPTING FEASIBILITY REPORT AND ORDERING PUBLIC HEARING FOR JUNE 7, 2011

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B. RESOLUTION DECLARING THE COST TO BE ASSESSED  
C. RESOLUTION SETTING ASSESSMENT HEARING DATE FOR JUNE 7, 2011

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City Engineer Vierzba presented a memorandum to Council stating the Engineering Division is recommending street reconstruction on 121<sup>st</sup> Avenue NW, west of Hanson Boulevard, in 2011. A feasibility report has been prepared for the proposed project. Council is requested to order a public hearing and assessment hearing to be held on June 7<sup>th</sup>.

121<sup>st</sup> Avenue NW west of Hanson Boulevard is in need of repaving. The westerly portion of the street was built in 1991 and the easterly portion was built in 1984. Council ordered preparation of a feasibility report on January 18, 2011. The project proposes to replace concrete curb that is in poor condition, install ADA compliant pedestrian curb ramps at all intersections, and repave a new bituminous surface. The City's assessment policy provides for assessment of \$1,560 per home for properties with direct access to the street. There are several condo units, apartments, day care, and some townhomes units to be assessed based on front footage at \$19.50 per foot. There are a total of 162 properties to assess for the street improvement. State Aid funds can be used to pay for the balance of the cost. The legal description of the area of benefit is-

- Block 6, Creekside Crossing (Condo No. 57)
- Block 7, Creekside Crossing 2<sup>nd</sup> Addition (Condo No. 57)
- Outlot B, Cardinal Heights Plat 9
- Lorraine Manor
- PIN 10-31-24-42-0004

The total estimated cost of the project is \$360,000. The project is necessary to improve the street from its existing poor condition. The project is cost effective with the use of State Aid construction funds and is feasible to construct.

The City proposes to assess \$47,423 to benefiting properties as part of this project. The remaining cost of \$312,577 will be paid using the City's State Aid construction fund.

MOTION BY COUNCILMEMBER SANDERS, SECONDED BY COUNCILMEMBER LARSON, TO ADOPT RESOLUTION NO. 11-2(4) ACCEPTING THE FEASIBILITY REPORT AND ORDERING A PUBLIC HEARING FOR IMPROVEMENT ON JUNE 7<sup>TH</sup> AT 7:00 PM; RESOLUTION NO. 11-2(10) DECLARING COST TO BE ASSESSED AND ORDERING PREPARATION OF ASSESSMENT ROLL; AND RESOLUTION NO. 11-2(11) SETTING THE ASSESSMENT HEARING FOR JUNE 7<sup>TH</sup> AT 7:00 PM.

Councilmember Johnson thanked City staff for proceeding with the proposed street improvements as this road was in poor condition.

THE MOTION PASSED UNANIMOUSLY.

10. PROPOSED STREET RECONSTRUCTION, COLLECTOR STREET, PHEASANT RIDGE

- DRIVE FROM COON RAPIDS BOULEVARD TO 119<sup>TH</sup> AVENUE NW, PROJECT 11-4:
- A. RESOLUTION ACCEPTING FEASIBILITY REPORT AND ORDERING PUBLIC HEARING FOR JUNE 7, 2011
  - B. RESOLUTION DECLARING THE COST TO BE ASSESSED
  - C. RESOLUTION SETTING ASSESSMENT HEARING DATE FOR JUNE 7, 2011
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City Engineer Vierzba presented a memorandum to Council stating the Engineering Division is recommending street reconstruction on Pheasant Ridge Drive, north of Coon Rapids Boulevard, in 2011. A feasibility report has been prepared for the proposed project.

Pheasant Ridge Drive, a collector street north of Coon Rapids Boulevard, is 33 years old and in need of repaving. The project would include replacement of concrete curb that is in poor condition and repaving a new bituminous surface for a length of 0.60 mile. Council ordered preparation of a feasibility report on January 18, 2011. There are some properties to assess for the street improvement as many townhomes, a commercial center, and U-Haul business have access to the street as well as one single-family home and 4 duplex units. The City's assessment policy provides for assessment of \$1,560 per single-family home and other types of properties are assessed based on front footage along Pheasant Ridge Drive. The rate for residential properties such as townhomes and duplex units is \$19.50 per foot. Commercial properties such as the shopping center and U-Haul are assessed at \$39.00 per foot. There are a total of 24 properties to be assessed and, therefore, a public hearing is needed before Council can order this project. This City street is a State Aid street. Therefore, State Aid funds can be used to pay for costs not recovered through assessments. The legal description of the area of benefit is—

- Lot 2, Block 6, Pheasant Ridge 2<sup>nd</sup> Addition
- Lots 1-3, Block 1, Pheasant Ridge 3<sup>rd</sup> Addition
- PIN 8-31-24-44-0096
- PIN 17-31-24-12-0001
- PIN 17-31-24-14-0002
- Silver Oaks

The total estimated project cost is \$425,000. The project is necessary to improve the street from its existing poor condition. The project is cost effective with the use of State Aid construction funds and is feasible to construct.

