

**CITY COUNCIL MEETING  
CITY OF FRIDLEY  
JANUARY 25, 2016**

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The City Council meeting for the City of Fridley was called to order by Mayor Lund at 7:03 p.m.

**ROLL CALL:**

**MEMBERS PRESENT:** Mayor Lund  
Councilmember Barnette  
Councilmember Varichak  
Councilmember Saefke  
Councilmember Bolkcom

**OTHERS PRESENT:** Wally Wysopal, City Manager  
Darcy Erickson, City Attorney  
Scott Hickok, Community Development Director  
Darin Nelson, Finance Director/Treasurer  
James Kosluchar, Public Works Director  
Paul Bolin, Assistant Executive HRA Director  
Kay Qualley, Environmental Planner  
Deb Skogen, City Clerk  
Julie Jones, Planning Manager  
Jack Kirk, Director of Parks and Recreation  
John Lennander, Assistant City Engineer  
Pam Reynolds, 1241 Norton Avenue  
Rick Nelson, 4624 - 2 1/2 Street  
Lonna Nelson, 4624 - 2 1/2 Street  
Paul Dreblow, 4820 - 2 1/2 Street  
Elizabeth LaPanta, 141 - 46th Avenue NE

**PRESENTATION:** Burlington Northern Santa Fe

**PROCLAMATION:** Darin R. Nelson, Finance Director

**APPROVAL OF PROPOSED CONSENT AGENDA:**

**APPROVAL OF MINUTES:**

City Council Meeting of December 28, 2015.

**APPROVED.**

City Council Meeting of January 4, 2016.

**APPROVED.**

**NEW BUSINESS:**

**1. Resolution Regarding Findings of Fact with Respect to the Proposal of Qwest Broadband Services, Inc., d/b/a CenturyLink, Inc., for a Cable Communications Franchise.** Wally Wysopal, City Manager, stated this is a resolution regarding the favorable Findings of Fact with respect to review of legal, technical, and financial capacities of CenturyLink, Inc., and will initiate negotiations over terms and conditions for a potential cable communications franchise.

**ADOPTED RESOLUTION NO. 2016-04.**

**2. Resolution Authorizing Entering into a Master Partnership Contract with the Minnesota Department of Transportation (MnDOT Agreement #1001357).** Wally Wysopal, City Manager, stated this resolution allows for expedited processing of service agreements for such things as bituminous testing and analysis.

**THIS ITEM WAS REMOVED FROM THE CONSENT AGENDA AND PLACED ON THE REGULAR AGENDA.**

**3. Resolution in Support of the Grant Application for the Minnesota Department of Transportation Community Landscape Roadside Partnership Program.**

Wally Wysopal, City Manager, stated this is a resolution in support of a landscape partnership grant application with MnDOT for the northwest quadrant of I-694 and East River Road.

**THIS ITEM WAS REMOVED FROM THE CONSENT AGENDA AND PLACED ON THE REGULAR AGENDA.**

**4. Resolution Amending the Naming and Recognition Policy for the Springbrook Nature Center SPRING Project.**

Wally Wysopal, City Manager, stated this resolution would make it consistent with the actual project as it was modified and scoped several months ago and bid out to reduce its budget.

**THIS ITEM WAS REMOVED FROM THE CONSENT AGENDA AND PLACED ON THE REGULAR AGENDA.**

**5. Approve Change Order Nos. 1, 2 and 3 for the Springbrook Nature Center Improvements Project (Building Addition, Remodel, and Site Improvements).**

Wally Wysopal, City Manager, stated for the bid areas of electric and general construction, the total cost is \$109,423.20 (approximately 3 percent of the total budget). This leaves about two-thirds of the contingency for the project remaining.

**APPROVED.**

**6. Motion to Approve 2016 Pay Equity Implementation Report.**

**Wally Wysopal**, City Manager, stated this is concerning City employee pay, and it favorably meets the requirements of the State Statutes.

**APPROVED.**

**7. Claims (17098-171316).**

**THIS ITEM WAS REMOVED FROM THE CONSENT AGENDA AND PLACED ON THE REGULAR AGENDA.**

**ADOPTION OF PROPOSED CONSENT AGENDA:**

**Councilmember Bolkcom** asked that Item Nos. 2, 3, and 4 be removed.

**Pam Reynolds**, 1241 Norton Avenue, asked that Item No. 7 be removed.

**MOTION** by Councilmember Barnette to approve the proposed consent agenda with the removal of Item Nos. 2, 3, 4, and 7. Seconded by Councilmember Varichak.

**UPON A VOICE VOTE, ALL VOTING AYE, MAYOR LUND DECLARED THE MOTION CARRIED UNANIMOUSLY.**

**OPEN FORUM, VISITORS:**

No one from the audience spoke.

**ADOPTION OF THE AGENDA:**

**MOTION** by Councilmember Bolkcom to approve the agenda with the addition of Item Nos. 2, 3, 4, and 7. Seconded by Councilmember Saefke.

**UPON A VOICE VOTE, ALL VOTING AYE, MAYOR LUND DECLARED THE MOTION CARRIED UNANIMOUSLY.**

**2. Resolution Authorizing Entering into a Master Partnership Contract with the Minnesota Department of Transportation (MnDOT Agreement #1001357).**

**Councilmember Bolkcom** asked what materials testing was.

**James Kosluchar**, Public Works Director, replied it is a way to ensure the quality of such things as concrete, bituminous, Class V base; basically roadway elements and components.

**Councilmember Bolkcom** asked, under Section 2.4, Payment Basis, do they know the costs up front when doing all this. It seems confusing. There are work order contracts and then there is a

payment. It indicates the state will invoice the local government upon completion and at regular intervals but not more than once monthly as agreed upon.

**Mr. Kosluchar** replied, there are two types of work under this contract. There are technical services and work order contracts. Technical services are materials testing--run of the mill kind of items that are not worth going into separate work order agreements. Those are actually listed in a MnDOT price list which is annually updated so the City knows what those costs are. Staff does check the list, and they do check it against a consultant's price list. Typically, they find MnDOT is pretty reasonable on some of the testing. The City has sent it elsewhere in the past when it was not.

**Councilmember Bolkcom** stated going back to Section 1.4, she asked if he would explain what a work order contract is.

**Mr. Kosluchar** replied, the work order contract is something they cannot develop a price list for. That really essentially is what it is. For instance, when they did Highway 65, if they had an area that needed resurfacing on a side street and had their contractor there and did not want to establish a new contract or additional cost for mobilization for another contractor to do that small amount of work, the City could write up a work order contract and have it done.

**Councilmember Bolkcom** stated but the last sentence says, "The Local Government understands that this Master Contract is not a guarantee of any payments or work order assignments, and that payments will only be issued for work actually performed under fully-executed work orders."

**Mr. Kosluchar** replied basically that is saying if MnDOT said, no, then the City would not have any kinds of means to force them to do what the City is requesting or vice versa. Staff really contemplates the agreement and really desires the agreement for those technical services because those are what the City needs. The work order contract is something the City has not used or contemplated in the past. He can see maybe once every five or ten years there is something that comes up that would be of benefit to the City and they could use this.

**Councilmember Bolkcom** asked if it left the City hanging a little bit.

**Mr. Kosluchar** replied, no, the City would just establish a separate component agreement for that piece of work.

**Councilmember Bolkcom** asked regarding 7.4.3.2, the City gets 90 percent but then it says the balance will get paid when the "State's authorized representative determines that the Local Government. . . ." How long do they have to decide that? Could the City wait a long time depending on how busy they are?

**Mr. Kosluchar** replied the agreement really does not address that. His guess would be it depends on what kind of work it is. For example, the City's street projects has a punch list; and the contractor will typically have 30 days to remedy anything on that punch list. That is a very large contract. His guess is it would be in the next billing cycle.

**Councilmember Bolkcom** said Section 9.1 says, "The Local Government's Authorized Representative is also authorized to execute work order contracts on behalf of the Local Government without approval of each proposed work order contract by its governing body." She asked what that meant.

**Mr. Kosluchar** replied, basically you are delegating the execution authority to delegate a representative, and he is written as the delegated representative here.

**Councilmember Bolkcom** stated, in other words Mr. Kosluchar can delegate work that the City might not get paid for.

**Mr. Kosluchar** replied, no, you are delegating authority. The reason for that is where time may be of the essence. That is one of those areas where you could contemplate a work order agreement. For instance, the City had a heavy rainstorm during the time when the State had its shutdown a few years ago. The City was lucky enough to get one of the State's two crews that were working the whole metro area to come and clear a drainage ditch. If the City had not been so lucky, that is where the administrative personnel were there but none of the line personnel; they had very skeletal staff. In that case, the City could have executed an agreement fairly quickly to get that work done by the City's forces and get paid back and reimbursed.

**Councilmember Bolkcom** asked, if the City knew for sure it would get paid back.

**Mr. Kosluchar** replied, actually if you look at the clause above it, it just does not designate a timeframe for that review and acceptance of the work, but generally it says that the State will promptly pay. What "promptly" means may be a question for the City Attorney.

**Councilmember Bolkcom** asked where it was.

**Mr. Kosluchar** replied, Section 7.4.3.1.

**Councilmember Bolkcom** stated it says no more frequently than monthly. She asked what intellectual property rights are.

**Mr. Kosluchar** replied, it means if MnDOT or the City develops a process that is unique and can be patented or trademarked, that the City owns it. He cannot imagine what that might be in the sense of this agreement. It is a common clause actually with construction plans. If it were construction plans worked out by MnDOT, it would be MnDOT's intellectual property and not the City's.

**Councilmember Bolkcom** asked on page 69, the first paragraph says "The State intends to carry out its responsibility for requiring affirmative action by its Contractors. . .the Local Government is encouraged to prepare and implement. . . ." The City has that, correct?

