

MEDINA CITY COUNCIL MEETING MINUTES OF DECEMBER 15, 2015

The City Council of Medina, Minnesota met in regular session on December 15, 2015 at 7:05 p.m. in the City Hall Chambers. Mayor Mitchell presided.

I. ROLL CALL

Members present: Anderson, Cousineau, Pederson, Martin, and Mitchell.

Members absent: None.

Also present: City Administrator Scott Johnson, City Attorney Ron Batty, City Engineer Tom Kellogg, City Planner Dusty Finke, Public Works Director Steve Scherer, Police Sergeant Jason Nelson, and Recording Secretary Amanda Staple.

II. PLEDGE OF ALLEGIANCE (7:06 p.m.)

III. ADDITIONS TO THE AGENDA (7:07 p.m.)

Johnson requested to add an item to the agenda titled Raffle Permit for Ridgeview Foundation.

The agenda was approved as amended.

IV. APPROVAL OF MINUTES (7:07 p.m.)

A. Approval of the December 1, 2015 Regular City Council Meeting Minutes

It was noted on page three, line nine, it should state, "...honed, ..." On page four, line seven, it should state, "...2016, ..."

*Moved by Anderson, seconded by Pederson, to approve the December 1, 2015 regular City Council meeting minutes as amended. **Motion passed unanimously.***

V. CONSENT AGENDA (7:08 p.m.)

A. Approve 2016 Meeting Calendar

B. Approve Addendum to Recording Secretary Service Agreement

C. Amend Personnel Policy 4.20 Salaries and Wages

D. Resolution No. 2015-106 Accepting Watermain Improvements at 190 Westfalen Trail

E. Resolution No. 2015-107 Accepting Resignation of Clark Palmer

F. Approve Associate Planner Job Description and Reclassification of Debra Peterson to Associate Planner

Johnson advised of an additional meeting at 4:00 p.m. on Tuesday, January 19, 2016 for the purpose of goal setting.

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

VI. COMMENTS (7:10 p.m.)

A. Comments from Citizens on Items not on the Agenda

There were none.

B. Park Commission

Scherer reported that the Park Commission will meet the following night to discuss the replacement of a scoreboard, which he believed would be almost fully funded by the Lions. He stated that some contact has been made with the owner of the property adjacent to Tomann Park who may be interested in selling his property to the City and noted that further direction would be requested at the next Council meeting.

C. Planning Commission

Planning Commissioner White provided an update on the December 8th Planning Commission meeting, which included a review of the Bradford Creek Addition that would plat eight nonconforming lots into two conforming lots, noting that the Commission recommended approval of the request. She stated that the Commission also considered a Planned Unit Development for Kal Point for the construction of a restaurant and office at Clydesdale Marketplace and advised that after much discussion, specifically regarding parking, the Commission recommended approval. She advised that the Commission considered a rezoning request for the property located at 45 State Highway 55 and recommended approval of the rezoning. She stated that the Commission considered a variance request from Woodland Hill Preserve for its monument sign and noted that the Commission did not recommend approval of the variance for the front yard setback but would support the variance from the side yard setback.

Mitchell urged the Council to look at the parking lot easterly to the restaurant site to determine the use during this high holiday peak time to determine if there is excess parking.

VII. NEW BUSINESS

A. Sioux Drive Turn Lane improvement Project – Public Hearing (7:15 p.m.)

Johnson stated that at the November 17th Council meeting there was discussion on whether or not to potentially include the Arnt property (45 Highway 55) with the assessment for this project. He stated that in order to add the property to the project that a public hearing would be required and the direction of the Council was to hold the public hearing.

Mitchell opened the public hearing at 7:16 p.m.

Wayne Elam, Commercial Realty Solutions, stated that he attended many meetings during the Aldi process on the part of Aldi and is also representing the Arnt property. He stated that on July 20th there was an assessment agreement between the City, Aldi and Hamel Station and it does not state that the Arnt property would be included in the assessment even though that property would have future development. He stated that when he represented the Arnt property to the future buyer he presented this information to the potential buyer regarding the assessment and how it would be split. He stated that the potential buyer is not expecting to receive any expenses on the project.