The City proposes to assess \$48,847.47 to benefiting properties as part of this project. The remaining cost of \$376,152.53 will be paid using the City's State Aid construction fund.

**MOTION BY COUNCILMEMBER LARSON, SECONDED BY COUNCILMEMBER JOHNSON, TO ADOPT RESOLUTION NO. 11-4(4) ACCEPTING THE FEASIBILITY REPORT AND ORDERING A PUBLIC HEARING FOR IMPROVEMENT ON JUNE 7<sup>TH</sup> AT 7:00 PM; RESOLUTION NO. 11-4(10) DECLARING COST TO BE ASSESSED AND ORDERING PREPARATION OF ASSESSMENT ROLL; AND, RESOLUTION NO. 11-4(11) SETTING THE ASSESSMENT HEARING FOR JUNE 7<sup>TH</sup> AT 7:00 PM.**

Councilmember Johnson again thanked staff for proceeding with the proposed improvements as this road was in poor condition. Councilmember Schulte and Mayor Howe were in agreement.

THE MOTION PASSED UNANIMOUSLY.

11. CONSIDER RESOLUTION 11-53 DEDICATING CITY-OWNED PROPERTY FOR PROPOSED RECONSTRUCTION OF MAIN STREET FROM CRANE STREET NW TO UNIVERSITY AVENUE, PROJECT 09-33

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City Engineer Vierzba presented a memorandum to Council stating the Anoka County Highway Department is planning to reconstruct a portion of Main Street in 2011-2012. They will need easements over portions of City-owned properties as part of the project.

The County needs a resolution approved by the City Council regarding dedication of easements by the City for part of the project approval process to obtain State funding to help pay for this proposed project. The City owns several parcels of land along Main Street. Easements are needed over portions of these parcels as follows-

Parcel No. 4 on south side of Main Street west of the railroad crossing near Avocet Street NW. Easement needed for minor grading for proposed trail.

Parcel No. 5 on south side of Main Street adjacent to Huntington Cove townhomes near Crane Street NW. Easement needed for minor grading for proposed trail.

Parcel No. 22 on south side of Main Street and east side of Foley Boulevard. Easement needed for new sidewalk.

None of these City-owned parcels are planned for any vital improvement in the future and will not be damaged by the County project. Staff sees no problem with the County's plan to utilize portions of these parcels for the road/trail/sidewalk improvements.

The County also needs City permission to utilize existing City easements and right-of-ways within the project area for this project. A letter was shared from the County Engineer giving permission to the County to use the easement areas for the duration of the project.

MOTION BY COUNCILMEMBER SCHULTE, SECONDED BY COUNCILMEMBER JOHNSON, TO ADOPT RESOLUTION NO. 11-53 DEDICATING CITY OWNED PROPERTY FOR PROJECT PURPOSES. THE MOTION PASSED UNANIMOUSLY.

12. APPROVE REGISTERED LAND SURVEY WITH 21<sup>ST</sup> CENTURY BANK AND ANOKA COUNTY, MAIN STREET AND SWALLOW CIRCLE NW, PC 11-9

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Planner Harlicker presented a memorandum to Council stating 21<sup>st</sup> Century Bank and Anoka County are proposing a Registered Land Survey (RLS) that realigns a common lot line between two parcels (Outlot A, Elizabeth Court 5<sup>th</sup> Addition and 12477 Swallow Circle).

In 1998 the City approved the plat for Elizabeth Court 5<sup>th</sup> Addition, which included one of the subject parcels (Outlot A, Elizabeth Court 5<sup>th</sup> Addition). Outlot A was intended to be combined with the adjacent parcel to the west (12477 Swallow Circle) and replatted as two lots. The lots were never platted and Outlot A has remained undeveloped. Outlot A could not be platted on its own because it did not have the required street frontage.