**Wally Wysopal**, City Manager, replied the City does not. The City of Fridley is not held under an affirmative action plan. That is why the language is permissive. The City is an equal opportunity employer, but it is not bound by an affirmative action plan.

**Councilmember Bolkcom** stated so this is saying that the State would encourage the City, but it is not bound by that.

**Mr. Wysopal** replied correct.

**Councilmember Bolkcom** asked regarding Section 17.1, Publicity, it states that "Any publicity. . . must not be released without prior written approval from the State's Authorized Representative" but it does not really say how long it might be before the City can get publicity. Is that okay?

**Mr. Kosluchar** replied, you are talking about pamphlets, advertisements, magazine articles. The State wants to weigh in on those. That is the reason for the clause.

**Councilmember Bolkcom** stated but it includes press releases. For example, what if the City wanted to put something in the Sun Focus, the City could not release it until it has been approved by some State representative. Is that a very thick layer the City would have to go through?

**Mr. Kosluchar** replied he would not expect so. Staff does have contact with them frequently.

**Councilmember Bolkcom** stated as to Section 21.3 it was a little disconcerting to her. It says, "The State must provide the Local Government notice of the lack of funding within a reasonable time. . . ." She asked could they actually start a project, and the State may immediately terminate or suspend this Master Contract and any work order if it does not obtain funding? Would the City actually start a project before it has funding?

**Mr. Kosluchar** replied, he thinks what this contemplates is if the State were to be unfunded by the Legislature for some reason.

**Darcy Erickson**, City Attorney, stated probably a shutdown is one of the unique circumstances she can see being involved with that.

**Mr. Kosluchar** stated basically the department would have to be unfunded. One of the things to keep in mind is the appropriate scale of this Agreement. They are not talking about big contracts the City is letting. It is talking about small items of maintenance the City may perform for one another on occasion.

**Councilmember Bolkcom** stated maybe she does not understand it because there is really not a lot of information about it. She asked Mr. Kosluchar to give her an example.

**Mr. Kosluchar** replied, again, he would go back to the ditch. If they were not able to get that crew that the City did during that shutdown period, the City would have had to perform the work regardless. The City would have gotten permission from the administrative personnel to do the work, but the City likely would have been at risk as to whether the City would have been reimbursed for it. This allows the City to secure that and get that approval to be reimbursed for that work.

**Councilmember Bolkcom** asked the City Manager if this contract could in any way cause the City to have unbudgeted items. Mr. Kosluchar is very prudent but the way it is set up, basically the Director of Public Works is the one who goes out forward to get these contracts. Would the City know ahead of time about this or is it going to be on more of an urgent basis?

**Mr. Wysopal** replied this would not replace any planning processes or public hearings such as the City has later on tonight for projects. This is indeed intended to streamline materials testing. When the City needs to get a test done on some bituminous the City just laid for a street, they cut out a core sample of that. MnDOT can be a vendor for the City for that, and those expenses are typically part of the overall budget in the capital improvement plan. There are the necessary safeguards in place with respect to the budget and in the City's planning process that would prohibit any large liabilities on behalf of the City.

**MOTION** by Councilmember Bolkcom to adopt Resolution No. 2016-05. Seconded by Councilmember Saefke.

**UPON A VOICE VOTE, ALL VOTING AYE, MAYOR LUND DECLARED THE MOTION CARRIED UNANIMOUSLY.**

**3. Resolution in Support of the Grant Application for Minnesota Department of Transportation Community Landscape Roadside Partnership Program.**

**Councilmember Bolkcom** asked if Kay Qualley could do her presentation on this.

**Kay Qualley**, Environmental Planner, stated this is regarding a grant opportunity for MnDOT Community Landscape Roadside Partnership Program which, if the City becomes involved with, does not limit the City to one project or even one project at a time. It could be a landscape partnership in the right-of-way areas that extends over a several-year period. It does not have a cash match.

**Ms. Qualley** stated as to project details, after meeting with MnDOT's landscape architect and reviewing some of the parameters of the project with Anoka County Transportation and Maintenance in regard to the right-of-way areas, they provide free landscape architectural design, technical assistance, plant material (like trees, shrubs, and perennials) with no cash match for right-of-way planting.

**Ms. Qualley** stated cities like White Bear Lake and St. Paul along the 35E corridor and others have embarked upon these landscape partnership grant opportunities. Site preparation, mulch, soil amendments as needed, removal of invasive species (like thistle) and other unsightly weedy plants, ash trees, and installation are the only things that are not covered by the grant.

**Ms. Qualley** stated it is suggested the installation can be done by matching other series of grants like a grant that is pending right now for the Youth Conservation Corp through the Pollution Control Agency or working with a group like the Anoka County Master Gardeners to train volunteers from service groups and fraternal organizations to do these kinds of plantings in a very highly designed plan.

**Ms. Qualley** stated there is also a grant opportunity available through the DNR for purchase of a gater and a small watering tank that could be accompanied to a potential site along East River Road.

**Ms. Qualley** presented a sample plan. The design is done to landscape standards and to try and use native plants, salt-tolerant plants because it is near the roadside and there would be road spray from I-694. There is one particular site that has been preapproved by MnDOT as acceptable for Council through its first grant. This area is near Georgetown Apartments surrounding the I-694 area of East River Road on the west side up to the Mississippi River. She pointed out that a horseshoe shape area just north of I-694 is the MRT trail as it comes off the bridge on I-694 and it comes under from the Anoka County Riverfront Regional Park.

**Ms. Qualley** stated landscaping this section would be nice for the thousands of tourists who pass through this into the Fridley community as part of the National Park Service. Fridley residents would also enjoy the trail.

**Ms. Qualley** stated in addition to that, currently MnDOT and Anoka County are working on an informal mowing agreement. What is really valuable right now and what Anoka County assured her is they would still continue the mowing right adjacent to the trail so it would keep the trail very safe and sightlines preserved if the City does accept this grant opportunity.

**Ms. Qualley** stated if the City decides to do this, the first step would include some small groves of low shrubs. All sightlines would be preserved and all MnDOT roadside regulations observed because there would be a MnDOT landscape architect working on the project.

**Ms. Qualley** stated in terms of the East River Road Corridor Study, it would be a benefit in removing weeds, dying trees, and replacing them with pollinator flowers or more attractive landscaping in the very area that is very close to the Northstar Train Station TOD master plan along East River Road. Staff feels it would be beneficial.

**Ms. Qualley** stated this creates an ongoing partnership with MnDOT and collaborates to reduce weedy areas. It would also improve the experience tourists have when visiting the City, as well as improving the right-of-way areas as people transition from Minneapolis to Fridley along East River Road. This could be Phase I of other roadside improvement projects. Currently, staff is just investigating what the approval process would look like between 57th and 61st on University Avenue as well to maybe change the look of things there in the very heart of the City.

**Ms. Qualley** stated it will mean that, along with rain gardens and other things that are evolving in terms of public spaces and increasing the number of small tree groves or decommissioning small areas of turf that are not used in places like parks and in the rights-of-way, certain kinds of new maintenance will be required in the future. This means that maybe a half day a week one crew may need to water some of the plants as they become established or do some weeding when the City is not mowing. The City may transition partially into a way that it manages these spaces to better improve the look of the City and also storm water absorption by these kinds of plants and deep-root systems, shrubs, perennials that flower, and trees.

**Councilmember Bolkcom** asked if they do receive this grant is there a way to let the neighborhoods know what is happening and how they can get involved. It is a marvelous idea. To spruce the area up and use other resources is great.

**Ms. Qualley** replied the neighbors in the closest and largest of the City's apartment complexes, Georgetown Apartments, would benefit from this as well. There is an informal path leading directly to this area from those same apartments.

**Ms. Qualley** stated in terms of the second part of Councilmember Bolkcom's question, as she mentioned, traditional maintenance methods are shifting slightly. Maybe a crew that once mowed for a whole day, mows for half a day, and a different crew does what she calls, technical maintenance, which may mean some spraying of invasive species and some weeding when things are young.

**Ms. Qualley** stated the one suggestion from Anoka County maintenance was that signage be incorporated into it saying, pollinator garden, wild flowers here, no mowed turf in this area, enjoy. Those kinds of signs which would be useful for passersby and users of the trail would also be useful for his crew. She thought that was an excellent suggestion.

**MOTION** by Councilmember Bolkcom to adopt Resolution No. 2016-06. Seconded by Councilmember Saefke.

**UPON A VOICE VOTE, ALL VOTING AYE, MAYOR LUND DECLARED THE MOTION CARRIED UNANIMOUSLY.**

**4. Resolution Amending the Naming and Recognition Policy for the Springbrook Nature Center SPRING Project.**

**Councilmember Bolkcom** asked on page 90, related to the wall guidelines, under No. 4, "Neither the City of Fridley or the Springbrook Nature Center Foundation will guarantee replacement or repair of recognition names. The Donor, however, may provide funding for a replacement." She asked if it is damaged and it is going to be indoors, why would they not replace it.

**Jack Kirk**, Director of Parks and Recreation, replied he thinks they have the discretion to. They were not positive at least at this point how elaborate the Recognition Wall will be and whether they wanted to commit themselves to taking care of any slight imperfections or graffiti. For example, over at the Fridley Community Center there is a plaque that has numbers and names on it. There was some vandalism done to that. It was repaired the best it could be. What they want to protect against is that someone comes back and says, well, somebody made some kind of notation on there and I do want you to replace it. If it is something very, very expensive and they did not feel they had the money for it, at least they have some discretion.

**Councilmember Bolkcom** asked do they have any idea what that Wall is going to cost? If someone has a naming right to a room and the sign falls down and two of the letters fall off, would they replace those?

