

**CITY OF SHOREVIEW
MINUTES
REGULAR CITY COUNCIL MEETING
September 15, 2014**

CALL TO ORDER

Mayor Martin called the regular meeting of the Shoreview City Council to order at 7:00 p.m. on September 15, 2014.

PLEDGE OF ALLEGIANCE

The meeting opened with the Pledge of Allegiance.

ROLL CALL

The following members were present: Mayor Martin; Councilmembers Johnson, Quigley, Wickstrom and Withhart.

APPROVAL OF AGENDA

City Manager Schwerm noted the revised agenda with the addition of No. 12 to the Consent Agenda, which is the release of a Letter of Credit in the Lakeview Terrace project.

Two further items were added to the Council packet: 1) A copy of the August 26, 2014 Planning Commission minutes relating to the Raising Cane's proposal; and 2) one further objection that was made to assessments.

MOTION: by Councilmember Quigley, seconded by Councilmember Wickstrom to approve the September 15, 2014 agenda as revised.

VOTE: Ayes - 5 Nays - 0

PROCLAMATIONS AND RECOGNITIONS

Mayor Martin recognized Sheriff Matt Bostrom.

Sheriff Bostrom expressed his appreciation that the Sheriff's Department serves as Shoreview's police department. Increased hiring is occurring. The Department is focused on hiring for character and training for competence. Honor, truth, respect and responsibility are the four attributes of focus in hiring prospective employees.

Sheriff Bostrom requested the community's help in fighting the heroin trade. When tracing those who overdose or die from heroin--it is often the case that it begins with opiate based pain killers. When addicts cannot find pain killers, they turn to heroin. Violent Crimes Enforcement Team is taking heroin off the street that is 92% pure. He urged residents to bag up prescription

drugs not being used and bring to the Sheriff's Department. Approximately three tons a year are being taken in.

Sheriff Bostrom introduced his lead crime prevention expert, Randy Gustafson. He works with Neighborhood Watch and Code Red within the community.

The Ramsey County Fright Farm at the Ramsey County Fairgrounds, the biggest department fundraiser of the year, begins the first weekend in October and runs through Halloween. The proceeds go to youth initiatives and canine service.

Mayor Martin thanked Sheriff Bostrom for the effort the department made to attend so many of the Shoreview block parties on Night to Unite. Sheriff Bostrom stated that deputies attended over 160 gatherings that night.

Councilmember Wickstrom thanked Sheriff Bostrom and his department for the strong support shown to Beyond the Yellow Ribbon and for being cooks on Build-A-Burger Night.

CITIZEN COMMENTS

There were none.

COUNCIL COMMENTS

Mayor Martin:

The pool is closed for maintenance and will open on September 20, 2014.

Next Saturday will be the Touch A Truck Kids' Garage Sale at the Community Center.

Councilmember Johnson:

The Human Rights Commission will host a community dialogue on Bullying, Thursday, November 6, 2014, at the Community Center. The program starts at 6:30 p.m. with a light dinner.

There are vacancies on various commissions and committees. She encouraged anyone interested to apply.

Councilmember Wickstrom:

One big change in the voting process this year is that voting absentee does not require an excuse. Anyone may vote absentee. Absentee balloting begins September 19, 2014. City offices will be open until 7:00 p.m. the week before the election and until 3:00 p.m. on the Saturday before the election.

Cleanup Day is October 4, 2014. There will be a charge based on the vehicle size. City Manager Schwerm stated that hours will be 7:00 a.m. to 1:00 p.m. Mr. Maloney added that the charges are \$10, \$25 and \$35 depending on size of vehicle. Payment will be taken by cash or check only.

Councilmember Withhart:

The Lakeview Terrace ribbon-cutting ceremony will be September 24, 2014, at 10:00 a.m. at Lakeview Terrace.

The Annual Volunteer Recognition Dinner will be held on Thursday, November 13, 2014.

City Manager Schwerm stated that the Fire Department will hold their Annual Open House at Station No. 3 (Lexington and County Road I), on October 4, 2014, from 11:00 a.m. to 2:00 p.m.

CONSENT AGENDA

Councilmember Wickstrom noted two corrections to City Council minutes:

August 25, 2014 Council Workshop Minutes: Page 5: The channel change that will occur with dropping out of the North Suburban Communications Commission (NSCC) is that residents will have Channel 16 but not Channel 15 as it is now programmed.

