

SPECIAL CITY COUNCIL MEETING
May 8, 2008

COUNCIL MEMBERS PRESENT: Robert Craggs, Richard Glasgow, Peg Larsen, Robert Livingston, Brian Zeller
STAFF PRESENT: Mark Nagel, Chris Wallberg
OTHERS PRESENT: Ann Jacobs, Steve Jacobs

1. **CALL TO ORDER** by Mayor Zeller at 5:01 p.m.

2. **PLEDGE OF ALLEGIANCE** was said.

3. APPLICATION TO AMEND THE CONDITIONAL USE PERMIT FOR VCI ABATEMENT, INC. TO ALLOW CONSTRUCTION OF A RESIDENTIAL RENTAL UNIT

Staff confirmed this and Agenda Item 4 are not variance applications; application made because Schumann has rental space for commercial rental; has had many more offers to have someone come in and have residential space, and very little and certainly no success to rent out the additional commercial space he has; had him check with the building inspector and there are no issues with building code; PC recommended they approve as requested; notification sent to everyone within 500'; no residents in attendance at PC meeting. Zeller said they are talking about the second story that lends itself more to an apartment than anything else; public hearing was held and PC recommended approval. Administrator conferred probably good thing they have in their Comp Plan because the CC wants to consider opportunities for multifamily housing; if they can approve this, at least they can indicate the City is trying to add to multifamily housing -1.3% increase.

M/S/P (Larsen/Livingston) to approve the application to amend the Conditional Use Permit for VCI Abatement, Inc. to allow construction of a residential rental unit. Craggs, Glasgow, Larsen, Livingston, and Zeller voted aye. Motion passed unanimously.

4. APPLICATION TO AMEND THE CONDITIONAL USE PERMIT FOR LAKELAND PLAZA TO ALLOW HOT AIR BALLOON LAUNCH OPERATIONS

Zeller indicated applicant actually Lakeland Plaza; Jacobs are present to speak to the issue of balloon launching, but applicant technically the Plaza; not specific to any part of the property; it is the property as a whole although realistically there is just the one area where they could launch; it is their intention to launch effectively where the drain field is; no public comment, written or present at the meeting; PC recommended approval. Staff said as she noted, there is concern about whether it can and should be limited to Stillwater Balloon; her position would be they would not approve it specifically Stillwater Balloon except if the application says that is who will be using it now; in an effort to make the CUPs broader for the businesses rather than narrow, thinks it makes sense to refer to it within the CUP itself that it is for hot air launching; the other concern was the question whether that would then apply administratively to the whole Plaza or just that area south of 5th Street; one of the City Attorney's concerns is they might want to address whether there should be berms and the other whether they would want to specify that it is just to be that section of the property or wide open. Larsen asked if they don't specify Stillwater Balloon, could a competitor come in and ask for same consideration. Zeller said if they were able to agree on a deal with the mall operator. Staff said presumably the management of the Plaza would not be interested in having people competing with one another anymore than they would now think it a good idea to have another antique store; interested in their attempting as a rule for getting broader based and more open for businesses is that they address the land use and not specific companies at the Plaza; thinks that is the direction they are wanting to go. Zeller asked relative to the City Attorney's comments on screening and buffering, they know what they have done on their side of the table, they have heard from the neighbors and what their concerns are; asked them to make every effort to have minimal impact on those people and hope that 30-60 days go by and everyone is comfortable and adjusted to it and there aren't any problems; at this point he personally doesn't want to go down that road of creating berms, planting, or anything of that nature; really would ask they be as sensitive as they can because they don't want to end up back here having more discussion; thinks a little time goes by and this will be fine.

Steve Jacobs, 200 Quality Avenue South. There is naturally trees there already and a natural clearing; not completely cleared obviously as there are a lot of little trees, but smaller groups of trees are in the center about 100' away from the power lines where they want to be; they staked out with management today and they are welcome to look at it; staked out a position where it takes very few trees out; judging from where the drain field was, they are actually toward CSAH 18 from the drain field, so he thinks there is probably at least 100' from where they will take off and the property owners; pretty fair distance; every year those trees get bigger, there will be a natural buffer; not storing anything at location. Craggs asked Jacobs to revisit the number of launchings he expects to have and at what times of the day. Jacobs said roughly speaking, last year he flew 50 times; 2/3 of those in the evening and 1/3 of those morning flights; schedules 7 days a week, twice a day so they fall pretty average; weekends they schedule more frequently, so on a Saturday or