**Mr. Kirk** replied, yes.

**Councilmember Bolkcom** asked why is this any different just because it is less money.

**Mr. Kirk** replies, it just depends on the quality. One of the examples might have been a tree with individual doners' names put in leaves. If there was a fair amount of vandalism and it was expensive to repair, they did not want to leave themselves in a position where they were required to fix it. They certainly could at their discretion and, in all likelihood, they would do that. They want to protect themselves. This has been the practice they have had when they put signs out on benches and trees. If the recognition sign is damaged, they are not going to guarantee that they are automatically going to replace it. If she would like this taken out they could do that, but they would then commit themselves to replacing it, no matter what kind of damage was done.

**Councilmember Bolkcom** stated she did not quite understand it. It is a building with security cameras, why would they not fix something if they saw it happen. She understands if there is a bench outside and if someone rips it up that they will not replace it. People are giving a significant amount of money to put their name on the wall. Maybe they do not make something so expensive it has to be fixed. She loves the changes in the rest and it makes sense. There has been a lot of really good work here, but she found it a little strange to her. There is a plaque on the wall and something gets damaged, they do not fix it.

**Mayor Lund** referred to page 79, in Mr. Kirk's narrative he talked about Section 11 and Recognition Wall guidelines, one of them being Item (c) "Those individuals on the Fridley City Council during the approval and/or construction of the project will be recognized on the wall or plaque." He asked if it was true the way they have this established is that those with \$500 donations or greater would be named on the wall?

**Mr. Kirk** replied, that is correct. That is staff's recommendation.

**Mayor Lund** stated he recommends to Council that for recognition they at least put \$500 into the naming of that wall, too.

**Mayor Lund** stated under the policies this community has had from way before he has even lived here which has been 37 years, they are going to fix what makes sense to fix. If it is beyond replacement and it is damaged, gone, ripped off, they may be leaving themselves an out. If someone makes a donation for a tree and 20 years from now that tree is hit by lightning, it is about \$1,500 for a tree, do they replace it because of the recognition? It is common sense. If it is beyond its useful life, whatever that life period might be for a sign, etc., they are saying they want the "out" and not have to spend a lot of money to put somebody's name on there in perpetuity. The building itself will not last in perpetuity.

**Councilmember Bolkcom** stated she thought it was odd how it said, "or the donor chooses not to pay for the replacement."

**Mayor Lund** stated to Councilmember Bolkcom if she has some different verbiage, they would be happy to listen to that.

**Councilmember Bolkcom** said she did not.

**MOTION** by Councilmember Bolkcom to adopt Resolution No. 2016-07. Seconded by Councilmember Saefke.

**Mayor Lund** stated he would like to make an amendment that the Council also, if they want their name recognized on it, that they give a donation of at least \$500 like every other organization or name or entity they have on there.

**Mr. Wysopal** stated they are talking about something different than what is typically a plaque that dedicates a building, correct?

**Mr. Kirk** replied, that is correct.

**Mr. Wysopal** stated typically there is a plaque that will say, constructed 2016, and then the City Council members' names and then whoever else is decided to be put on there.

**Councilmember Barnette** stated a typical one is like the one at Community Park on the boulder.

**Councilmember Bolkcom** stated it is two separate things then.

**UPON A VOICE VOTE, ALL VOTING AYE, MAYOR LUND DECLARED THE MOTION CARRIED UNANIMOUSLY.**

**PUBLIC HEARINGS AND NEW BUSINESS:**

**8. Preliminary Assessment Hearing on 2016 Street Rehabilitation Project No. ST201601.**

**MOTION** by Councilmember Barnette to open the public hearing. Seconded by Councilmember Bolkcom.

**UPON A VOICE VOTE, ALL VOTING AYE, MAYOR LUND DECLARED THE MOTION CARRIED UNANIMOUSLY AND THE HEARING WAS OPENED AT 8:00 P.M.**

**James Kosluchar**, Public Works Director, stated the City has developed a pavement improvement plan for intermittent maintenance--sealcoating, mill and overlay, or reclaim. They avoid reconstruction which is a very expensive cost item. He said the City's pavement program is in its 11th year. This is for asphalt pavements in the City based on a recurring schedule. They target pavement where maintenance gets very expensive. They group streets into project areas to try and get a pricing advantage with volume. The project they are talking about tonight is one of the 11 projects, and they designate those about 10 years ahead of time. It is in the Plymouth neighborhood, in the south area of Fridley.

**Mr. Kosluchar** stated what gives the impetus for designation of an area or a project in the area is basically a concentration of poor quality pavements. The City rates its pavements annually, rating portions of the City, and then tracks those ratings. The ratings are affected by surface wear, crack size, and condition which can affect the structural integrity of the pavement, whether it is skid resistance or other factors.

**Mr. Kosluchar** stated in the pavement improvement plan they identified project areas by monitoring those pavement ratings over time. Other factors affect the prioritization of the City's projects. It can affect it if the street meets certain standards. They may be more inclined to reconstruct the street if there is a safety issue or some other issue with the structure. The time since the last major maintenance doing interim maintenance work is important, so they work with staff and try to determine where they are spending a lot of time keeping things together year after year. If there is adjacent project activity, if they have a street segment that is adjacent to another street segment, or in the middle of a project area, they will include it. Funding obviously will limit what they can do.

**Mr. Kosluchar** stated the project areas are identified in the City's capital improvement program, and they have identified \$3.7 million in the next 5 year. An estimated 60 percent of this construction is funded from special assessments. That is just for the roadway piece of it. There is also other recommended work including select underground utility repairs--CenterPoint gas main and service replacement. The City is also recommending water main replacement on selected street segments, sewer manhole repairs and some spot main repairs. However, there are no lengthy sewer repairs for this project. Street segments will receive an inch of reclaim of the pavement and base, new base, and then three inches of asphalt surfacing. Depending on feasibility, they may be some drainage improvements.

**Mr. Kosluchar** stated if the project were to go forward, the construction timeline is about 10 to 12 weeks on this project for substantial completion. Construction would be open from mid-May to mid-September. What they do is try to have the contractor choose a time to start and kind of limit them to that 12-week period. They divide the project into two or three phases, each lasting two to four weeks.

**Mr. Kosluchar** stated there has been some project communication that has already happened. The City mailed notices to the property owners of the workshop and tonight's hearing. If anyone has not provided the City with a survey yet, there is a survey link, they can write a letter, or send back the paper survey. Staff is glad to have the property owners' information. If the project goes ahead, they will send out a kickoff notice around April to let them know who the contractor is, give out some particulars on a schedule, and as the project goes forward, notify the areas in each phase what the schedule is. Staff also provides notices. For instance, when they have the watermain construction, staff may have to shut off the water for a period of hours in order to put in a new valve. They will notify the property owners in advance.

**Mr. Kosluchar** stated there have been some notices on the open house, the questionnaire, and the public hearing. This project is pretty similar to other City projects in that they will be completing this within a year of construction. There will be a final assessment hearing in October at which time the property owners are invited to speak to Council.

**Mr. Kosluchar** stated the project cost is nearly \$2 million including the MWMO stormwater funding commitment that they made of \$450,000 and that is at the bottom of the first two items on the project cost list which are the share for the pavement rehabilitation and any curb replacement. The roadway elements are included in the first two elements of the project, and Fridley has applied for Municipal State Aid Funds that it receives for its roadways for that improvement. Also the City has just over \$500,000 from the water utility fund. They will be doing all the hydrants in the project area, and then as to sanitary sewer and storm sewer, there are some minor elements that need to be taken care of.

**Mr. Kosluchar** said with respect to MWMO funding, they are looking at the feasibility of some water quality improvements at a couple locations. One of them is an alley along the project area, and one of them is west of Main Street in an existing detention area where they are hopefully providing water quality improvements.

**Mr. Kosluchar** stated as to special assessments, these are based on the City's policy. LDR stands for Low Density Residential, and is basically four units or less and properties accessing the rehabilitated street benefit. An assessment is a term used by dividing the pavement-related cost by the number of benefitting properties. In other words, it does not matter how big your lot is; everyone will all pay the same. The one exception is if somebody has a dividable lot, and he did not think that applied. Corner lots are assessed on one side only. As to a duplex, they pay 150 percent of the assessment; a three-plex would pay 200 percent. There are 176 or 179 parcels in the benefitting classification.

**Mr. Kosluchar** stated as to historic costs for the special assessments on these kinds of street projects, for the 2016 project, they are estimated at \$2,450. After the October hearing and the Council certifies the amount, the property owners receive a final letter. They have three options to pay. Option 1 is to pay within 30 days. Option 2 would be to add it to your property taxes and pay it over 10 years. Last year's interest rate was 5.3 percent and this year it is 5.5 percent as of today. Option 3 would be a deferment program for seniors and disabled persons for which criteria has to be provided.

**Councilmember Barnette** stated seniors can defer their payments but there is a clarification. Do they have to meet an income standard to defer their payments?

**Darin Nelson**, Finance Director/Treasurer, replied there are income guidelines on that for both senior citizens and disabled individuals, and they have to be homesteaded properties as well. Interest does accrue during that time.

**Councilmember Bolkom** asked regarding a question at the project open house, will the watermain be replaced? Response was it is unfortunate that more cannot be replaced due to budgetary constraints. Does it all need to be replaced?

**Mr. Kosluchar** replied, no. Being that the infrastructure here is 50 plus years old, the City would like to have a larger budget and be able to replace them so that the City is sure they are going to last. Staff is confident with the selection they have made.

**Councilmember Bolkcom** stated she can see a resident saying you are going to fix my street and then you are going to tear it up in the next couple years.

**Mr. Kosluchar** replied, that has happened. They do have water breaks on streets they have repaved. It is unfortunate but they avoid the better majority of those by doing what they do.

**Councilmember Bolkcom** stated and No. 7 related to gas service and metering and she knows they had some discussion that happened in their last project. They are notified ahead of time when CenterPoint is coming in and doing their work. They are the first ones in normally as long as they respond, but the City always gives them plenty of notice before the City starts the work, correct?

**Mr. Kosluchar** replied correct. Actually CenterPoint is out there surveying right now. They want to verify there are not conflicts with their gas lines and the sanitary service lines. That is kind of a common practice they have implemented in the past five years for safety.