September 2, 2014 City Council Meeting Minutes: The townhouse association that received the Green Community Award is Willow Creek, not Oak Creek.

MOTION: by Councilmember Withhart, seconded by Councilmember Quigley to adopt the Consent Agenda for September 15, 2014, and all relevant resolutions for item Nos. 1 through 9 with the corrections to item Nos. 1 and 2 as stated above:

1. August 25, 2014 City Council Workshop Minutes, as corrected
2. September 2, 2014 City Council Meeting Minutes, as corrected
3. Receipt of Committee/Commission Minutes:
 - Economic Development Commission, August 19, 2014
 - Human Rights Commission, August 27, 2014
 - Economic Development Authority, September 2, 2014
4. Monthly Reports:
 - Administration
 - Community Development
 - Finance
 - Public Works
 - Park and Recreation
5. Verified Claims
6. Purchases
7. Bid Award - Community Center Carpet Replacement
8. Bid Award - Community Center Roof Replacement

9. Establish Project and Order the Preparation of Feasibility Report - Turtle Lane and Schifsky Road Reconstruction, CP 15-01
10. Developer Escrow Reductions
11. Approve Payment #2 (Final) - 2014 Street Light Replacements, CP 14-03
12. Release of Letter of Credit - Lakeview Terrace

VOTE: Ayes - 5 Nays - 0

PUBLIC HEARING

2014 ASSESSMENT HEARINGS

GASTON/GROVE, CP 13-03
COTTAGE PLACE, CP 13-01B
COUNTY ROAD D, CP 13-01A
RED FOX ROAD, CP 12-04

The schedule is that the public hearing for each of these projects was set for this date and is the first opportunity for the City Council to adopt the assessment roll. If adopted at this meeting, notices of adoption will be mailed to residents September 16, 2014. Should any objections occur, staff will prepare responses for the October 6, 2014 City Council meeting, when the assessment roll could be adopted. If adopted at the October 6th meeting, the notice of adoption will be mailed to residents October 7, 2014. Once the assessment roll is adopted, the 30-day payment period begins. Engineering will certify the assessment roll to Ramsey County 30 days from adoption or not later than November 15, 2014, so the assessment would be included on property tax statements for next year.

Presentation by Public Works Director Mark Maloney

Gaston/Grove/St. Albans Watermain Extension City Project 13-03

This project was to install watermain services to 14 properties not previously served by the City. The special assessment per property is \$7,829.00. The total project cost was \$122,000; the total special assessments are \$109,606. This amount was stated in the feasibility study and includes the source and supply fee. The assessment is proposed to be spread over 15 years. No objections have been received.

Councilmember Withhart asked for clarification regarding the 30-day payment method. Mr. Maloney explained that if a resident were to prepay the assessment within 30 days, there would be no interest charged.

City Attorney Kelly stated that proper notification for the public hearing has been published with mailed notice.

Mayor Martin opened the public hearing.

MOTION: by Councilmember Wickstrom, seconded by Councilmember Withhart to close the public hearing at 7:35 p.m.

VOTE: Ayes - 5 Nays - 0

MOTION: by Councilmember Wickstrom, seconded by Councilmember Johnson to approve Resolution 14-77 adopting the assessment roll for Gaston/Grove/St. Albans Water Main Project 13-03, with any previously noted revisions, spreading said assessments over 15 years at 4.693 percent interest, with said installments to be equal payments.

ROLL CALL: Ayes: Johnson, Quigley, Wickstrom, Withhart, Martin
Nays: None

Cottage Place Reconstruction

Mr. Maloney described the project as a small addition to a larger County Road D construction project. Replacement of asphalt pavement, water main services and sanitary sewer services were completed. The project included installation of a storm sewer, concrete curb and gutter. LED street lights were also installed.

The total project cost was \$553,000. Special assessments total 3% of the project or \$16,694.70. The street assessment is \$1,517.70, which is \$332.30 less than the feasibility study estimate. There is no storm sewer assessment. The assessment is spread over 10 years. No objections have been received.

City Attorney Kelly stated that proper notification for the public hearing has been provided.

Mayor Martin opened the public hearing.