12477 Swallow Circle is an existing lot that could be developed without needing further subdivision. Outlot A is also an existing lot, however, it is an outlot and outlots by definition are not developable parcels. An outlot has to be replatted as a lot or go through the RLS process prior to being developed. This RLS will provide Outlot A with the needed street frontage to be considered a developable lot.

The two parcels have changed ownership since the Outlot A was created. The new owners are asking for approval of an RLS that adjusts a common line between the two parcels creating the following five lots:

Tract A	Main Street
Tract B	Original lot 12477 Swallow Circle
Tract C	Part of Outlot A to be combined with Tract B
Tract D	Part of 12477 Swallow Circle to be combined with Tract E
Tract E	Original Outlot A

Tract B and Tract E have rear yards that abut Main Street. A sound wall is located along the Main Street frontage of both lots.

Neither lot meets the 165 foot minimum lot depth requirement (135 feet + 30 foot buffer because the lots abut Main Street). There is no option available that would provide the required lot depth. Staff feels that the sound wall along Main Street mitigates the need for the extra 30 feet required as a buffer along arterial streets.

The applicant is requesting a variance to the 165 foot minimum lot depth for both lots. The minimum lot depth provided for Tract B is 125 feet and the minimum lot depth provided for Tract E is 106 feet. Subdivision regulations allow for a variance to be granted when compliance would create an unusual hardship to the development of the land. Both lots meet this criterion. They are existing parcels with no opportunity for additional lot depth. In addition, the sound wall along Main Street goes toward mitigating the need for the additional 30 foot buffer.

Since this relief is granted as part of Chapter 11-2200 Subdivision Regulations, and includes findings specific to this Chapter, it is not subject to the more rigorous findings required of a variance

issued under Chapter 11-335.

Both lots meet the 80 foot lot width requirement and 10, 800 square foot lot size requirement. Tract B is 102 feet wide and 17,364 square feet; Tract E is 80 feet wide and 11,232 square feet. Tract E, once it is combined with Tract D, will have 25 feet of frontage on Swallow Circle; Tract A has 50 feet of frontage.

Neither lot will have access from Main Street; both will have access from Swallow Circle. There is a driveway access easement along the west property line of Tract B. The easement provides access to the lot to the west.

There is an existing drainage and utility easement along Swallow Circle on Tract B. The City Engineer has reviewed the RLS; no additional drainage or utility easements are needed.

Park dedication for the two parcels was not collected when the lots were created. Park dedication fees in the amount of \$2,000 per lot will be due prior to releasing the RLS for recording.

At the April 21<sup>st</sup> Planning Commission meeting, no one spoke at the public hearing. The Commission voted 6:0 to recommend approval of the proposed RLS and the lot depth variance.

**MOTION BY COUNCILMEMBER SANDERS, SECONDED BY COUNCILMEMBER SIDOTI, TO APPROVE THE PROPOSED SUBDIVISION WITH THE FOLLOWING CONDITIONS:**

1. COMPLIANCE WITH TITLE 11, CITY CODE OF COON RAPIDS.
2. PARK DEDICATION FEES IN THE AMOUNT OF \$2,000 PER LOT MUST BE PAID PRIOR TO RELEASING RLS FOR RECORDING.
3. TRACT C BE COMBINED WITH TRACT B AND TRACT D BE COMBINED WITH TRACT E.
4. ALL ANOKA COUNTY HIGHWAY DEPARTMENT COMMENTS MUST BE ADDRESSED.

**STAFF ALSO RECOMMENDS APPROVAL OF A VARIANCE TO THE 165 FOOT LOT DEPTH REQUIREMENT. COMPLIANCE WITH THE LOT DEPTH REQUIREMENT WOULD CREATE AN UNUSUAL HARDSHIP BECAUSE BOTH ARE EXISTING LOTS WITH NO OPPORTUNITY FOR ADDITIONAL LOT DEPTH AND BASED ON THE FOLLOWING FINDINGS:**

- (A) THE INTENT OF THIS CHAPTER IS MET;
- (B) THE GRANTING OF THE VARIANCE WILL NOT BE DETRIMENTAL TO THE PUBLIC SAFETY, HEALTH OR WELFARE, OR INJURIOUS TO OTHER PROPERTY OR IMPROVEMENTS IN THE NEIGHBORHOOD IN WHICH THE PROPERTY IS LOCATED.
- (C) THE CONDITIONS UPON WHICH THE REQUEST FOR A VARIANCE IS BASED ARE UNIQUE TO THE PROPERTY FOR WHICH THE VARIANCE IS SOUGHT AND ARE GENERALLY NOT APPLICABLE TO OTHER