**Councilmember Bolkcom** stated Mr. Kosluchar made mention about some stormwater management improvements. Someone asked about whether the 4700 block of Main Street alley would be repaved. Right now it is not going to be. She asked when they would know about the storm water improvements and whether there will be some funding?

**Mr. Kosluchar** replied he believed the funding has been budgeted by the MWMO, and staff is going through the process of doing a feasibility report on four locations where they think those stormwater enhancements can be placed. That will be a big determining factor. He knows that MWMO wants to review that. They will want to review it and make sure it passes their threshold. He would say maybe a month or month and one-half. He knows Mr. Lennander met with MWMO probably a week ago.

**Councilmember Bolkcom** stated she is not catching why they would not repave it. She asked what does that have to do with the stormwater?

**Mr. Kosluchar** replied, they would actually change the underground system in that alley, and that would require them to basically resurface the alley or portions of it.

**Councilmember Bolkcom** asked if the resident at 211 - 46th Avenue is losing his double wide concrete driveway?

**Mr. Kosluchar** replied, he did not have his notes from the meeting in front of him but his guess is that the resident is on a street where they will be doing watermain work. It is on their side and under the curb. As watermain work is done, typically it is going to impact driveways.

**Councilmember Bolkcom** asked, meaning what.

**Mr. Kosluchar** replied basically the apron. Where they cut off the driveway and rebuild it.

**Rick Nelson**, 4624 - 2 1/2 Street, asked if the curb is sunk will that be replaced in this process?

**Mr. Kosluchar** replied, they do spot replacement of curb. Typically it has to hold a little bit of water but it does not take much. They are pretty aggressive with that. They have had some curbs they have not replaced that are dead flat and the water will evaporate after a day. Typically, they are trying to get after anything that has offset joints or is holding water.

**Mr. R. Nelson** stated they did have the cameras go down their sewer line, but they did not get out to the street. It stopped approximately 50 feet short, due to the design of his system. He is questioning where is their recourse if there was to be some damage or something they are not aware of in the repairs. He has a concern not knowing.

**Mayor Lund** asked if it was possible to camera it from the street side in.

**Mr. Kosluchar** replied, it might be, the City does not have that kind of equipment. Staff may be able to connect Mr. Nelson with a contractor who can see what can be done. The contractors actually have basically a second camera on a camera they can push up the line from the main.

**Councilmember Bolkcom** asked, is it expensive?

**Mr. Kosluchar** replied, he did not know. They do not use it very often.

**Councilmember Bolkcom** asked Mr. Nelson whether he filled out his survey?

**Mr. R. Nelson** replied not yet. He said he believe that is also the section where the watermain needs to be replaced. Where is their obligation in that as far as their shutoffs to the house where they reconnect them? Is there any way of testing that or are they not going to do that since he is sure most of the shutoffs have not been touched since the 1940s when they were put in?

**Mr. Kosluchar** stated if he is on the short side, he is on the side of the watermain, and he is going to take the brunt of the construction. The plans show the City is actually going to be replacing that stand pipe on the short side. Unfortunately, they cannot run the service all the way across to the long side.

**Mayor Lund** asked Mr. Kosluchar is he talking about the main running down the street could be on offset?

**Mr. Kosluchar** replied, it is always offset.

**Mayor Lund** stated so whether Mr. Nelson is on the short side where it is close to the main rather than the long side. On the short side are they talking about replacing the line from the City's main out the street to the curb stop?

**Mr. Kosluchar** replied, just to the curb stop. Then they do a like amount because the distance is so short typically they are digging up the curb stops anyway. It is not usually 13 feet. It is usually like 5 feet and they are in the trench. They replace those as a matter of course and it creates a better joint.

**Mayor Lund** asked what do they do on the long side?

**Mr. Kosluchar** replied, they will do a compression fitting going out about 5 to 10 feet.

**Mayor Lund** stated so in those cases they are not replacing up to the curb stop.

**Mr. R. Nelson** stated so he is being assessed for his neighbors to get a new curb stop.

**Mr. Kosluchar** replied Mr. Nelson makes a good point. There is no assessment for the utility work.

**Mayor Lund** stated but Mr. Nelson does not know if he is on the side of the watermain.

**Councilmember Saefke** stated most of the watermains in that neighborhood tends to be on the west side or closer to the west side of the street.

**Mayor Lund** stated he was not up for street repair, but his watermain curb stop failed on him. He had to pay for it all because the City's policy is from the watermain all the way to your house including the water stop.

**Paul Dreblow**, 4820 - 2 1/2 Street, stated he talked to Mr. Kosluchar. He asked if anything was being done regarding sewage?

**Mr. Kosluchar** replied, yes, the sanitary sewer line is lying throughout this project area. They actually have some Columbia Heights utilities that flow through there and a Met Council line as well. Basically the sanitary sewer is in very good condition. They have some storm drainage improvements they need to do. Some spot repair on the sanitary sewer. A couple of manholes. Also, they would potentially be doing some storm water quality retention.

**Mr. Dreblow** stated if they do not do this now and things just get worse, you would then get hit with a \$10,000 assessment rather than a \$2,400 assessment.

**Mr. Kosluchar** replied, it gets more expensive. The pavement loses its structural integrity, and the base will start degrading, and then pretty soon you have to subcut 18 inches on the whole length of the project which starts to get pretty expensive. Then you will start losing curb. That is a ways down the road but, again, the work is cycling around the Fridley neighborhoods.

**Councilmember Bolkcom** asked if the street was not improved, how long before the City would swing back in that direction.

**Mr. Kosluchar** replied, he did not know. The City has ten years of lists out there.

**Mr. Dreblow** asked in terms of the payback if this were to go through, 5.5 percent interest for ten years. Why is it so high? It is the base prime rate plus 2.

**Darin Nelson**, Finance Director, replied historically the City has used the prime rate plus 2 percent. It kind of mirrors somewhat the housing market. Unfortunately, the City is not necessarily in the financing market. They have to do this to cover its cost on this. It is different than a mortgage.

**Councilmember Bolkcom** asked there is no penalty if you suddenly have that money, after the first of the year, they can pay it off with no penalty.

**Darin Nelson** replied, absolutely.

**Mr. Kosluchar** stated they will be doing 45th Avenue potentially as part of this project. Half of that street is in Fridley, and the other half is in Columbia Heights. Staff has talked with the City of Columbia Heights. There is about \$40,000 that actually comes from the City of Columbia Heights into that MSAS fund item.

**Councilmember Saefke** stated they have a connection down there to the City of Minneapolis near the intersection of 45th and Main Street that he believed is going to be upgraded some because it has not been used for a number of years. Years ago before Fridley had its own water system, it bought water from the City of Minneapolis and so it had a connection there. That is one of about three of them they have in case the City's wells have problems. We can always buy water from a different suburb so they are not hanging out there.

**Councilmember Bolkcom** asked if the sanitary sewer had been lined recently.

**Mr. Kosluchar** replied yes, throughout the neighborhood. He is not certain every foot of pipe is lined, but he believed the report was that nearly all or all of it was lined.

**Elizabeth LaPanta**, 141 - 46th Avenue NE, stated they will be replacing the main directly down from them on 2 1/2 Street but not their main. She had a couple of questions about that because they wanted to sign up for the camera. They actually had two different sewer lines going in and out of their house so they have had a camera in one of them. And that is perfect but of course that is not the one that is going to be addressed. They are in favor of improving this if it is going to cost them less now than it would down the road basically. It is kind of startling that even in the course of this last year the people north of 49th paid significantly less.

**Mayor Lund** stated the chart showed there was be a \$65 difference.

**Ms. LaPanta** stated she thought it showed \$165. She also asked if they do the 10-year financing if it comes on their property bill. Is both the general amount the \$2,415 and the interest tax deductible or just the interest?

**Darin Nelson** replied he would defer that to her tax accountant. From his background, typically special assessments are not.

**Ms. LaPanta** asked not even the interest.

**Darin Nelson** replied, he would refer her to her tax accountant.

**Ms. LaPanta** stated if they get in there and the actual main that is in front of their house, needs to be replaced, too, is that an option as they are working along or is this written in stone? What if they get in there and their main needs to be replaced?

**Mayor Lund** stated they are not assessed for the watermain work anyway. It is coming out of the water fund.

**Mr. Kosluchar** stated she is on the corner, just north of where they are going to work. Things do not get cut off right at the centerline. It depends on where that junction of the main might be. They might be extending a little more towards her property. If they discover something in between now and then and there is a problem out there, they would come back to the Council and request funding to expand that.

**Ms. LaPanta** asked about the curbing.

**Mr. Kosluchar** replied the curbs are not in terrible shape but there are sections where they have dropped, sagged, or there is a joint offset. They will chase that back for a ways. They call it spot replacement, but they have done that on segments that are 50 feet long. It just depends on how far they have to chase it.

**Ms. LaPanta** stated they made the mistake of putting in an irrigation system very close to the road.

**Mr. Kosluchar** replied if you do have an irrigation system close to the road, that is a good reason to fill out the questionnaire because there is a question specifically for that, and it will alert the inspector.

**Ms. LaPanta** stated she talked to Pam Christensen at CenterPoint and they were saying they were going to be coming through and replacing all the lines and most of the meters, correct?

**Mr. Kosluchar** replied, this is what he has heard so far. The map they had from December was tentative so they may have expanded what they are planning to do for streets; however, they are waiting for the City Council to decide whether they are going to go ahead with that project.

**Mr. Kosluchar** stated there was a couple that had to leave. They advised they were against the project, and they thought the pavement and the streets were good.

**Councilmember Bolkcom** asked if they have any sense from the informational meeting whether the majority of people were for or against this.

**John Lennander**, Assistant City Engineer, replied in his opinion there was not a real strong sense they are against the project. Most of the comments were from people who were against paying for the project. There were a number of people who said they did not feel the streets were in bad enough shape to do them.