MOTION: by Councilmember Withhart, seconded by Councilmember Quigley to close the public hearing at 7:40 p.m.

VOTE: Ayes - 5 Nays - 0

MOTION: by Councilmember Johnson, seconded by Councilmember Quigley to approve Resolution 14-76 adopting the assessment roll for Cottage Place Reconstruction, Project 13-01B, with any previously noted revisions, spreading said assessments over 10 years at 4.693 percent interest, with said installments to be equal payments.

ROLL CALL: Ayes: Quigley, Wickstrom, Withhart, Johnson, Martin
Nays: None

The total cost of the project is \$2.2 million. The total of all special assessments is \$142,253.23, which is 7% of the total project costs. The assessments presented are the same as what was presented at the public improvement hearing. The street assessments are apportioned by linear foot of curb frontage. Per City storm water policy, there is an indirect benefit for commercial properties of \$0.105 per square foot of lot area. The assessment is spread over 10 years.

Two written objections were received: 1) Ramsey County Parks Department; and 2) Wendy's. One objection received from both Ramsey County and Red Fox is that their properties do not drain to Red Fox Road. The storm water assessment is based on public improvement, not improvements to private property. All properties are assessed at the same rate. Only the parking lot was used in the assessment calculation for Ramsey County due to the size of the property.

The second objection is that the benefit is not proportional to the assessment. The project addressed safety and congestion issues at the Lexington and Red Fox Road intersection, which means that all properties benefited from the improvement. There has been no previous street assessment to these properties. Improvements to the County property access were coordinated with the Ramsey County Golf Course Manager. The cost was approximately \$6,600. This was not acknowledged in Ramsey County's objection.

Wendy's objection is based on observations of business in the area and competition brought to the area. The business discussion is not relevant to providing better traffic circulation and safety. The golf course is only assessed about 7% of the total assessed cost; Wendy's is assessed at only 8% of the total assessed cost. Staff is recommending adoption of the assessment roll.

City Attorney Kelly stated that publication and notice for the public hearing are proper.

Mayor Martin opened the public hearing.

MOTION: by Councilmember Quigley, seconded by Councilmember Withhart to close the public hearing at 8:02 p.m.

VOTE: Ayes - 5 Nays - 0

Mayor Martin stated that what is most important is fairness and consistency in the way the assessment policy is applied. It is not the City's business whether or not there is competition for Wendy's.

Councilmember Wickstrom stated that development was going to occur with or without the road improvements. Without the improvements, there would have been more negative impact on Wendy's.

Councilmember Quigley stated he supports applying the same assessment policies in this situation as has been applied over time to all residents. The improvements are critical to that area.

MOTION: by Councilmember Quigley, seconded by Councilmember Johnson to approve Resolution 14-74 adopting the assessment roll for Red Fox Road Reconstruction, Project 12-04, with any previously noted revisions, spreading said assessments over 10 years at 4.693 percent interest, with said installments to be equal payments.

ROLL CALL: Ayes: Withhart, Johnson, Quigley, Wickstrom, Martin
Nays: None

Mayor Martin noted that while other cities assess before a project begins, Shoreview waits until a year after the project is completed.

Councilmember Withhart added that the City pays a significant part of the assessments. Special funds were established many years ago so that residents would not be hit with huge assessments.

GENERAL BUSINESS

RESOLUTION AUTHORIZING ISSUANCE AND SALE OF GENERAL OBLIGATION REFUNDING BONDS SERIES 2014A

Presentation by Finance Director Fred Espe

Authorization is requested for issuance of \$6,980,000 refunding general obligation bonds to replace two of the City's current outstanding bond issues. The new bonds will be at lower interest rates. The bonds being replaced are two 2010 Build America taxable general obligation bonds, Series 2010A and 2010B.

Mr. Espe introduced Ms. Terry Heaton, Springsted, Inc., the City's financial advisor.

Ms. Heaton explained that Build America Bonds (BABs) are taxable bonds which are at a higher interest rate. The higher interest offsets borrowing costs and allows for a reimbursement to cities of 35% of the interest. BABs were very popular. However, the 35% interest reimbursement was reduced as a result of sequestration. In fiscal 2014, the subsidy payments have been cut by 7%. Under the federal budget passed in December, the sequester for BABs subsidy payments was extended through fiscal 2024.