Jim Tiller, Treasurer of the Arnt Property LLC, stated that the Aldi easement does not take effect until the Arnt property is developed and noted that there is currently a chain link fence that blocks that access. He stated that the buyer would need to file

applications to develop in both Medina and Plymouth and there is no certainty that either or both of those approvals would be gained. He noted that the Arnt property currently has access from Highway 55 and does not use the easement access. He stated that the Arnt property is trading one access for the other when the property develops and therefore would not benefit from the improvement. He stated that there is not an easement that would benefit the Arnt property at this time as the easement does not become effective until the property is developed. He stated that if Just for Kix is not developed for any reason there would not be a benefit at all provided to the Arnt property. He stated that Aldi assumed the assessment cost as a part of their development and that should stand.

Perry Platisha, First Equity Real Estate, stated that it is their understanding that the assessment would not come into play. He noted that they are still in the due diligence stage of the purchase agreement and that would be a significant cost that could tip the scales towards not purchasing the property.

Martin asked the intended use of the property.

Platisha stated that Just for Kix is a dance studio for children.

Martin asked if the intent would be to use the easement if the property is developed.

Platisha stated that would be the only access into the property if the Highway 55 access is closed.

Martin asked if the improved turn lane would benefit the property.

Platisha stated that it is beneficial but it was not an assumed cost for the buyer.

Martin asked if there was an agreement with the Arnt property/potential buyer and the City regarding the assessment.

Platisha stated that the agreement stated that there were no pending assessments and agreed that there was not an agreement with the City regarding the assessment. He stated that the business is currently operating in a leased space in Medina.

Mitchell closed the public hearing at 7:25 p.m.

Mitchell stated that the cost of the project appears to be \$219,000 and asked what the Arnt share of the project might be.

Johnson estimated somewhere around \$40,000 roughly.

Anderson asked if cars exiting from the Aldi site would be able to turn left to go south.

Kellogg confirmed that action would be possible.

Mitchell stated that it was realized that the improvements would benefit the Arnt property and the City is entitled to have another assessment hearing to include the property as it was not included in the past. He explained that it would be unfair to the other property owners that the Arnt property would also benefit but would not contribute towards the

project. He noted that he heard the comments that were made from those with interest in the Arnt property as well.

Batty clarified that the hearing tonight was simply for the improvement and not the special assessment, which will occur in the fall. He stated that this was originally done in October but only included those with petition and waiver agreements. He explained that when this property presented itself by requesting a rezoning and indicating their intent to develop the issue was re-examined. He stated that if this property is eventually to be included with the proposed project, then the public hearing would be required. He stated that the proposal is to approve the project, construct the project, and after the costs have been determined after construction the special assessment hearing would be held and the decision regarding assessments would be made.

Mitchell asked when the assessment would be considered pending.

Batty stated that the assessment would only be pending after the assessment hearing in the fall.

Cousineau asked if any other tenant of the property has been offered a petition and waiver.

Batty stated that they could choose that course but they have not as of yet.

1. Resolution No. 2015-108 Receiving the Amended Feasibility Report for the 2016 Sioux Drive Turn Lane Improvement Project and Ordering the Improvement

*Moved by Martin, seconded by Anderson, to adopt Resolution No. 2015-108 Receiving the Amended Feasibility Report for the 2016 Sioux Drive Turn Lane Improvement Project and Ordering the Project. **Motion passed unanimously.***

B. Conservation Easement Tax Valuation Discussion (7:33 p.m.)

Johnson stated that at the December 1st meeting a request was brought forward by Mitchell from former Mayor Weir asking for a letter of support to amend a State Statute regarding tax valuation of conservation easements.

Finke stated that staff did look through the statutory language and advised that previous to 2013 the statute was opposite and allowed for a City or County assessor to take into account the conservation easement, noting that was reversed in 2013. He stated that the question would be the effect on a community such as Medina that wants to encourage property owners to place property into conservation although the assessor cannot consider that when valuing the property. He explained that property placed into an outlot, such as common areas are in Medina, is not considered taxable and therefore there would not be an impact.

Martin asked if she owned a 40 acre tract of land she wished to plat her property into two lots, placing the majority of her property into an outlot, would she then not be taxed on the outlot?

Finke stated that the outlot must be considered as a common use area for a development or subdivision.