**Councilmember Bolkcom** asked if it increased the City's maintenance costs year by year by having to do more patching, etc.

**Mayor Lund** stated and these streets are 50 years old.

**Mr. Kosluchar** replied, they were constructed in 1966, and they have not had a major resurfacing since that time. They have had sealcoating regularly, and 2008 was the last time.

**Mayor Lund** stated the City's policy has been about every 8 years they try and do a sealcoat to try and save the streets. Every 8 years, 4 cycles, for a total of 32 years and then the City has an expectancy they better start looking at replacement of the road in the 40 plus year.

**Mr. Kosluchar** replied, yes, that is what the City has been doing. Fridley has terrific soils that are unheard of in other communities. It is fortunate to see streets last 40 years or 50 years in this case with just sealcoating.

**Mayor Lund** stated the City is fortunate it has a lot of sandy soils so it is good drainage rather than clay soils that would have frost buckling and you would be lucky to get 25 years out of them.

**MOTION** by Councilmember Barnette to close the public hearing. Seconded by Councilmember Varichak.

**UPON A VOICE VOTE, ALL VOTING AYE, MAYOR LUND DECLARED THE MOTION CARRIED UNANIMOUSLY AND THE HEARING WAS CLOSED AT 8:44 P.M.**

**9. Resolution Ordering Final Plans, Specifications and Calling for Bids: 2016 Street Rehabilitation Project No. ST2016-01.**

**Councilmember Bolkcom** stated it is 50 years old. It is a street that needs to be done. It is not totally big holes.

**MOTION** by Councilmember Bolkcom to adopt Resolution No. 2016-08. Seconded by Councilmember Saefke.

**UPON A VOICE VOTE, ALL VOTING AYE, MAYOR LUND DECLARED THE MOTION CARRIED UNANIMOUSLY.**

**10. Public Hearing to Consider Modifying the Redevelopment Plan for Redevelopment Project No. 1 to Reflect Enlargement of the Project Area.**

**MOTION** by Councilmember Saefke to waive the reading of the public hearing notice and open the public hearing. Seconded by Councilmember Bolkcom.

**UPON A VOICE VOTE, ALL VOTING AYE, MAYOR LUND DECLARED THE MOTION CARRIED UNANIMOUSLY AND THE HEARING WAS OPENED AT 8:46 P.M.**

**Paul Bolin**, Assistant Executive HRA Director, stated over the past several months, the Housing and Redevelopment Authority (HRA) has taken a look at a number of its different loan programs. One thing they have noticed is they do lack a program to assist smaller businesses with expansions and improvements. If you are a large industry doing a large redevelopment project, tax increment financing may be available. That is what they have learned through the 150 or so business retention visits staff has done over the past two years. There is a need among the City's smaller businesses for some assistance in the form of a loan for building expansions, purchasing machinery, making some City Code corrections, and for accessibility issues.

**Mr. Bolin** stated the City has a number of older commercial industrial properties scattered across the community. The loan program will keep a number of jobs in town, and in some cases, increase the number of jobs in the community. The City will see added value, which increases its tax base. In some cases, it may correct some code enforcement problems.

**Mr. Bolin** stated the HRA has the financial and legal ability to provide assistance to businesses. For consistency with its other redevelopment efforts, mainly in its Tax Increment Financing Program, they would like to provide loans in the redevelopment project area. The project area already includes the majority of the City's commercial and industrial properties.

**Mr. Bolin** stated that to make all businesses in Fridley eligible for the program, they are proposing adding those missing commercial and industrial zoned properties into this project area. Since they are going through and making these additions now, it was mentioned by the HRA they should also add the Columbia Arena site into this project area, at this time, as they anticipate some future development there.

**Mr. Bolin** stated to make these changes, the Statute requires a few different things--one being that the Planning Commission take a look at the proposed area and determine whether it is consistent with the City's long-range Comprehensive Plan, as far as the future redevelopment efforts go.

**Mr. Bolin** stated this item was approved by the Planning Commission on December 16. They reviewed the project and determined it was consistent with the Comprehensive Plan. This item was approved by the Housing and Redevelopment Authority on January 7, and the last step was for this to come before Council for a public hearing. After the public hearing, staff would recommend approval of the resolution that modifies the redevelopment plan for Redevelopment Project No. 1 to show these additional parcels in that project area.

**Mayor Lund** stated it is great the HRA is looking at new approaches to assist the community. He asked Mr. Bolin if he sees an actual need for this.

**Mr. Bolin** replied yes. There is a business on the south end of town that currently has an opportunity to expand their business but requires an investment, a \$40,000 piece of equipment they are trying to get. The owner is trying to weigh that against code enforcement corrections he needs to make involving paving his site, curb and gutter, as well improvements that need to happen to their building. They are seeing instances like that where people are trying to weigh all these different priorities. There are number of smaller, older commercial office type buildings, and staff has met with some people who have an opportunity to purchase the building they are in. The purchase price is right, but they would not have any equity available or the ability to modernize the building so that the bathrooms meet ADA accessibility and these buildings can really function the way people want modern offices to function.

**Mayor Lund** asked if these outcomes were because of code enforcement issues? Where is staff getting the interest from?

**Mr. Bolin** stated staff is hearing the bulk of these requests from their proactive business retention visits. Staff is getting out and meeting with businesses.

**Mayor Lund** stated he can certainly see in these instances where businesses need some help and they are pleasantly surprised the City is trying to assist them. On a positive level rather. He said he was in favor of this.

**Councilmember Bolkcom** stated so this allows the HRA to actually extend some funds out to something that is not in a TIF district. Do they have any idea what kind of funds they are talking about as far as the overall budget? Is there a set amount?

**Mr. Bolin** replied, they have a fairly well-developed draft set of guidelines for the program; however, there are still some things they need to finalize. One of those is an issue they will be talking about next, the prevailing wage issue.

**Mr. Bolin** stated what they were talking about with this program is the City would be making loans that would be between \$50,000 and \$150,000 and, in all of the loan scenarios, the City would just be one of the funding sources. In no case, would they fund more than 45 percent of the project. In all these deals that the City will be a part of, there is going to be owner equity or a private bank loan involved and then likely a combination of Federal Small Business Administration funds and potentially the State through the Department of Employment and Economic Development has some funding available. They will always be a part of a partnership filling a financing gap.

**Mr. Bolin** stated the HRA is working with Mike Mulrooney of Central Minnesota Development Corporation which is a non-profit group that operates these loan programs for a number of cities. He has 40 years' experience doing these types of loans for a number of communities. Where he has seen the city dollars typically come in, is to get those upgrades to store fronts, exterior businesses, and more aesthetic things that do not necessarily add to the business' bottom line. Everybody is in business to make a profit and increase efficiency. These dollars can be spent on the things like the store front or landscape or parking lot in need of repair.

**Councilmember Bolkcom** stated does it also make it easier for the business owner to get a loan because they now are in a redevelopment area, or does that not play into it other than there should be some funds generated through the HRA?

**Mr. Bolin** stated it does not matter to a private bank that a business is located in this district. What does matter is the fact that the City is willing to be a partner in this. There is a benefit in the Authority's loaning to this business.

**Councilmember Bolkcom** asked if there were any cons to this? There still could be another TIF district generated and, say, in some area something happens tragically and there you were, that could still become a TIF district itself even though it is now in a redevelopment project, right?

**Mr. Bolin** replied, correct. All of the City's tax increment districts are in the project area. Every time the City creates a new tax increment district--they may recall they had attorney Jim Casserly put together some resolutions that are 12-pages long--all those "Whereas" in there modify this project area each and every time they create a TIF district.

**MOTION** into the record the draft January 7, 2016, Housing and Redevelopment Authority meeting minutes and the December 26, 2015, Planning Commission meeting minutes regarding this item. Seconded by Councilmember Varichak.

**UPON A VOICE VOTE, ALL VOTING AYE, MAYOR LUND DECLARED THE MOTION CARRIED UNANIMOUSLY.**

**Pam Reynolds**, 1241 Norton Avenue N.E., asked if it is consistent with the Comprehensive Plan, why is it necessary to change the Plan. What is the purpose of changing the Redevelopment Project Area No. 1.

**Mayor Lund** replied to increase the area.

**Ms. Reynolds** stated so then it is not consistent.

**Mayor Lund** stated he does not know that it makes it inconsistent because you are increasing the area.

**Mr. Bolin** stated the City's Comprehensive Plan and the Housing and Redevelopment Authority's redevelopment project area are two separate documents. One guides where the Housing Redevelopment Authority invests its dollars for projects, for redevelopment projects and, because the HRA and the City depend on each other, they are really two independent bodies that function as one. The HRA is really the redevelopment arm of the City. You want those plans to be consistent with each other. That is why staff is bringing this item before the Council tonight. The Planning Commission held a public hearing and reviewed it for consistency and determined that the two were consistent.

**Ms. Reynolds** stated that was her next question, how did it go through all the steps before it got here but Mr. Bolin answered it.

**Councilmember Bolkcom** stated the City has a Comprehensive Plan but it is identified that there are areas for redevelopment including some of those areas up in her ward and the area of Mr. Harris' properties. That is an area that will be in here. Part of the Comprehensive Plan is they need redevelopment in some of those areas. It is very complementary.

**Scott Hickok**, Community Development Director, stated correct.

**Councilmember Bolkcom** stated the important part of the City's whole Comprehensive Plan is to identify areas for the next 20, 30 years that need to be redeveloped because they are older areas and older buildings; and a lot of areas that are included in this TIF area are these properties.

**Mr. Hickok** stated that is right. If there were parcels that are adjacent that should be in this, they are looking at those tonight. It is very important those are part of this whole discussion.