The City of Shoreview has two BABs issues--Series 2010A for \$5,615,000, and Series 2010B for \$2,720,000. Bonds are usually sold 8 to 10 years from the call date. The Series 2010A and 2010B have call dates of 2019 and 2020. However, Springsted provided clear language to allow for an extraordinary redemption with the BABs, "...if there is a change in the law eliminating or decreasing the direct payments with respect to the bonds." This allows refinancing without penalty.

At this time the total reimbursements for both Series 2010A and 2010B from federal credits before sequestration would be approximately \$1,024,940. As a result of sequestration, reimbursements now total \$951,144, which could be at risk if the program were changed.

Therefore, consideration was given to combining 2010A and 2010B into one bond issue. The remaining term would be at approximately 2.34% after factoring in the reimbursement, which would result in a savings of approximately \$325,000.

Refunding Series 2010A and 2010B would preserve the initial savings from choosing BABs of \$180,000. This action also eliminates the uncertainty of future reductions beyond the 7.2% through the remaining life of the bonds and eliminates federal reimbursement administration for City staff.

Mr. Espe stated that staff is requesting approval of the refunding Series 2010A and 2010B general obligation bonds that were used to fund the Maintenance Center expansion, as well as streets, water, sewer and surface water improvements. Bids will be accepted November 3, 2014, and presented to the City Council at its regular meeting that evening.

Councilmember Withhart asked if the 7.2% reduction would compound over time. Ms. Heaton explained that the 7.2% is an annual reduction of the 35% reimbursement which can change every year.

Councilmember Wickstrom asked if the bond rating of AAA is expected to remain. Ms. Heaton responded that this decision is based on the City's bond rating. The City's bond rating is very solid and she sees no reason for it to change.

MOTION: by Councilmember Quigley, seconded by Councilmember Withhart to adopt proposed resolution number 14-72 authorizing issuance and sale of \$6,980,000 General Obligation Refunding Bonds, Series 2014A.

ROLL CALL: Ayes: Johnson, Quigley, Wickstrom, Withhart, Martin
Nays: None

SITE AND BUILDING PLAN REVIEW - RAISING CANE'S, LEXINGTON AVENUE

Presentation by City Planner Kathleen Castle

An amendment to the PUD of the Shoreview Target 2nd Addition is requested to develop Lot 2 with a Raising Cane's restaurant with a drive-through. The property was re-platted last year with Lot 2 created for future commercial development. The lot consists of 1.14 acres with frontage on Lexington and access from a south public access drive. The lot has a private driveway and parking area. There is a sign easement for Target to retain their existing free-standing sign. As a result of the PUD amendment Target deliveries are prohibited between 12:00 a.m. and 5:00 a.m. Operations were allowed to expand to 24 hours.

Raising Cane's proposes operation hours Sunday through Thursday 10:00 a.m. to 12:00 a.m. and Friday through Saturday 10:00 a.m. to 2:00 a.m. A maximum of seven employees is anticipated. Deliveries consist of small truck deliveries three times per week.

The proposed restaurant building complies with setback requirements. Setback deviations are requested for the trash enclosure. The required setback from Lexington is 50 feet; 44.5 feet is proposed. The required setback from the north lot line is 20 feet; 4.5 feet is proposed. The plan maintains historic drainage patterns with water directed to a storm water pond on Outlot A. Impervious surface will be reduced from 69.35% to 61.4%. The minimum parking stalls required is 16--28 are proposed. The drive-through lane exceeds the minimum stacking space for 6 vehicles; stacking space for 10 vehicles is proposed. A combination of trees and shrubs are planned for landscaping as well as retaining some existing vegetation. Additional landscaping enhancements are needed to comply with City code. Staff would like to see the plan revised with more tree diversity with the final PUD.

The Comprehensive Sign Plan proposed is a free-standing sign. The PUD encourages a shared sign with Target, but Target has indicated that the existing sign is not designed for an additional panel and would prefer separate signage. The proposed free-standing sign is reasonable and complies with City requirements. Four wall signs are proposed. City code allows one on the side of the Lexington frontage. Deviations are requested for four wall signs, the size of wall signs and one mural wall sign. The mural is hand painted and represents the heritage of the restaurant. Staff believes the sign is well done and will not detract from the site.