Sunday, they are more likely to have a full flight than on a Wednesday; nights are always full from May to November so if the weather is good, they are planning May – November; a good 30% of their flights happen before 6 p.m.; evening flights never a concern, and they have never had any complaints about the morning flights either but those are the ones people fear; two properties about, but as was brought up at PC, one has actually spoken in support. Craggs trying to anticipate as the Mayor was some of the initial reaction, and at the same time wanting to insure there is open dialogue and encouraging him to have that between the neighbors; if he were a neighbor, he would probably come to him or call him up and ask him specific launch times. Jacobs said basically between May and November, about 50 times; that is the best he can do because sometimes they have a week where they fly every day, but then there are three weeks they don't fly. Craggs questioned the City Attorney's reference to screening and buffering; wanted to get their take on it. Jacobs said impossible to screen 120' tall balloon; this site is large enough where trees not as crucial; if amendment approved, will get started tomorrow; have guys lined up to cut trees down tomorrow. Glasgow wanted to touch on noise issue; most of the noise is the fans and generator that is at ground level so will be buffered pretty much by the foliage and the trees; other noise is when he turns the burners on; they lift the balloon off and they are gone; would say 80% of the noise is at ground level and very little noise once they have launched. Jacobs said very little and Staff can confirm that Stillwater Balloon has been taking off at their location for the last 34 years and for the last 10 years they haven't had noise complaints from neighbors. Livingston advised those who didn't attend the PC meeting that Chris White who is an affected neighbor can't wait to watch the balloons take off. Administrator advised to be as careful as they can with the landscape, cutting down as few trees as they can. Jacobs said it is only to their benefit too; natural clearing about 100' in that works out perfectly; four corners are staked out and stakes are red.

M/S/P (Craggs/Glasgow) to approve the application to amend the Conditional Use Permit for Lakeland Plaza to allow hot air balloon launch operations, not limited to any particular company. Staff requested they address all hot air balloon businesses and the whole Plaza area or not as they choose; would like direction. Zeller believes as it was written in Item 4 is how the motion made. Craggs clarified his motion. Glasgow accepted amendment. **Craggs, Glasgow, Larsen, Livingston and Zeller voted aye. Passed unanimously.**

5. DRAFT COMPREHENSIVE PLAN

Administrator briefly advised the Comp Plan was presented at the PC, open and closed the public hearing, so the draft is not in final form but didn't want to do that quite yet and wanted to give everyone 10 days to read to insure correct; told the PC and asking them to get their comments back to him in a week, as he would like to try to get this out by June 1; the communities need six months to review and then they have to have another public hearing at the CC in December or as close to that as they can, approve it, and send it to Met Council; they have rough draft before them; would focus on the economic development parts, housing parts, and section on mission statement, goals, policies to make sure he has everything reflected; only expenses they really have had is for the 1.5 months he has been splitting out his time so some of his time has been going right into the Comp Plan; would like to thank Louis Jambois for writing the Intergovernmental part, Diane Wirth wrote some of it, Simon Wirth wrote some of it, and of course Matt Klein and Jim Gilles wrote some; has really been a team effort; cost-wise maybe \$1,200 in his time and maybe another \$500-750 for maps; probably will come in by the time everything is copied at less than \$2,500-3,000. Zeller said for the record, St. Croix Beach just did theirs at an expense of \$30-35,000. Administrator continued that they should forward any comments they have about sections he missed; frankly good exercise because he learned a lot about the community he didn't know before; initially thought daunting task because he knows how big some of the Comp Plans work, for example the last one they wrote up in Anoka about ten years ago was very large; hopefully it will pass most of the muster they have requested; would guess actual cost of this about 10% of what Lake St. Croix spent and less than 5% of what Afton spent on theirs; thinks their plan will cost them about \$50-60,000 by the time they get done. Craggs wanted to know review process; his understanding Met Council could kick it back and say they need to address certain issues. Administrator said they have 90 days from December 31; community gets up to six months for review, the reason he wants to get it done by June 1; wants to include cover sheet with comments. Craggs requested electronic copy to make comments on. Zeller reminded that Administrator and he will be meeting with Bob Bieraugel from Aggregate Industries; in conjunction with many other factors that they don't have control over but relative to transportation, long term Aggregate Industries will do something with their land; that may or may not come in under a PUD; also looked at parcel of land Lakeland owns where the R3 is there, the northern portion of the map; if mass transit came their way or a park and ride expansion were to take place or something of that nature, the Administrator and he will have some discussion after they meet with Bieraugel with SRF to see what kind of overlay district they might want to consider identifying as those needs come forward; would really be for governmental public type use than anything; also put people on notice that is a potential use they might see in their future. Livingston had proposal; would like to see letters of commendation and a resolution to the effect to each of the three people who are not Staff; they earned it. Zeller in agreement; asked they get it through the approval process and absolutely.