- PROPERTY;
- (D) THE LITERAL INTERPRETATION OF THE PROVISIONS OF THIS CHAPTER WOULD DEPRIVE THE APPLICANT OF RIGHTS COMMONLY ENJOYED BY OTHER PROPERTIES IN THE SAME ZONING DISTRICT;
  - (E) THE SPECIAL CONDITIONS AND CIRCUMSTANCES DO NOT RESULT FROM THE ACTIONS OF THE APPLICANT; AND
  - (F) BECAUSE OF THE PARTICULAR NATURAL SURROUNDINGS, SHAPE, OR TOPOGRAPHICAL CONDITIONS OF THE SPECIFIC PROPERTY INVOLVED, UNUSUAL HARDSHIP TO THE OWNER WOULD RESULT, AS DISTINGUISHED FROM A MERE INCONVENIENCE, IF THE STRICT LETTER OF THESE REGULATIONS WERE CARRIED OUT.

THE MOTION PASSED UNANIMOUSLY.

13. CONSIDER RESOLUTION 11-41 APPROVING A COMPREHENSIVE PLAN AMENDMENT FROM MODERATE DENSITY RESIDENTIAL TO LOW DENSITY RESIDENTIAL, 9095, 9085, 9065 AND 9055 EAST RIVER ROAD, PC 11-13

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Planner Harlicker presented a memorandum to Council stating the City is requesting approval of a Comprehensive Land Use Plan Amendment from Moderate Density Residential to Low Density Residential.

In 2009 the City Council adopted its 2030 Comprehensive Land Use Plan, which guides future land use policies and decisions. The subject property consists of six lots and totals 1.7 acres. There are three single family homes the site. On the previous plan the property had a land use designation of *Low Density Residential*; the current plan changed the land use designation to *Moderate Density Residential*. The *Low Density Residential* designation is primarily residential with single family homes. The *Moderate Density Residential* designation is primarily residential with attached housing at a density of four to seven units per acre.

At the December 21<sup>st</sup> City Council meeting, the Council denied a rezoning request to change the zoning from *Low Density Residential 2* to *Moderate Density Residential*. The City Council did not feel that *Moderate Density Residential* was the appropriate use for the property. Because of the proximity to adjacent single family homes and the impact of additional traffic on East River Road, the property should be guided *Low Density Residential*.

State statute requires the zoning of a parcel be consistent with its land use designation. The proposed land use amendment to *Low Density Residential* would make the land use designation and zoning consistent.

At the April 21<sup>st</sup> Planning Commission meeting, no one spoke at the public hearing. The Commission voted 4:2 to recommend denial of the proposed land use amendment. The majority believed that the current land use designation of *Moderate Density Residential* was appropriate

because the properties served as a buffer between the adjacent single family homes and East River Road as well as the industrial property to the north. Moderate density residential development would also encourage limited access on to East River Road.

MOTION BY COUNCILMEMBER SCHULTE, SECONDED BY COUNCILMEMBER KLINT, TO ADOPT RESOLUTION NO. 11-41, APPROVING THE PROPOSED COMPREHENSIVE PLAN AMENDMENT BASED ON THE FOLLOWING FINDINGS:

1. THE PROPOSED COMPREHENSIVE LAND USE AMENDMENT IS COMPATIBLE WITH THE ADJACENT COMPREHENSIVE LAND USE DESIGNATIONS AND LAND USES.
2. THE PROPOSED COMPREHENSIVE LAND USE AMENDMENT WILL NOT HAVE AN ADVERSE IMPACT ON THE ADJACENT PROPERTIES.
3. THE PROPOSED COMPREHENSIVE LAND USE DESIGNATION IS CONSISTENT WITH THE CURRENT REZONING OF LOW DENSITY RESIDENTIAL 2.

Councilmember Sidoti clarified the motion would deny the Planning Commission's recommendation and approve the Council's prior recommendation.

Councilmember Sanders agreed with the Planning Commission's recommendation and would not support the motion.

Mayor Howe noted he would support the motion.

Councilmember Schulte indicated that while traffic may be a concern, every property surrounding these parcels was single family residential. He did not see how moderate density residential would fit with the adjacent property.

THE MOTION PASSED 6-1, COUNCILMEMBER SANDERS OPPOSED.

14. A. CONSIDER RESOLUTION 11-39 ESTABLISHING WATER RATES

Finance Director Legg presented a memorandum to Council stating Staff is recommending that water rates be increased.