**MOTION** by Councilmember Saefke to close the public hearing. Seconded by Councilmember Bolkcom.

**UPON A VOICE VOTE, ALL VOTING AYE, MAYOR LUND DECLARED THE MOTION CARRIED UNANIMOUSLY AND THE HEARING WAS CLOSED AT 9:05 P.M.**

**11. Resolution Modifying the Redevelopment Plan for Redevelopment Project No. 1 to Reflect Enlargement of the Project Area.**

**MOTION** by Councilmember Varichak to adopt Resolution No. 2016-09. Seconded by Councilmember Bolkcom.

**Councilmember Saefke** asked what kind of an interest rate the City gives on the loans.

**Mr. Bolin** replied, right now it would be at 4.5 percent. There is a formula where it is tied with the prime rate.

**UPON A VOICE VOTE, ALL VOTING AYE, MAYOR LUND DECLARED THE MOTION CARRIED UNANIMOUSLY.**

**12. Public Hearing to Consider Amending Ordinance Nos. 1095 and 1315 to Allow the Fridley Housing and Redevelopment Authority to Exempt their Proposed Commercial Revolving Loan Program from the Prevailing Wage Requirements.**

**MOTION** by Councilmember Bolkcom to waive the reading of the public hearing notice and open the public hearing. Seconded by Councilmember Saefke.

**UPON A VOICE VOTE, ALL VOTING AYE, MAYOR LUND DECLARED THE MOTION CARRIED UNANIMOUSLY AND THE HEARING WAS OPENED AT 9:07 P.M.**

**Paul Bolin**, Assistant Executive HRA Director, the HRA has spent a great deal of time talking about different changes to its loan programs, and one of the changes suggested to make a commercial loan program work better would be to take a look at the restrictions the City's existing prevailing wage ordinance puts on that program. The way the current ordinance is set up includes the Housing and Redevelopment Authority as an entity of the City, and there is a requirement that prevailing wages be paid for any project involving any City funds. That is what could potentially cause issues for the HRA for this program in particular. It would make the program less attractive.

**Mr. Bolin** stated the City's prevailing wage ordinance was really meant to provide high quality buildings, high quality Public Works projects and to further ensure that those people working on those types of projects are being paid the prevailing wage as defined for the City by the Department of Labor and Industry. That wage varies based on which county you are in and a number of job classifications. You can find those wages on the Department of Labor and Industry's website specific to Anoka County.

**Mr. Bolin** stated the existing ordinance the City has does already make some exceptions for small projects under \$25,000 for owner-occupied housing, for small rental units, and for some residential rehab properties.

**Mr. Bolin** stated what the Authority's staff is proposing is another exception, and that would simply be any commercial loan program adopted by the HRA. They are not asking for a large change to the prevailing ordinance, and they are not trying to change the intent of the ordinance. Making this change will allow the HRA to make their decision on whether they want the prevailing wage ordinance included in their potential loan program.

**Mr. Bolin** stated the HRA funds are going to be the gap financing. They will always be a partner with private banks, with the Federal SBA, or the Department of Employment and Economic Development in these loans. They really are going to always be the junior lender, the third place lender, or the fourth place lender in some cases.

**Mr. Bolin** stated they want to be consistent with what the Federal SBA requires and with what the State requires on their loan dollars. Neither the Federal SBA nor the State has prevailing wage requirements on the particular loan products that HRA funds would be intermingled with.

**Mr. Bolin** stated they will be the third or fourth place lender on these projects and will have no more than a 45 percent stake in these projects. They will have somewhere between \$50,000 and \$150,000 in these projects. If they move forward with the prevailing wage requirements, there is not going to be a lot of interest in accessing the City money because the Federal funding does not require it. People will choose not to take the City's loan product, and it will not get those types of extra things, like the improved storefront or the fixed up parking lot.

**Mr. Bolin** stated, again, there is not a city in Minnesota that they can find, nor has Mike Mulrooney come across a city that has had prevailing wage requirements on a loan product. As the City moves forward and it creates new programs to assist City businesses, some of these ordinances have general statements that tie up these things they are trying to do.

**Mr. Bolin** stated as they have looked at this and have had a lot of discussion about this particular issue, what it really comes down to is they are looking at trying to put money back into these businesses that are going to keep jobs here long term. They are going to hire more people, put more investment back into the community, and they are going to, eventually as improvements happen, increase the tax base as well.

**Mr. Bolin** stated they will see a lot of long-term benefits through this program if it is allowed to operate, as the experts tell them it needs to operate. Because of that, staff does recommend that after the public hearing, Council approve the change to the prevailing wage ordinance and hold the first reading of the ordinance.

**Councilmember Barnette** stated he knows this is a major issue and for those who do not know, he was a tremendous supporter and pusher for the prevailing wage ordinance 20 years ago. He knows at that time there was a limit and there was a value of \$25,000. The proposal now is to put a limit of \$150,000. Economics have changed over the last 20 years and make that a reasonable thing. There was some good discussion within the HRA about this year and some compromises made there. The question he had when this whole thing came up is that, as they look ahead at building a new city hall, etc., that expense will always fall under the prevailing wage ordinance. Correct?

**Mr. Bolin** replied correct.

**Councilmember Barnette** said he does not want that to go away. In his mind, prevailing wage has been an outstanding thing to happen in our society to keep the middle class going. He will continue to support it; but he also thinks this is a reasonable compromise to keep the City going and keep these kinds of programs going. The HRA did a great job coming up with a compromise on this whole issue.

**Councilmember Bolkcom** asked if there was any commitment to anyone who gets their loan from the HRA? She totally thinks this makes sense. However, can someone get one of the City's loans, fix up their building, and then sell it tomorrow? She guessed that was okay as long as it is all fixed up. Is there any agreement that they have to provide "X" amount of time in the community? Was that any part of the discussion?

**Mr. Bolin** replied they are going to borrow the money. The money is going to fix up the building and, as long as the City ends up with a new building or greatly improved building, and the City's loan gets paid, that is okay.

**Councilmember Bolkcom** asked if the change they are making tonight is only to commercial loans. It is not for any other HRA project that comes along. This is only for this commercial loan program.

**Mr. Bolin** replied correct. In all the other HRA projects they do--the City's large demolition projects, Columbia Arena--that is all done at prevailing wage.

**Councilmember Bolkcom** asked when they apply for this loan they have given the City a whole step-by-step list of things they are going to be doing with the money. Is that part of the whole loan process? Obviously they have to do something in order to get the money from the bank, but to get \$150,000, do they have to sign some agreement? She asked how that worked.

**Mr. Bolin** replied, she is correct. There is a whole application form and review process. Much like the City does with its single-family loans. They will use Central Minnesota Development Corporation, a non-profit group to do the same background work and loan qualification work for them. There is also a group that will work with the SBA loans and the DEED funds as well, so it is part of the larger package. They will review all that and then they provide essentially a credit worthy review for the City.

**Councilmember Bolkcom** stated so they are well-versed in the SBA.

**Mr. Bolin** replied correct.

**Rick Nelson**, 4624 – 2 ½ Street N.E., stated he speaks against the prevailing wage waiver. As Councilmember Barnette indicated Fridley was basically brought up by middle class people which prevailing wage does help. The City has already started the slope of allowing prevailing wage to be waived. This is just one more example. They did it on the apartment complex on University Avenue. The City is now asking for people to get funds from it at a 4.50 percent rate, which is less than what the City is assessing them at. They have to pay it back but they hope the businesses pay the HRA loan back. He finds that ironic.

**Rick Nelson** stated having a prevailing wage gives you a little safer outcome in the quality of the work the businesses are going to be doing. When you are waiving the prevailing wage, you really do not know the quality of work you are going to get; and it could reflect the quality as well as the visibility. He would like the Council to reconsider this. They can say all they want and say that projects are going to have it. It is just a public hearing and an ordinance, and they can waive that again. If people want to fix up their places, and they want good quality of workmanship, prevailing wage would bring that more realistically into reality.

**Pam Reynolds**, 1241 Norton Avenue N.E., stated she also is against changing this and agrees with what Mr. Nelson had to say.

**Councilmember Barnette** stated Mr. Nelson was at the previous meeting on this, he knows there were people there who were strongly in favor and others said, get rid of it. Was there a compromise they were recommending to City Council?

**Mr. Bolin** stated the Authority has not taken any formal action on this item yet. This is one of those things that needs to be worked into the program guidelines and they likely will not have that discussion with the Authority until their March meeting. What they are asking the City Council to do is approve this so the Authority can have that discussion, because he does not think, at this time, there would be a unanimous vote of approval to waive the prevailing wage requirement from the members of the Authority. However, they cannot even have the discussion unless this change is made.

**Mr. Bolin** stated if this is approved and the Authority wanted to, they could keep the prevailing wage requirement and waive it on a project-by-project basis or they could set some sort of parameters on the prevailing wage. What they are hearing and what they are seeing in the marketplace is that prevailing wage on these types of loans is a real deterrent. In fact Mike Mulrooney from Central Minnesota Development Corporation has said that if they are going to put a prevailing wage on the City's loan program, they might as well not even bother with the loan program. He thinks it is that much of a deterrent, especially in a case where the City is third or fourth in line on the loan. That it is a deterrent to the Federal SBA loans, so they do not require it. Even the State of Minnesota has recognized that it is a deterrent for this type of loan product.

**Councilmember Bolkcom** stated it is a deterrent because it is a more expensive project because of the prevailing wage? Is there that much difference between prevailing wage and non-prevailing wage?

**Mr. Bolin** replied, with the prevailing wage, for every study they find that it does not add costs or maybe has 1 percent, you can find a study that says it adds 15 to 30 percent. The costs are not necessarily from wages. It is in the administration of enforcing the ordinance or the bookkeeping on the end of the contractor as well as the bookkeeping on the agency required to keep those records. That really is where the expense is at. They would have to add staff to track these types of things.

