

**MEDINA CITY COUNCIL MEETING MINUTES OF FEBRUARY 1, 2011**

The City Council of Medina, Minnesota met in regular session on February 1, 2011 at 7:00 p.m. in the City Hall Chambers. Mayor Crosby presided.

**I. ROLL CALL**

**Members present:** Crosby, Pederson, Martinson, and Weir.

**Members absent:** Siitari

**Also present:** City Attorney Ron Batty, City Engineer Tom Kellogg, Police Chief Ed Belland, City Planner Dusty Finke, Public Works Superintendent Steve Scherer, City Administrator Chad Adams and Recording Secretary Amanda Staple.

**II. PLEDGE OF ALLEGIANCE**

**III. ADDITIONS TO THE AGENDA**

It was requested to add two items to the New Business section, Discussion on the Funding of Watershed Districts and Discussion on the Lake Minnetonka Communication Commission (LMCC) Fiber Optic Network initiative.

*Moved by Weir, seconded by Pederson, to approve the agenda as amended. **Motion passed unanimously.***

**IV. APPROVAL OF MINUTES**

**A. Approval of the January 18, 2011 Special City Council Meeting Minutes**

It was noted on page two, the second and fifth line, it should state: "Council member Mike Siitari ~~was available~~ participated...." On page three, the third paragraph, it should state, "...to utilize the City newsletter ~~letter~~ to promote non-partisan candidate events open to the public forums prior to the general elections in the ~~City newsletter~~, but not..."

*Moved by Weir, seconded by Pederson, to approve the January 18, 2011 Special City Council meeting minutes as amended. **Motion passed unanimously.***

**B. Approval of the January 18, 2011 Regular City Council Meeting Minutes**

It was noted on page five, line 13, it should state: "...potential impact upon..."

*Moved by Weir, seconded by Pederson, to approve the January 18, 2011 Regular City Council meeting minutes as amended. **Motion passed unanimously.***

**V. CONSENT AGENDA**

~~**A. Accept Resident Cost Share Grant Program Agreement for Shoreline Restoration Program – Mike Zeglin, 2873 Lakeshore Avenue**~~

**B. Resolution Adopting a Comprehensive Plan Amendment Regarding the Future Land Use of Certain Properties Generally Located Northeast of the Intersection of Highway 55 and Arrowhead Drive**

Weir asked to remove item A from the consent agenda.

*Moved by Weir, seconded by Pederson, to approve the consent agenda. **Motion passed unanimously.***

**A. Accept Resident Cost-Share Grant Program Agreement for Shoreline Restoration Program – Mike Zeglin, 2873 Lakeshore Avenue**

Weir asked for further clarification in regard to Term #3 and suggested to add the word “inspection” as a right of the City.

*Moved by Weir, seconded by Martinson, to accept resident cost-share grant program agreement for Shoreline Restoration Program – Mike Zeglin, 2873 Lakeshore Avenue as amended. **Motion passed unanimously.***

**VI. COMMENTS**

**A. Comments from Citizens on Items not on the Agenda**

There were none.

**B. Park Commission**

Park Commissioner Ben Benson provided an update of the January meeting and reported the new elections that were made, including Chair, Vice Chair and Secretary. He advised of the discussion that took place regarding park dedication in regard to a specific parcel as well as the Friends of the Park Program. He noted that the goal setting session also took place during that meeting. He advised that the Commission also discussed the grant received for the ball field lighting and noted that the project would be staged as full funding was not received.

**C. Planning Commission**

Planning Commissioner Charlie Nolan provided an update on the January meeting of the Planning Commission. He advised that the Commission discussed the possible expansion of the Holy Name cemetery and noted the items of concern. He noted that two other items were discussed during the meeting and provided an update on those items, including a public hearing regarding the Holasek-Nolan lot split and rezoning. He advised that elections also took place and he was re-elected as Chair and Robin Reid was re-elected as Vice Chair.

**VII. OLD BUSINESS**

**A. Holasek-Nolan Lot Split and Rezoning**

Crosby advised that the Council and Planning Commission had both reviewed this item prior to tonight and explained that this item is a technical requirement for the Enclave development.

Finke stated that the Enclave review could be back before the Council at the following meeting or the first meeting in March. He advised that the Planning Commission recommends approval of the request subject to the conditions listed in the staff report. He provided brief background information regarding the request and summarized the dedications that staff recommends at this time. He noted that staff recommends approval of the rezoning and the lot split.