The Water Fund is a self-supporting fund as water revenues pay for water related expenses. No taxes are levied for the operation. The fund had a fairly significant loss in 2008, broke even in 2009, and is showing a large loss, \$973,991, for 2010 mainly due to a couple of factors.

First, water consumption is down. The following shows how much water has been pumped over the past few years.

	<b>Pumping</b>	<b>%</b>	<b>Water Sales</b>
2006	3,347 million gallons		\$4,950,619

2007	3,268 million gallons	(2.4)	\$4,820,631
2008	2,969 million gallons	(9.1)	\$4,612,562
2009	3,059 million gallons	3.0	\$4,978,702
2010	2,878 million gallons	(5.9)	\$4,649,373

Second, water main breaks are increasing. The City spent roughly \$624,800 to repair main breaks in 2010. Utilities and chemicals are less than budgeted but personal services and contractual services to repair breaks are higher.

Third, the City has been turning off water at the curb to protect vacant homes. In many cases, it has been found that the curb stop is inoperable and needs to be dug up and repaired. The City took over this responsibility in 2009 and spent about \$60,500 in 2010.

Fourth, water main valve are failing and need replacement. In 2010 the City spent about \$108,800 repairing them.

The City now uses a tiered system for water rates. For 2010, rate increases did not impact the lowest tier but increased the second and third tiers \$.20 per 1,000 gallons. Commercial and industrial users were not impacted other than for their sprinkling meters.

Staff is recommending the following rates to become effective with the June 1 billing:

Residential	Current rate	Proposed rate:
Tier 1 per 1,000 gallons (first 20,000 gallons)	\$ 1.45	\$ 1.60
Tier 2 per 1,000 gallons (20,001 to 80,000 gallons)	1.80	2.00
Tier 3 per 1,000 gallons (80,001 gallons and above)	2.00	2.20
Commercial/industrial users, per 1,000 gallons	1.45	1.60
Sprinkling meters, per 1,000 gallons	2.00	2.20
Service charge per account	7.75	8.00

If this rate increase is approved, assuming similar usage as in 2010, revenues should increase by about \$250,000. Obviously, if we have another year with many water breaks and curb stop repairs coupled with low water sales, this fund is going to again lose money. Staff is reviewing all of the expenditures to reduce them or achieve savings through more competitive bidding, but the age of the system is causing much higher maintenance expenditures.

Water rates were increased in 2007, 2009 and 2010 effective with the April 1 billing. If this rate increase is adopted, it would take affect with the June 1 billing.

A summary of water rates for other cities was shared as well as the 2011 Budget for the Water Fund.

Mayor Howe requested this item be tabled for discussion at a future meeting as he did not feel water rates should be raised until the issue could be further reviewed by staff and discussed by the Council. City Manager Fulton indicated staff could bring the item to a work session for the Council to review in detail and suggested scheduling a work session for May 10<sup>th</sup>.

MOTION BY COUNCILMEMBER SCHULTE, SECONDED BY COUNCILMEMBER JOHNSON, TO TABLE ACTION ON THE WATER RATES TO A FUTURE WORK SESSION. THE MOTION PASSED UNANIMOUSLY.

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B. CONSIDER RESOLUTION 11-40 ESTABLISHING SEWER RATES

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Finance Director Legg presented a memorandum to Council stating staff is recommending that sewer rates be increased.

Presently, the City bills for sewer on a flat rate basis for residential properties. Therefore, no matter how much or little water a family puts into the sewer, all single family residents will be billed the same amount, except senior citizens do get a reduced cost. Commercial, industrial and institutional and some residential complexes with separate sprinkler meters are billed based on consumption, rather than a flat rate. Remotely read water meters allow for accurate winter quarter water consumptions, typically the time of the year when the least amount of water is used (no yard sprinkling or car washing). It best indicates the amount of water that actually goes into the sewer system for residential properties. Staff is recommending changes to the rate structures to move toward a winter quarter consumption method of billing.

Some costs of operating the Sewer Department are dependent on the amount of sewage in the system, such as the disposal cost paid to the Metropolitan Council Wastewater Division (MCWD). Many are not, such as the maintenance of sewer lines and lift stations. Crews must clean about 80 miles of pipe a year. Clay pipe is cleaned every three years and PVC pipe every five years. Roots in lines need to be cut, lift stations checked bi-weekly and pumps are removed annually for routine maintenance. The City is in the process of relining sewer lines after problem areas were identified by televising the lines. All of these costs occur, no matter how much flow is in the line. These costs are relatively fixed other than performing everything more efficiently as equipment is enhanced.