**Mr. Bolin** stated not to get too much into past history, but back in 1997, 1998, around the time the ordinance was originally adopted, when Barb Dacy was here, they did a lot of research and looked at what enforcing the ordinance would cost the City on certain projects and found that quite a bit of the staff time that would go into those things. That is really where the expense is. He looked at where the rates are today, for most of the wages for carpenters and laborers in Anoka County. The prevailing wage for a mason is \$35 an hour which is fairly common. laborers are \$30.96, and carpenters are \$35.16. It is not the difference in wages necessarily, but it is in the administration.

**Mr. Bolin** stated in a lot of cases, they are talking about small businesses, so it is going to be a business owner and his son doing some of these things on the weekend. Another thing that comes up and is a potential problem is with machinery. A lot of machines that are coming over from a foreign country. For example, milling machines may be coming over from Germany. When they buy one of these machines, two technicians from Germany come over and do the install. How do you track a prevailing wage on that? That is where the cost is and that is where the problem is. It is difficult to track, especially when they are talking about smaller projects. They are not talking about a \$20 million Public Works project, where they have large contractors that are set up and turn these reports in on a regular basis.

**Councilmember Bolkcom** asked if the County HRA had a commercial loan program?

**Mr. Bolin** replied he did not believe so.

**Councilmember Bolkcom** stated if she heard Mr. Bolin correctly earlier there are many other cities that have something similar? Fridley is not doing something out of the norm.

**Mr. Bolin** replied our neighboring cities have commercial loan programs.

**Mr. Wysopal** stated in terms of it being a deterrent, it is more of a deterrent because this is gap funding. This is that last piece that the company needs to make a project work and, if that entire project is being financed and being taken care of in some other way, this requirement would in fact spoil or require the entire project to be under the prevailing wage. It is not that the City thinks there should be deterrence to prevailing wage, it is just that this is the last piece that the business, in order for them to stay in Fridley or in order to add that 5,000 or 10,000 square feet to put on an additional manufacturing line or add two more employees, needs. Even if they were to say, it is for the equipment, as Mr. Bolin pointed out, the City's strict interpretation of its ordinance is that it would require the entire project to be covered by prevailing wage. They take that seriously.

**Mr. Wysopal** stated it is the City's ordinance they are asking for modification to, and it governs the actions by the HRA and all other organizations within the City. The HRA in establishing its program guidelines which Councilmember Bolkcom was asking the questions about, can set that limit if they so choose which Councilmember Barnette pointed out.

**Mr. Wysopal** stated right now if this loan program was adopted without modifying the ordinance, and a loan was made for \$25,000, the prevailing wage would be exempt. One of the conversations the HRA had was maybe it was time to increase that amount because that \$25,000 was established some years ago. That is one part of it is. It also ties in closely to what the City's exemption was at the time for purchasing which was \$25,000 without a formal bid process taking place. Now it is \$150,000. That is where some of those numbers are coming from and some of the background behind the ordinance and that deterrent issue. It is not that they want it to be a deterrent; it is that they are adding a requirement for a business in order to get that project done that they did not have to deal with before.

**Lonna Nelson**, 4624 - 2 1/2 Street NE, stated she has a really hard time with this. She does not buy for one minute it is just the administrative costs that are adding here. She cannot imagine that a business who wants to upgrade their business to make it look prettier and be more sellable for that matter is really going to be upset about the administrative costs regarding the prevailing wage. She has a real problem with constantly taking a little bit here and a little bit there away from the prevailing wage in the City. She has been watching it happen and she does not like it. She is a very strong union supporter, and she thinks it is a really good idea to maintain some kind of middle class, and you do not have it when you are taking a little bit here and there away.

**Lonna Nelson** stated the administrative piece of this is not where the real issue is. What they were just talking about with the \$25,000 vs. the \$150,000 piece of it is where the real issue is coming in as to the cost for the business person who is looking at making these improvements. If the Housing Authority has a problem with this, they have a much stronger ability to do something about that than the City.

**Mayor Lund** stated he agrees and he does not buy that, as to the administrative piece, because he has done that himself. Yes, that should be the general contractor's responsibility. Maybe the City or HRA would have some oversight of that. It is a part of the equation. The big thing about prevailing wage is you have a better assurance, not a guarantee, of getting quality contractors, plumbers, electricians, carpenters, etc.

**Mayor Lund** stated it is a worthwhile program and, according to any other community involved in this type of stuff, helps the City's businesses which are a viable component to a viable well-rounded community. They do need to give them some assistance from time to time. They do that with the SBA time and time again. This would actually gut that program. They probably should have not have approved the first part, the public hearing previous to this one.

**Mayor Lund** stated it is probably in the City's best interest to assist the businesses. It is another little piece of taking away from that prevailing wage the City has been well-known for, for many years; but times are a little different and the City does have inspections, etc., that try and help them from getting inferior workmanship done. Nothing is ever a guarantee from start to finish. There are concerns obviously from the Council.

**Mayor Lund** stated the program does have validity and is worthwhile. Maybe that is a risk factor, but he is willing to take it at the present time. The City needs to help them to retain its strong roots in business here.

**Mayor Lund** stated Fridley is a highly industrial business community. It is not a bedroom community. In fact it is the only city in all of Anoka County that is a net loser under fiscal disparities because Fridley has such great industrial/commercial tax base. To retain the business and not lose them to other places where they can get this benefit, the City needs to help them. This came to him more and more clearly as the current staff went out to the businesses on a positive note and talked with them.

**Mayor Lund** stated this is probably more of an investment to increasing capacity which will hopefully bring in a few more jobs to those businesses. This will help them buy the expensive machinery to help them get to the current technology because now you buy a brand new machine and, guess what, 5-6 years later that technology has changed. You are at a disadvantage from your competitors because you have antiquated, outdated equipment. So you buy another \$150,000 piece of equipment. That is what he envisions. Not that they are giving them some great benefit at the City's expense. There is a tradeoff.

**Rick Nelson** stated he would agree and disagree with this. If it is not an increased benefit why are they doing this? On the other hand, if it is a piece of machinery, the prevailing wage will probably not prevail in that situation because any installation should be a part of that contract. He has not seen installation contracts at prevailing wage when it comes to that stuff. They are going down a slippery slope. He was raised in the middle class because that is what everybody was. When you start allowing substandard work to be done, yes, there are good people and bad people. You are setting an example of the City and what type of work you are going to go with.

**Rick Nelson** stated if Council wants to say, tell the HRA that any contract under "X" number of dollars is exempt from the prevailing wage, people could maybe embrace that a little bit more. They should not just give them the blanket resolution Council has before them without having those parameters. Council should be able to set those parameters. Council should say, if you are going to waive prevailing wage, it has to be a project of "so much" or less and give them the parameters; and they can choose whether to do it. He would say any time they have an option, there is a potential like you give to this business and not that business. The Council should set some parameters other than just waiving it and saying, yes, it is up to you guys what it is. Council should take a stand whether they strongly believe in prevailing wage or not.

**Mayor Lund** stated there is a parameter in there. It is \$150,000.

**Rick Nelson** stated as long as that does not change. Is that too high or is that too low because you would have that range of change then if you willing to do so. If you are going to eliminate prevailing wage, you could still have them reduce that amount then. Instead of saying, well, it is still in there. This is the time if you feel that the \$150,000 is too much because you are waiving the prevailing wage, you could drop that amount down.

**Mayor Lund** stated to Mr. Bolin his proposal is up to \$150,000. Is there any reason for that amount?

**Councilmember Bolkcom** stated but that is actually not the language proposed. It says any commercial loan. They have not even written it yet, have they?

**Mr. Bolin** replied \$50,000 to \$150,000. Those are the parameters of the City's loan amounts--\$50,000 minimum and \$150,000 maximum. That is because there are other funding sources out there for loans that are less than \$50,000 and, once you get more than \$150,000 then SBA loans become much more feasible. They are not just filling in a gap in certain projects, but they are also filling in a niche in these dollar amounts that are missing out there.

**Rick Nelson** stated the proposal would be to eliminate prevailing wage for all loans that the City would be eligible to lend.

**Rick Nelson** stated based on those parameters, would all loans be exempt from the prevailing wage? The \$50,000 to \$150,000? The ordinance before the Council would be to waive prevailing wage for any loan.

**Councilmember Barnette** replied up to \$150,000.

**Rick Nelson** stated which is the maximum the City would be giving out anyways. Any loan that the City was eligible to give out, they would be waiving the prevailing wage.

**Mayor Lund** stated not any loan. He does not know what Mr. Nelson means by "any loan." It is only going to be under this program to aid businesses, not a \$150,000 project that the City might do for some infrastructure.

**Rick Nelson** replied he understands that.

**Darcy Erickson**, City Attorney, stated she was trying to clarify the proposed ordinance, and she thinks Mr. Bolin would agree, it applies to any loan program through the HRA. The loan program the City may develop usually fulfills projects with \$50,000 to \$150,000 parameters.

**Councilmember Bolkcom** asked the language right now does not say anything about parameters--\$50,000 to \$150,000. It just says "any commercial loan program adopted by the Housing and Redevelopment Authority." Is there a way to put a number in there? Granted it would have to be changed as time went on, but can they add those parameters right into the language?

**Mr. Wysopal** replied the problem is then this ordinance becomes the program of the loan itself. You do not want to do that.

**Councilmember Bolkcom** stated you could not say up to \$150,000 or less?

**Mr. Wysopal** replied, you certainly can but the HRA is the organization that has to fund this and he thinks they were talking about doing so many years beyond the year they are budgeted for.

**Mr. Bolin** replied three to six loans per year as expected.

**Mr. Wysopal** stated there is a limited loan budget to begin with. However, the reason the proposal was written the way it was is that it allows the HRA then to control the loan documents themselves, the parameters for the loan itself as opposed to any other document controlling that. The HRA will decide based on their budget, the availability and the best interest of that program to set up that requirement. Again, the ordinance as it is written talks about projects so any money that the City would give, you can set the parameter at \$150,000 if you wanted to, but if the project is \$1 million overall for that business, then the \$150,000 that is provided is going to require that the entire \$1 million project be governed by prevailing wage.