**1. Ordinance Amending the Official Zoning Map to Rezone Certain**

**Properties to the Two Family Residential (R2) Zoning District**

*Moved by Weir, seconded by Pederson, to approve the ordinance amending the official zoning map to rezone certain property to the two family residential (R2) zoning district. **Motion passed unanimously.***

**2. Resolution Authorizing Publication of Ordinance by Title and Summary**

*Moved by Weir, seconded by Pederson, to approve the resolution authorizing publication of the ordinance by title and summary. **Motion passed unanimously.***

**3. Resolution Approving a Division of Property Referred to as the Holasek-Nolan Lot Split**

*Moved by Weir, seconded by Martinson, to approve the resolution approving a division of property referred to as the Holasek-Nolan lot split. **Motion passed unanimously.***

**B. Hamel Athletic Club Grounds Services Agreement**

Adams stated that staff attempted to draft language which acts more as a compromise between the City and the Hamel Athletic Club (HAC). He explained that HAC is going to be donating significant money towards the ball field lighting and HAC wanted to ensure that they would be allowed first right of offer for the fields.

Crosby reviewed the proposed language. He expressed his concern with making the language more specific.

Weir questioned if this broad language would provide enough security to HAC as the organization would be donating a large amount of money for a private organization to this project.

Crosby stated that HAC donated approximately \$100,000 towards the field house project and the public covered the remaining \$400,000. He noted that although HAC would be donating 25% towards the lighting, and the public with City contributions and grants would be paying the remaining 75% for the \$260,000 project.

Dino Deslauriers, 342 Hamel Road, representing HAC, provided background information on HAC and the donations and assistance that HAC provides for the community. He stated that HAC wanted to be a partner with the City on the lighting project and wants to be a partner with the City going forward but explained that HAC wants to ensure that the partnership will continue before further donations are collected. He explained that if four fields were provided to HAC rather than seven that would hamper the program. He stated that he has read the language for the contract but is not satisfied as HAC needs all seven fields. He noted that while HAC is happy with the two year contract, before additional donations are collected HAC would like something more solid as to the same hours and number of fields and hours after those two years.

*Moved by Martinson, seconded by Weir, to approve the Hamel Athletic Club Grounds Services Agreement, subject to the inclusion of the same hours and fields in the first right of offer, and that staff and the Hamel Athletic Club will draft language regarding maintenance funding responsibility as previously committed. **Motion passed unanimously.***

**C. Hamel Ball Field Lights Program**

Adams stated that subject to the previous agreement being signed and the Minnesota Twins Fund approving the project to move forward in phases, the next step would be to move forward on the Hamel Ball field lights program.

*Moved by Weir, seconded by Martinson, to approve the proposal of work from Bonestroo to implement a Phase I and Phase II approach for the ball field lights, subject to the agreement being signed and the Minnesota Twins Fund approval. **Motion passed unanimously.***

## **VIII. NEW BUSINESS**

### **B. Hunter Drive South Road Improvement**

Adams explained the reason for this discussion and provided the four options for repairing the roadway at this time, along with the proposed costs. He stated that based on an analysis of the road a reconstruction would be needed, but advised that under one option the reconstruction could be pushed off for the next five years with reconstruction occurring after that time period. He noted that a public hearing and public input session would occur further down the road if any assessments were to be used for the project reconstruction or mill and overlay options. He added that the intent of the conversation tonight was to receive direction from the Council on how to determine the best option and if more public education on costs to taxpayers should be promoted first before proceeding with a decision.

Crosby stated that three years ago considerable discussion took place regarding the use of adjacent landowners to take part in payment for roadwork. He advised that it had been decided at that time that an assessment program would be crafted for all of those on City roads. He noted that in the last two years five or six roads had been repaired and assessed, with assessment ranging from 20 percent of the project cost to 50 percent of the project cost. He explained that the assessment is based on the type of roadway, whether the road is used mainly for neighborhood traffic, which would be assessed at 50 percent, or whether the road is considered to be a collector roadway, which would be assessed at 20 percent. He explained the formula used for assessment.

Scherer reviewed the options for improving the roadway. He stated that one option was to rehab the roadway but it was determined that project would be costly and may not be the best choice because the sub-soils do not appear to be good. He stated that in order to guarantee the roadway for the next 30 to 40 years it would be best to reconstruct the roadway. He stated that another option, not recommended by the Engineering department, would be to complete a mill and overlay that may provide an additional ten years on the current roadway. He advised that another option would be to complete some maintenance on the roadway, which may add five years to the current roadway, and then a reconstruct of the roadway would need to occur.

Crosby advised that the City has adopted a policy which keeps truck traffic off of certain north south routes and noted that State Aid Funding has also been received for some roadways.

Naomi Nelson, 1550 Hunter Drive, questioned if there is a fee based system for when another township uses the roads of Medina for a detour.