The biggest portion of the Sewer budget is passed on to the MCWD. Costs are billed back to the City based on the City's flow as a percent of the total. Power to operate lift stations is dependent on usage. These costs vary with the amount of flow. Disposal costs payable in 2011 to the MCWD are \$2.03 per 1,000 gallons and are based on flows generated July 1, 2009 through June 30, 2010, which are most likely higher than the flows will be in 2011 given that usage seems to be declining. It is important to point out that it is difficult to account for all water that goes through the sewer since there is some infiltration, unmetered usage from buildings such as some of the City buildings and only estimates of the water that actually goes into the sewer. Therefore, even though the rate is \$2.03 per thousand gallons, when you divide the total cost by the gallons that are recorded in the billing system, the actual cost per gallon is closer to \$2.55.

The flow and fees paid to the MCWD follows:

2009	2,097.08 thousand gallons	\$3,678,897
2010	1,993.50 thousand gallons	\$3,948,600
2011	1,953.26 thousand gallons	\$3,956,824

This information is being shared to demonstrate that a combination rate for sewer would seem to be the fairest. Obviously, this will impact customers differently. Residents with high usage will see increases and those without usage will go down except in the case of some senior citizens. Even though senior usage is generally lower, the discount they presently receive is significant.

Implementing a rate structure of this type would be phased in over a number of years. The impact to some users is too great to do all at once. Therefore, staff recommends that rates be gradually increased in the areas which seem to be subsidized by others. In the determination of the winter quarter, staff recommends the following quarters. Each includes the Christmas holiday which seems to generate more water usage. The winter quarters will include usage as follows:

- District 1, mid November through mid February billed March 1
- District 2, mid December through mid March billed April 1
- District 3, mid October through mid January billed February 1

Staff shared a profit and loss statement for 2010 as well as the 2011 budget. Although operating revenues did not fully cover operating expenses in 2010, it was nearly a break even before investment income. A full year at an increase of 6.6 percent would be needed to break even for 2011 before investment earnings. With the rates proposed, overall rates will increase about 2.75% annually or \$80,000 for 2011. Staff is proposing that certain classes be increased to begin to eliminate subsidies from other users effective with the June 1 billing. The last rate increase for sewer took effect April 1, 2010.

	Present rates	Proposed rate
Single family/duplex	59.00	61.00
Single family/duplex seniors	38.35 or 29.50	42.35 or 32.50
Townhomes/condos	45.00	45.00
Townhomes/condos seniors	29.25 or 22.50	32.00 or 25.50
Mobile Homes	46.00	48.00
Apartments/unit (sewer only)	41.50	41.50
Commercial-per 1000 gallons	3.05/1,000 + 4.50	3.05/1000 + 25.00
Restaurants-per 1000 gallons	3.05/1,000 + 4.50	3.05/1000 + 50.00
Industrial-per 1000 gallons	3.05/1,000 + 4.50	3.05/1000 + 25.00
Institutional-per 1000 gallons	3.05/1,000 + 4.50	3.05/1000 + 25.00
Townhomes/condos/apartments*	1.90/1,000 + 17.00	2.65/1000 + 7.00/unit

\*Individually occupied with one meter

Mayor Howe requested this item be tabled for discussion at a future meeting as he did not feel sewer rates should be raised until the issue could be further reviewed by staff and discussed by the Council. City Manager Fulton indicated staff could bring the item to the same work session on May 10 for further Council review.

MOTION BY COUNCILMEMBER SCHULTE, SECONDED BY COUNCILMEMBER JOHNSON, TO TABLE ACTION ON THE SEWER RATES TO A FUTURE WORK SESSION MEETING. THE MOTION PASSED UNANIMOUSLY.

15. A. AUTHORIZE PURCHASE OF MECHANICAL STREET SWEEPER

Purchasing Clerk Lincoln presented a memorandum to Council stating staff is recommending the purchase of a new Elgin Pelican mechanical street sweeper.

Staff is recommending the purchase of an Elgin Pelican mechanical street sweeper off of the State Contract at a cost of \$182,792 to replace a 2005 model Elgin Pelican sweeper. The replacement interval for sweepers is 6 years per the replacement schedule for rolling stock. The current sweeper has approximately 2400 hours of clocked usage and is used by the Public Works department daily throughout the spring and summer months to keep streets clean as well as stay in compliance with storm water management requirements. The vendor, MacQueen Equipment, has offered \$40,000 as a trade-in on the 2005 sweeper. Given the market for heavy equipment, staff is recommending the trade in of the 2005 sweeper.