Property owners within 350 feet were notified of the proposal, as well as the Lake Johanna Fire Department, Rice Creek Watershed and the City of Arden Hills. A permit is required from Rice Creek Watershed. Arden Hills has expressed concern about the visual impact of a mural sign on Lexington Avenue.

The Environmental Quality Committee (EQC) reviewed the application and provided comments on the trash enclosure, storm water management, bike racks, food containers and landscaping.

The Planning Commission held a public hearing on August 26, 2014, and recommends approval. Conditions of approval were amended to reflect comments provided by the EQC.

Staff finds that the proposal is consistent with the PUD. The proposed deviations will not detract from the site. Approval is recommended with the attached conditions.

Mr. Robert Montgomery, Representative from Raising Cane's, stated that there are two locations in the Twin Cities area--one near the University of Minnesota and one in Apple Valley. This will be the 200th location for the company. The company supports over 3100 charities. Raising Cane's becomes involved in the community and is a number one fundraiser for school districts. No one is paid minimum wage. All beginning employees and managers are paid good wages. The building consists of real stone and brick. Food is cooked to order. There are no microwaves or heat lamps.

Mr. Montgomery assured the Council that the comments received from the EQC will be addressed. Landscaping will be added as recommended by staff. Drip irrigation is used. Bike racks will be added. He acknowledged the comments about use of styrofoam, but explained that there is no other product at this time that keeps the food as hot as styrofoam.

The mural is from the first Cane's restaurant opened. It is hand painted by an artist that will come from Baton Rouge, Louisiana. Every year it is touched up and maintained.

Councilmember Wickstrom asked if the grass shown in the landscaping plan could be replaced with native plants. **Mr. Montgomery** stated that their purpose is to present a clean landscape, but he will look into what could be substituted for a lawn.

Councilmember Withhart asked if the setback deviation requested for the trash enclosure at the rear lot line leaves enough room for City maintenance of the storm water pond. Further, he asked if the building were sold, if the sign deviation goes forward to a new owner. Mr. Maloney responded regarding the rear setback in that access to the pond is not from that area. Ms. Castle stated that the PUD provisions run with the land. As long as the mural would be kept to the same size, only a sign permit would be required. Mr. Schwerm added that a future change would likely bring a different sign plan.

MOTION: by Councilmember Quigley, seconded by Councilmember Withhart to approve the amendment to the Planned Unit Development - Development Stage application submitted by Kimley-Horn, on behalf of Raising Canes, for the property known as Lot 2, Shoreview Target Second Addition, Lexington Avenue. Said approval is subject to the following 12 conditions and three findings of fact listed:

1. This approval permits the development of this parcel with a restaurant facility approximately 2890 square feet in size.
2. Approval of the final grading, drainage, utility, and erosion control plans by the Public Works Director, prior to the issuance of a building permit for this project.
3. The applicant is required to enter into a Site Development Agreement and Erosion Control Agreement with the City. Said agreements shall be executed prior to the issuance of any permits for this project.
4. The items identified in the email from the Assistant City Engineer must be addressed prior to the issuance of a building permit.
5. The items identified in the memo from the Fire Marshal shall be addressed prior to the issuance of a building permit.
6. The exterior trash enclosure shall be of a masonry material that compliments the restaurant building. Landscape screening shall be provided along the north, south and east sides of the structure.
7. Prior to submittal of the Final PUD, the applicant shall work with the City regarding the proposed landscape plan to address the retention of existing trees/shrubs, shade trees and plant material sizes.
8. A permit shall be obtained from the Rice Creek Watershed District prior to the issuance of a building permit for this project.
9. Semi-truck trailer deliveries are prohibited between 12:00 am to 5:00 am. The applicant is encouraged to utilize small trucks for delivery.
10. The Building Official is authorized to issue a building permit for the project, upon satisfaction of the conditions above.

Discussion:

Councilmember Johnson explained that she will abstain from this vote as she works for Target Corporation.

ROLL CALL: Ayes: Quigley, Wickstrom, Withhart, Martin
 Abstain: Johnson
 Nays: None

MOTION: by Councilmember Quigley, seconded by Councilmember Wickstrom to approve the Comprehensive Sign Plan submitted by Kimley-Horn, on behalf of Raising Cane's, for the property known as Lot 2, Shoreview Target Second Addition, Lexington Avenue. Said approval is subject to the following:

1. The signs on the property shall comply with the plans submitted for the Comprehensive Sign Plan application. Any significant change will require review by the Planning Commission and City Council.
2. Signage shall be maintained in accordance with the City's Sign Code.
3. The applicant shall obtain a sign permit prior to the installation of the new signs on the property.