Crosby stated that there is no such program. He advised that there are a number of unfair elements to the road policy.

Weir explained the benefits that are also gained.

Scherer confirmed that the option which could provide up to ten years would have a cost of approximately \$100,000 and would have an assessment of about \$650 for direct access.

Weir stated that she would be in favor of the ten year option.

Kellogg stated that he wanted to ensure that everyone understands that the roadway may not get a full ten years out of those repairs. He estimated a six to twelve year fix before a reconstruction would need to take place.

Weir stated that she would also like to see that the City work with the city of Orono when the reconstruction takes place.

Adams commented that although the Mill and Overlay option, which would cost approximately \$100,000 at this time, may be the most costly option over a 30 year time period because a reconstruction and a second road assessment would still need to occur. He suggested providing additional information to the public regarding these options and costs and to receive their feedback before direction is made by the Council.

Crosby stated that based on what he has heard he would be in support of the option at an estimated cost of \$100,000.

Pederson stated that he would also be in favor of that option.

Martinson stated that she would also be in favor of that option.

Ron Carlson, 1382 Hunter Drive, stated that he agreed with the Council on the recommendation for the roadway. He questioned why the road assessments are not spread throughout the tax base rather than simply assessed to the direct properties.

Crosby stated that issue was debated in full four years ago and explained the problems that arose from that theory that everyone should pay for roadway improvements. He noted that most communities in the Metro area use a similar type of assessment. He noted that there had not been major objections to any of the six roadway improvement projects which have taken place so far under this policy.

Batty commented that the City can only assess equal to the amount of which a property will increase in value due to the project.

Tiffany Ferrara, 1560 Hunter Drive, stated that while she believed assessments were fair for those neighborhoods which are closed off, she did not believe that Hunter Drive should be assessed as it is a highly used roadway. She believed that roads are a fundamental part of a City and believed that should be a priority, and should be paid through taxes. She believed that roads were a City problem and not a neighborhood problem.

Marty Schneider, 1235 Hunter Drive, stated that he agreed with the option recommended by the Council for the possible ten year fix at this time with further improvement coming in the future. He confirmed that an assessment hearing would take place in the future for any assessment.

Adams noted that the next step would be to direct the Engineer to prepare a feasibility report.

Crosby briefly recessed the meeting at 8:30 p.m.

Crosby reconvened the meeting at 8:36 p.m.

**D. Parking Improvement Agreement for 52 Hamel Road with Vine Properties LLC**

Finke stated that JT Miller Company purchased the property at 52 Hamel Road and explained the request. He explained how the parking would be affected and noted that ultimately within the existing improvements on the property the site would not meet the onsite parking requirements. He noted that the Uptown Hamel zoning also allows for shared parking and noted that not all the parking on this site would take place up front of the building. He noted that staff drafted this agreement to let the landowner operate in the existing conditions in the short-term and advised that when the site expands the parking would expand as well. He noted that JT Miller Company has already signed the agreement and has no conflict.

Weir questioned the effect that re-crafting the parking ordinance would have on this site.

Finke stated that he did know that this parking arrangement would change with the ordinance changes but stated that the analysis would need to be conducted to ensure that. Finke added this agreement would be recorded against the property.

Daniel Miller, Vine Properties and JT Miller Companies, stated that his company has been in existence since 1926 and was excited to be moving into the Hamel area.

*Moved by Weir, seconded by Pederson, to approve Parking Improvement Agreement for 52 Hamel Road with Vine Properties LLC. **Motion passed unanimously.***

**C. Friends of the Park Program – Citizen Generated Approved Project List**

Commissioner Benson provided a list of citizen generated approved projects for the Friends of the Park Program.

*Moved by Weir, seconded by Martinson, to approve the Friends of the Park Program Citizen Generated Approved Project List. **Motion passed unanimously.***

**A. Housing Policy Discussion**

Finke provided background information and noted that the City adopted goals of the Metropolitan Council in regard to affordable and life cycle housing for the next ten years. He noted that the Council addressed this item as a priority at the goal setting session. He advised that this would be a starting discussion point and would be an opportunity for the Council to determine which options the Council would like to concentrate on. He reviewed the potential financial incentives that could be offered to developers in exchange for affordable or life cycle housing.

Dave Nash, EVS Engineering, 4610 Blue Bell Trail North, stated that he is the property engineer for the development on the Cavanaugh and Jubert properties. He stated that while his company was working on the developments for the properties it became clear that the charge per unit for the townhomes was too high to make the units affordable housing. He suggested using an area charge for affordable housing rather than based on the density to provide for affordable housing. He estimated approximately 132 townhomes for this project.