M/S/P (Zeller /Livingston) to accept the draft Comprehensive Plan as presented. Craggs, Glasgow, Larsen, Livingston, and Zeller voted aye. Passed unanimously.

6. LAKELAND PLAZA DEVELOPMENT AGREEMENT

Administrator advised this is the same Development Agreement they saw back in March; hasn't changed at all; has a few figures to fill in for them; this is the concept they have provided the City including 5th Street realignment and a little bit on how that will look; this evening all they really need is a motion to approve the Development Agreement; terms same – now have legal descriptions they didn't have in March; thanked Gilles for that as he has really spearheaded the legal descriptions; he and the City Engineer got those together and making sure it gets done; thanked Clerk as well for making sure they stayed on task; thinks project is go; have July 31, 2008 drop dead date included where they can both say it's not going to work; only reason he thinks it probably might now work is if the bids come in too high for CSAH 18; again, if that is the case, obviously the bids for the realignment will be higher. Glasgow said Slagle [Washington County] was present at the Lakeland Shores meeting; bids are coming in under because of so much competition; doesn't anticipate higher because of oil prices and they are actually doing better this year. Larsen not familiar with the City signage ordinance; asked about a particular sign. Staff thought it would be part of the PUD. Nagel said if they could approve the Development Agreement tonight, everything remains on schedule; goes to PC in June; they will have time to review and then they will be set to go; only three changes and actually good changes for the City; on page 7 of the Development Agreement #7, they crossed out \$1,654,600 – it will be \$1,798,500; actual value of the site improvements will be \$879,725 – actually good for them because it is almost \$50,000 less they have to pay back; going to site improvements on page 8, when they wrote this in March they had not taken down the old gas station; #8 reflects the fact that the developer completed the demolition portion so have already finished it rather than it shall be complete it by a certain date; actually done as of 1/28/08; page 9, again back to the site improvement down at the bottom, it is \$198,950 – the costs to be reimbursed; if they paid the site improvement costs and it is excess and they have dollars, that is the amount additional they would pay; agreement 20 year. Zeller asked if he saw that once they execute this that they deposit a significant amount of money and reimburse the City for costs. Administrator said they will be assessing the costs of the street alignment down there and that will be about \$300,000 or a little less; basically if they don't pay the assessment, they don't pay them the TIF; they get the assessment and then it triggers the payment 90% of whatever turns out to be the cost; this will be a much better deal for the City and will be a better deal for them because they will get their money back; the way the TIF district is now in terms of the 20 years, they might not get all of their site improvement costs back, but they will over a period of time get 10% of whatever the increment is. Craggs said there is obviously a lot of incentive for them to try to move forward quickly; asked if they conveyed verbally or in written form what their plans are and their schedule associated with that. Nagel said right now what they are looking and want to do is get this project done in terms of the Plaza redevelopment; if that is successful, thinks they will see pretty quickly something following in terms of senior housing or something like that; the longer they wait, the less increment they receive. Zeller noted their comment to them is that this is taking place immediately; re-facing taking place this summer. Discussion continued regarding Plaza redevelopment, i.e. possible anchor tenant, attracting business; calling it Lakeland Village.

M/S/P (Larsen/Craggs) to approve the Lakeland Plaza Development Agreement as presented. Craggs, Glasgow, Larsen, Livingston, and Zeller voted aye. Passed unanimously. Livingston said for record he has been pretty critical of the mall and management over the last couple of years; would like to say thanks to Dave Erickson and his perseverance on this; win/win and glad it is happening. Craggs wanted to thank Nagel, Wallberg, and the rest of the Staff because this is a wonderful time to get to this point and be able to vote on something like this because it has been long in coming. Glasgow said to be clear, if it wasn't for the leadership of their Mayor, they wouldn't be here today; this TIF district, this development is because of the Mayor and his leadership.

7. 2009 BUDGET/SNOWPLOWING –

It was decided this item a workshop item.

Larsen wanted to let everyone know that she was approached and advised that the Friends of Washington County has hired a pretty high priced attorney to fight the fly ash; wanted to make them aware of the levy limits discussion going on at the Capitol and encourages them to make a few phone calls even though she doesn't think it will affect their City. Staff said on Monday they will clean up the Cook property; will need to talk to the public health department because there are some real issues; also got a call on another house; people are apparently bailing as part of the foreclosure situation, not locking the doors; had neighborhood kids in two houses and they are just trying to stay on top of food rotting as a safety/health issue and access to the building; will do what she can do as fast as she can to get issues resolved.

8. ADJOURN – M/S/P (Zeller/Craggs) to adjourn at 5:50 p.m. Craggs, Glasgow, Larsen, Livingston, and Zeller voted aye. Passed unanimously.

Brian Zeller, Mayor

Kate Piscitello, Recording Secretary