Martin stated that she would like to hear from the assessor as to whether or not the assessor is free to reduce the value of the property for other reasons, such as wetlands. She stated that she would like to explore the issue further as the Council would like to support preservation of open space and she would be willing to support a lesser valuation of a person's property if a conservation easement is obtained over that property. She appreciated this issue would be brought forward to the legislators for this area.

Mitchell stated that he received a number of telephone calls on this issue and he also spoke with assessors in this area. He provided a local example and noted that the specific property was already valued lower because it was considered under green acres and therefore could not "double dip" in lowered valuations.

Batty stated that the statute has done a 180 in the past eight years, which was explicitly at the direction of northern Minnesota legislators, with concern about double dipping in lowered valuations and was the directing force behind this change.

Mitchell stated that perhaps staff could speak with someone from the Minnesota Land Trust and the Nature Conservancy. He believed that this item should come back before the Council in the near future once staff has sufficient time to complete further research.

Cousineau stated that it would be helpful to tag along with a lobbyist or along with Minnesota Land Trust rather than going it alone as one city.

Elizabeth Weir, 1262 Hunter Drive, stated that she became acutely aware of this because of the proximity of her land to the Dayton property. She stated that her neighbor offered to purchase nine acres of the Dayton property in order to further buffer and preserve his property, noting that the neighbor has sufficient funds to purchase the property but not to pay the additional taxes. She noted that the preserved areas have many benefits to the environment and community in general. She stated that she will continue to act on this issue personally but would also appreciate the support of the Council.

Mitchell agreed that the City should partner with larger organizations that would have an interest in this matter as well.

Martin appreciated the suggestions that Weir continues to make to the City.

C. Raffle Permit Request for Ridgeview Foundation (7:54 p.m.)

Johnson noted that this item was received today through the mail for a February 5, 2016 permit at the Medina Entertainment Center. Normally, this item would be acted on during the Consent Agenda. However, approval at the January 5th meeting would not allow enough time for State review.

*Moved by Martin, seconded by Pederson, to approve a raffle permit for Ridgeview Foundation on February 5, 2016 at the Medina Entertainment Center. **Motion passed unanimously.***

VIII. CITY ADMINISTRATOR REPORT (7:50 p.m.)

A. Hamel Volunteer Fire Department Contract Change Request

Mitchell referenced a letter he received from Tom Manning along with a redline contract which is being reviewed by Johnson, Belland and Batty along with the other fire contracts. He noted that additional updates would be made once available.

Martin stated that the existing contract contains a schedule of equipment owned and asked that it be included along with comparison information for the other departments.

B. City Hall Office Improvements

Johnson provided an update on the improvements occurring in the lower level of City Hall through use of the Public Works staff. Johnson thanked the Public Works staff for their work on the project. He noted that three quotes were received and asked for authorization from the Council to work with the lowest quote from an owner's representative at an hourly rate to bring in an architect for the project. It was the consensus of Council that staff moves forward with the process for the improvements. Contracts for an architect and owner's representative will be brought forward for Council to review and approve in January.

C. Other

Johnson stated that with Clark Palmer leaving his position there is a vacant position in the Planning Department.

Finke stated that Clark was going to work to transfer data into the new electronic filing system, which would require pulling staples from the paperwork. He proposed to look for a high school student to pull staples over the holiday break to prepare the documents to load into the new electronic system as that would be very cost effective.

It was the consensus of the Council to authorize staff to proceed with the hiring of high school students to complete the necessary work.

IX. MAYOR & CITY COUNCIL REPORTS (8:00 p.m.)

Martin commented on a business networking event she attended at Countryside Café with Interfaith Outreach, which was a successful event.

X. APPROVAL TO PAY THE BILLS (8:01 p.m.)

*Moved by Martin, seconded by Anderson, to approve the bills, EFT 003433E-003454E for \$46,396.90, order check numbers 043692-43759 for \$448,073.15 and payroll EFT 506816-506847 for \$51,177.81. **Motion passed unanimously.***

XI. ADJOURN

*Moved by Anderson, seconded by Martin, to adjourn the meeting at 8:01 p.m. **Motion passed unanimously.***

Bob Mitchell, Mayor

Attest:

Scott Johnson, City Administrator