The budget includes \$200,000 for this purchase, less \$20,000 for a trade-in allowance. Funds are available for this purchase.

MOTION BY COUNCILMEMBER SANDERS, SECONDED BY COUNCILMEMBER LARSON, TO AUTHORIZE STAFF TO PURCHASE THE NEW ELGIN PELICAN MECHANICAL STREET SWEEPER IN THE NET AMOUNT OF \$152,609, WHICH INCLUDES SALES TAX, AFTER THE TRADE-IN ALLOWANCE OF \$40,000. THIS MOTION WAS WITHDRAWN.

Councilmember Sidoti questioned if the current street sweeper could be further maintained versus a full replacement. He indicated this was not a critical piece of equipment and has not broken down. City Manager Fulton noted the vehicle was scheduled for replacement and that the response to cleaning the streets greatly affects the City's storm water system. He noted staff felt that now was the most appropriate time to replace the street sweeper.

Councilmember Schulte noted he was not ready to purchase this piece of equipment either. He understood there was a vehicle replacement schedule but this schedule would not be sustainable going forward into the future given the current economic environment.

Councilmember Sidoti stated he understood the importance of street sweeping and noted a portion of the City's work was subcontracted out.

Councilmember Larson stated that while she seconded the motion for discussion she would not be supporting the purchase.

Mayor Howe suggested staff provide further information to the Council on the street sweeper's

projected lifespan, hours, etc. at a future meeting.

MOTION BY COUNCILMEMBER SANDERS, SECONDED BY COUNCILMEMBER SIDOTI, TO DIRECT STAFF TO PROVIDE FURTHER INFORMATION ON THE STREET SWEEPER AT A FUTURE MEETING. THE MOTION PASSED UNANIMOUSLY.

**B. GOLF COURSE PEOPLE MOVER**

1. CONS. RESOLUTION 11-55 AMENDING 2011 GOLF COURSE FUND BUDGET
  2. AUTHORIZE PURCHASE OF SIX-PASSENGER PEOPLE MOVER
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Purchasing Clerk Lincoln presented a memorandum to Council stating staff is recommending the purchase of a 2011 six-passenger People Mover vehicle for Bunker Hills Golf Course.

Staff is recommending the purchase of a six-passenger People Mover vehicle for Bunker Hills Golf Course at a cost of \$9,319.69, tax included, to be used for the purpose of transporting people from the parking area to the clubhouse. Superior Golf Cars is the supplier of the current electric golf carts and staff recommends purchasing the People Mover vehicle from them to match the current carts. Town and Country, the restaurant lease holder, will also be purchasing an additional People Mover subject to lease terms.

A budget amendment is also needed for this Capital purchase.

Mayor Howe questioned if this piece of equipment was necessary with the parking lots closer to the new facility. City Manager Fulton stated while this was the case, there would be parking along the entry drive into the golf course. The vehicle would assist with proper customer service given the events that will be taking place at this venue.

Councilmember Johnson requested staff provide a photograph of this vehicle to the Council. He stated he thought it was odd that an individual could walk 18 holes to golf but not walk from the parking lot to the clubhouse.

Councilmember Schulte indicated the City was investing in a state of the art facility and felt the expense was wise, given the fact that golf funds would cover the expense.

Councilmember Klint agreed, adding the vehicle would be used for weddings and banquets as well.

Councilmember Sidoti stated the vehicle would offer a higher level of service to the clientele and that he would be supporting the purchase.

Councilmember Sanders said he supported the purchase and suggested the City seek revenue opportunities when using the vehicles at future events.

MOTION BY COUNCILMEMBER SCHULTE, SECONDED BY COUNCILMEMBER SANDERS, TO ADOPT RESOLUTION 11-55 AMENDING THE 2011 GOLF COURSE FUND

BUDGET; AND AUTHORIZE PURCHASE OF A SIX-PASSENGER PEOPLE MOVER VEHICLE FROM SUPERIOR GOLF CARS IN THE AMOUNT OF \$9,319.69 FROM THE GOLF COURSE FUND BALANCE.

Councilmember Johnson indicated he would be supporting the motion and thanked the Council for discussing the item further.

THE MOTION PASSED UNANIMOUSLY.