This approval is based on the following findings of fact:

1. The proposed land use is consistent with the designated commercial land use in the Comprehensive Plan.
2. The proposed use is consistent with the underlying C1, Retail Service zoning of the PUD.
3. The amended PUD provides a benefit to the community by providing additional commercial services.

Discussion:

Councilmember Quigley stated that the company's involvement with the community adds to its appeal.

Councilmember Wickstrom asked the timing of the project. **Mr. Montgomery** stated that it will be March or April 2015, when the ground thaws.

ROLL CALL: Ayes: Wickstrom, Withhart, Quigley, Martin
 Abstain: Johnson
 Nays: None

AGREEMENT WITH SOO LINE RAILROAD (CP RAIL) - QUIET ZONES**Presentation by City Planner Kathleen Castle**

The proposed agreement would establish 24-hour quiet zones along the north-south rail corridor of CP Rail and include the crossings at Jerrold Avenue and North Owasso Boulevard. The City has received a state grant in the amount of \$500,000 for the crossing improvements to meet quiet zone standards. This agreement authorizes a preliminary engineering study at a cost of \$10,000. The study is expected to be completed within six months. The City is responsible for the study costs. Improvement costs will be covered in an End Use Agreement with the State for the grant funds. Needed improvements include flashing light signals, half roadway gates, circuitry, lighting and housing.

MOTION: by Councilmember Withhart, seconded by Councilmember Wickstrom to authorize the City Manager to execute an agreement with the Soo Line Railroad for the completion of preliminary engineering study and cost estimates for the signalization work needed at the two crossings on the north-south railroad corridor in order to establish a quiet zone.

Discussion:

Mayor Martin noted that CP Rail has been working at those intersections recently. Mr. Maloney added that the work is a continuation of rail repair and not related to the work needed to establish a quiet zone.

Councilmember Withhart stated the repair work being done will allow higher speed through the area, which will mean shorter blockages of those crossings. Also, he acknowledged the work of Representative Isaacson and Senator Scalze to make this project affordable for the City.

Mayor Martin added that the state funding will also benefit Little Canada that has five crossings. Staff is working cooperatively with Little Canada on this project. Without the grant this year, the City would have had to wait until 2017 to apply for funding and a much later time when the work would have been completed.

ROLL CALL: Ayes: Withhart, Johnson, Quigley, Wickstrom, Martin
Nays: None

APPOINTMENT TO FILL VACANCY ON ECONOMIC DEVELOPMENT AUTHORITY**Presentation by City Manager Terry Schwerm**

Ballots were distributed to Councilmembers to vote on candidates for the vacancy on the Economic Development Authority (EDA). Mr. Schwerm stated that the resignation of Mr. Gene Marsh created the current vacancy. The Council recently interviewed five applicants for the

position: Jim Gardner, Shelly Myrland, Kirk VanBlaircom, Gerry Wenner and Josh Wing. The Council's practice is to ballot until there is a majority vote for one candidate.

Mr. Schwerm announced that the result of the first ballot is three votes for Shelly Myrland.

MOTION: by Councilmember Wickstrom, seconded by Councilmember Withhart to appoint Shelly Myrland to the Economic Development Authority Board to complete the remainder of the existing term and to a new six-year term expiring on December 31, 2020.

Discussion:

Councilmember Johnson noted that the candidates also expressed interest in other opportunities to serve the community. She requested that staff follow up with them to inform them of other such opportunities.

ROLL CALL: Ayes: Johnson, Quigley, Wickstrom, Withhart, Martin
Nays: None

ADJOURNMENT

MOTION: by Councilmember Wickstrom, seconded by Councilmember Withhart to adjourn the meeting at 9:02 p.m.

VOTE: Ayes - 5 Nays - 0

Mayor Martin declared the meeting adjourned.

THESE MINUTES APPROVED BY COUNCIL ON THE 6TH DAY OF OCTOBER 2014.

Terry Schwerm
City Manager