Crosby stated that he believed that a solution needed to be worked out.

Weir agreed that the fees that are currently charged for higher density would almost disincentivize affordable housing.

Finke agreed that while some of the City fees may be higher than neighboring communities there are also other fees and costs which raise the development cost. He thanked Dave Nash for providing his input.

Adams commented that there are many tools that can be used and questioned how the endpoint is quantified. He noted that all the tools could be used but questioned the scale that could be used needs to be determined.

Finke confirmed that staff would like discussion regarding formalizing something in terms of incentivizing affordable housing.

Crosby stated that in terms of potential financial incentives he did not see the use of TIF financing, but stated that he was in favor of the other incentives.

Adams stated that either the Council or staff would need to quantify the amount of incentive.

Crosby stated that it would be unlikely that Medina could compare to Plymouth but believed that the City should be comparable to Minnetrista, Orono and other similar communities.

Batty commented that the issue of risk with TIF financing would not necessarily fall to the City and could instead be placed on the developer. He explained the residential TIF process.

Crosby confirmed that the Council would like to remove the TIF financing option, and directed staff to work with the developers to incentivize affordable housing and work out the specific terms.

Martinson suggested that staff determine which rates are least competitive with similar communities and the Council could then prioritize those incentives.

Crosby stated that staff should determine where there is room to give.

Weir stated that for environmental reasons she is not in favor of reducing wetland setbacks or altering tree preservation requirements.

Finke confirmed the direction of the Council in regard to financial incentives and reviewed potential regulatory incentives. He confirmed that the Council was in favor of some of the regulatory incentives proposed. He advised of other potential activities such as grant leadership and EDA; while the Council was in favor of low-risk grant leadership, the Council was not in favor of the use of an EDA at this time.

## **VII. OLD BUSINESS (continued)**

### **D. 2011 Work Plan**

*Moved by Weir, seconded by Pederson, to adopt the 2011 work plan. **Motion passed unanimously.***

## **VIII. NEW BUSINESS (continued)**

### **E. Discussion on the Funding of Watershed Districts**

Crosby explained that Watershed Districts are responsible for making improvements to the water and there is a cost associated with those duties. He explained that the funding can be provided through a special taxing district or through a joint powers agreement between the cities within that Watershed District. He stated that he and Weir are in the process of writing letters to Mayors in other cities highlighting the importance of the issue and raising the awareness of those communities.

Weir stated that she was made aware of a third option as well, which would be for a special taxing district under a JPA.

### **F. Discussion on the LMCC Fiber Optic Network Initiative**

Crosby stated that the desire of the LMCC is to send out a questionnaire in regard to wiring the surrounding communities for a fiber optic network. He stated that a private operator would come in and run the system and would hopefully have the funds to pay back the bonds used, but noted that ultimately he believed the cities would run the risk of having to pay back the bonds should the private operator not be able to pay.

Batty stated that it was his understanding, when the representative from the LMCC came to the Council one year ago, that she stated the cities would not be responsible and believed the LMCC would be responsible.

Crosby requested that staff stay on top of this issue and obtain a copy of the questionnaire when it is released.

## **IX. CITY ADMINISTRATOR REPORT**

### **A. 2010 Annual Report**

Adams stated that information is being gathered from the individual departments to develop the report. He questioned whether the entire report should be sent out to the entire community and noted that another option would be to post the report on the City website. He advised that a summary insert could also be sent with the City Newsletter.

Crosby confirmed that the Council would be in favor of a two page summary report that could be included as an insert with the City Newsletter.

### **B. Investment Report**

Adams reported that Crosby had requested additional information regarding the more fluid investments and provided an updated copy of an investment report section to the Council.

**XI. MAYOR & CITY COUNCIL REPORTS**

Crosby stated that he would not be in attendance at the next Council meeting.

Martinson stated that she attended the Northwest Hennepin League of Municipalities meeting the previous week and Hennepin County received the Minnesota Association of Professional County Economic Developers Outstanding Economic Development Award for the OSI project in the City.

**XII. APPROVAL TO PAY THE BILLS**

*Moved by Weir, seconded by Pederson, approve to the bills, EFT 000997-001012 for \$1,116,669.03 and order check numbers 036484-036541 for \$178,637.78, and payroll EFT 503267-503293 for \$44,220.37 and payroll check numbers 020335-020339 for \$3,000.00. **Motion passed unanimously.***

**XIII. ADJOURN**

*Moved by Weir, seconded by Martinson, to adjourn the meeting at 9:46 p.m. **Motion passed unanimously.***

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T.M. Crosby, Jr., Mayor

Attest:

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Chad M. Adams, City Administrator-Clerk