16. CONSIDER INTRODUCTION OF ORDINANCE AMENDING ZONING MAP FROM LOW DENSITY RESIDENTIAL TO CONSERVANCY, 2245-2355 MAIN STREET, PC 10-47

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Planner Harlicker presented a memorandum to Council stating the City is requesting the introduction of a zone change from Low Density Residential 2 to Conservancy.

In 2009 the City Council adopted its 2030 Comprehensive Land Use Plan, which guides future land use policies and decisions. The property proposed for rezoning consists of eight lots and totals 19.6 acres. Six lots front on Main Street, four have single family homes, one is vacant and one contains a stormwater pond. Two larger parcels are land locked, north of Ashley Oaks Townhomes.

In November and December 2009 the City Council considered the extension of municipal sewer to the properties along Main Street. There was mixed response from the property owners. The Council decided against the project because it was not financially feasible.

At the December 16<sup>th</sup> Planning Commission meeting the Commission postponed action on this item to allow for further discussion. The Commission expressed reluctance to make the single family homes non-conforming and wanted to review alternatives.

At the January 20<sup>th</sup> workshop, the Commission reviewed the history of this planning case. Discussion included the most appropriate long term use of the parcels as well as the impact to the individual property owners of a rezoning. The Commission concluded that a slight modification to the non-conforming use ordinance specific to single family homes should be considered and asked staff to prepare such a code change. The proposed change was reviewed by the Commission in February and approved by the Council in April.

At their February 7<sup>th</sup> meeting the Park and Recreation Commission discussed the possibility of adding this area to Bison Creek Park. They believed the development of this area as a park is limited and voted unanimously that expansion of Bison Creek Park into this area should not be in the long range plans.

The proposed rezoning would make the existing single family homes non-conforming. However, the recent amendment to the zoning code allows owners of non-conforming single family homes to expand up to 20% including the construction and expansion of accessory structures.

Staff was asked to consider alternative development scenarios and outline the hurdles they may face.

Generally, this area will be difficult to redevelop for the following reasons:

- Limited Access – Access is limited to right in/right out on Main Street. The County owns a parcel in the middle of the area which makes internal connections difficult.
- Noise – The increased traffic and speeds on Main Street will create additional noise. Because the homes face Main Street, it is not likely that a noise wall would be constructed along this stretch of Main Street.
- Floodplain – The rear of the lots are within the 100 year floodplain and abut a drainage ditch.
- Sewer and Water – Municipal sewer is not available to the properties without incurring considerable expense. Municipal water could be extended. It is currently available to the three eastern most lots. The City council considered extending sewer in 2009. The estimated cost in 2009 to extend sewer was \$73,000.
- Drainage Pond – The County is constructing a drainage pond on the lot they own.

The area could be replatted as smaller single family lots. There is enough area for about nine lots with shared driveways or a service road. Providing municipal sewer would be expensive.

Internal connections to redevelop the area similar to Ashley Oaks would be difficult because the County owns one of the middle lots. Providing municipal sewer would be expensive. They could get between 15-20 units.

The area could be replatted as row style townhouses. Internal access and sewer availability would be issues. They could get between 30 to 35 units.

No one spoke at the April 21<sup>st</sup> Planning Commission public hearing. The Commission voted 5:1 to recommend approval of the proposed zone change. The majority of the Commission believed the rezoning supported the long range plans for the area and was consistent with the Comprehensive Land Use Plan. One Commissioner was not in favor of the rezoning because the Park and Recreation Commission did not believe the area should be included in the long range development of Bison Creek Park.

Hearing no objections, Mayor Howe declared the ordinance to have been introduced.

## 17. OTHER COUNCIL BUSINESS

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Councilmember Klint thanked staff for the updated status report.

Mayor Howe also thanked staff for the community business update. He said he felt this was valuable information for the Council. Community Development Director Nevinski stated this update was discussed at the recent Council/Management Team retreat and staff would continue mailings when necessary.

Councilmember Schulte stated the information was very well received by the business community.

Mayor Howe noted he attended the 2<sup>nd</sup> Annual Green Expo at City Hall this past weekend, and he thanked City staff for organizing this event with the Sustainability Commission. He said the Expo was well received by the community and the vendors, and recommended the event be moved to a larger venue in 2012.

18. ADJOURN

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MOTION BY COUNCILMEMBER SCHULTE, SECONDED BY COUNCILMEMBER SANDERS, TO ADJOURN THE MEETING AT 8:10 P.M. THE MOTION PASSED UNANIMOUSLY.

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Tim Howe, Mayor

ATTEST:

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Joan A. Anderson, City Clerk