**Councilmember Bolkcom** asked, but they cannot write that in there somehow?

**Mayor Lund** stated Mr. Wysopal is the Executive Director for the HRA, he is hearing this as well. He is having the discussions with the HRA.

**Councilmember Bolkcom** stated she guessed she is asking for a legal opinion if there is not a way to put something in there that does sort of limit what you do for loans.

**Attorney Erickson** replied she does not serve as counsel to the HRA. Mr. Casserly does. She does not know the ins and outs of the financing for that arm of the City. Mr. Wysopal and Mr. Bolin would certainly be more authoritative on that. She does not know, just from an ordinance drafting perspective, why they could not put the cap in there for that, a waiver amount, much like they do on the bonds. But, again, she is not the HRA counsel and she does not know their programming and loan requirements.

**Councilmember Bolkcom** asked why not table it until they can figure that out?

**Mayor Lund** stated do they need this before they can have their discussion?

**Councilmember Bolkcom** asked who has the discussion? It is not going to happen until March.

**Mayor Lund** replied, the HRA.

**Councilmember Bolkcom** stated but March. She is saying maybe to explore that possibility. Really it is pretty broad if you look at it because it says any commercial loans if adopted. On page 171 it states, "Any commercial loan program adopted by the Housing and Redevelopment Authority". It does not say anything about limits.

**Councilmember Saefke** stated he does not understand if the upper limit was \$150,000 and you are talking about a project that was \$1 million, why would the entire project have to be prevailing wage because the \$150,000 does not have that tied to it. Unless whoever wants to take out the loan wants to pay prevailing wage, that would be up to them.

**Councilmember Bolkcom** stated if they did not have this language, yes, everything would. What would have them have to pay?

**Mayor Lund** stated is she suggesting that they pay prevailing wage on the \$150,000?

**Councilmember Bolkcom** replied, no, she is not saying that at all. The way it reads now, if the HRA adopts the commercial loan program, a year or two from now, the way the ordinance reads they could do that if they wanted to say, I'm going to give \$2 million. Is she missing something?

**Mr. Wysopal** stated the purpose of the writing of the proposed language was to mimic the language in Subdivision 3(b) which reads "any housing project or program within the City directed to or marketed for owner-occupancy." So that is referring to the in-field housing program where they go out and buy the properties, have them torn down, and prepped for redevelopment, and then the sale of that house. The contractor is exempt from prevailing wage.

**Mr. Wysopal** stated in some of those instances where they budget how much money for those programs?

**Mr. Bolin** replied, about \$300,000 a year.

**Mr. Wysopal** stated that is exempt. Therefore, they were mimicking the language here rather than as (b) referring to the housing replacement program does not provide a specific dollar amount. In other words it does not require that they only build lower priced housing but it can be any housing, then that is what this one did as well. Again, for that same reason to say that the overall project and program might be larger than just what this one cost is they are providing the loan for.

**Councilmember Saefke** stated he sees a larger difference though between a residential housing project and a commercial loan. A commercial loan is for a small business or something of that nature. Whereas a house that would be occupied by a family typically. He does not know what the HRA has for restrictions on any of those things.

**Councilmember Bolkcom** stated normally there would be a property where the house maybe would be torn down and a new property but it is one property. It is one owner-occupied. Anything bigger than that when they are building on a big area, that is a TIF district and it would be prevailing wage. There is a difference between (b) and (e).

**Mr. Wysopal** stated the dollar amounts are similar. They are limiting the commercial loan program to \$150,000.

**Councilmember Bolkcom** stated but it says "Any commercial loan program."

**Mr. Wysopal** stated the residential does not say there is a limited dollar amount.

**Councilmember Varichak** stated she just thought the residential is different from a commercial business.

**Mr. Wysopal** stated adding a dollar amount, either way it is written, would be fine. As the Executive Director, the City Manager, and as the person who would have to sign off on any prevailing wage administrative for the City, they do not take that lightly. They would want to have this language make it clear that it is the entire project. It might be \$1 million, it might be more than \$150,000; but any commercial loan program adopted by the HRA and then place your dollar amount there is reasonable. However, he feels very strongly they have to respect the fact that the project may be larger and, if you read the entire ordinance, it speaks about projects. It does not talk about the loan or the housing cost. They have to keep that in mind, and the dollar amount placed in it as is written would probably be reasonable.

**Rick Nelson**, asked in the case of purchasing the property along University Avenue, if the City had bought it and turned it into a big project, if the land was already purchased under the HRA funds and then redone, would that already be exempt from the prevailing wage because the initial thing was done? You had purchased so many parcels over a period of three years and now you are going to develop that area, is that automatic because the process started already with the funding from that?

**Councilmember Bolkcom** stated but this is commercial loan program. It only goes to commercial properties, correct?

**Mr. Bolin** replied existing businesses.

**Councilmember Varichak** stated not for redevelopment.

**MOTION** by Councilmember Saefke to close the public hearing. Seconded by Mayor Lund.

**UPON A VOICE VOTE, COUNCILMEMBER SAEFKE AND MAYOR LUND VOTING AYE, AND COUNCILMEMBERS BARNETTE, VARICHAK, AND BOLKCOM VOTING NAY, THE MOTION FAILED.**

**MOTION** by Councilmember Bolkcom to continuing the public hearing to February 8, 2016. Seconded by Councilmember Varichak.

**UPON A VOICE VOTE, COUNCILMEMBERS BARNETTE, VARICHAK, SAEFKE, AND BOLKCOM VOTING AYE, AND MAYOR LUND VOTING NAY, MAYOR LUND DECLARED THE MOTION CARRIED UNANIMOUSLY ON A 4-1 VOTE.**

**13. First Reading of an Ordinance of the City of Fridley, Minnesota, Amending City Ordinance Nos. 1095 and 1315, the Prevailing Hours of Labor and Prevailing Wage Rate on Certain Projects for or with the City.**

**MOTION** by Councilmember Bolkcom to continue the first reading to February 8, 2016. Seconded by Councilmember Barnette.

**UPON A VOICE VOTE, ALL VOTING AYE, MAYOR LUND DECLARED THE MOTION CARRIED UNANIMOUSLY.**

**14. Public Hearing to Consider Amending Chapter 6 of the Fridley City Charter Entitled “Administration of City Affairs”.**

**MOTION** by Councilmember Varichak to waive the reading of the public hearing notice and open the public hearing. Seconded by Councilmember Barnette

**UPON A VOICE VOTE, COUNCILMEMBERS BARNETTE, VARICHAK, SAEFKE AND MAYOR LUND VOTING AYE, AND COUNCILMEMBER BOLKCOM ABSTAINING, MAYOR LUND DECLARED THE MOTION CARRIED UNANIMOUSLY AND THE HEARING WAS OPENED AT 10:03.**

**Deb Skogen**, City Clerk, said the Fridley home rule Charter is the fundamental law defining the power citizens agree to give to the City. The Charter Commission reviewed Chapter 6 of the Fridley City Charter for over a year and presented their report and recommendation to the City Council to amend the Charter by ordinance.

**Ms. Skogen** stated Minnesota State Statute, Section 410.12, subd. 7, allows for Charter amendment by ordinance upon recommendation by the Charter Commission. It does require notice of the public hearing and publication of the full text of the amendment at least two weeks prior to the public hearing.

**Ms. Skogen** stated the public hearing was scheduled at the September 28, 2015, Council meeting by resolution. The proposed ordinance was published on January 1, 8, 15, and 22 in the legal section of the Fridley Sun Focus. The proposed amendments are non-substantive and were made to clarify the language to make it easier to understand. Official adoption of the ordinance,

requires a unanimous vote. If the vote is unanimous, the ordinance would then become effective 90 days after publication.

**Ms. Skogen** stated, Section 6.02 of the proposed amendment rearranges or changes a few words. It does not change any of the intent with the exception of (b). This would change the appointment of an employee from having City Council approve the appointment on the consent agenda to allowing the City Manager on the basis of qualification and to by providing notice to Council to hire the individual.

**Ms. Skogen** stated (e) would add language that defines the City Manager as an ex officio member of the City Council, and (i) would add language requiring the City Manager to appoint a designee in his absence and forward that name by written notice to the City Council. If he was out of town or could not attend a meeting, Council would be notified who his designee would be.

**Ms. Skogen** stated Section 6.03 removes the words, "as may seem necessary" and "from time to time." As to Section 6.04, Subordinate Officers, it shortens the sentence and requires subordinate officers to be subject to the direction of the City Manager. Section 6.05, Purchases and Contracts, would provide language for the City Manager to document a designee for some of the purchasing and contracting through the establishment of a policy that would be created by the City. Section 6.06, "Contracts, How Let", would amend the language from the requirement of requiring the lowest responsible bidder to give you the option of lowest responsible bid or the best value bid allowed by State law which is new legislation that was approved by the Legislature in the spring of last year.

**Ms. Skogen** stated staff recommends holding a public hearing on this amendment tonight, and the first reading would follow at the next meeting.

**Councilmember Bolkcom** asked, who is the City Treasurer? Is that who the City's Director of Finance is? Why do they use the words, City Treasurer?

**Ms. Skogen** replied that terminology goes back to when the Charter was first created. The City was smaller. In smaller out-state cities, they are still referred to as "Treasurer".

**Mr. Wysopal** stated it probably comes out of State Statute.

**Councilmember Bolkcom** stated in 6.05 it states, "The city manager may designate an individual(s) through the establishment of a policy." She asked what that meant.

**Ms. Skogen** stated the Treasurer or Finance Director can work with the City Manager to create a policy that would provide purchasing responsibilities and contracting and would be in reference to dollar amounts. There are service agreements the City has for its copy machines and some of the other equipment that are under a certain dollar amount and have become part of our budget. This would allow the City Manager to designate a department head to go ahead and purchase or make contracts on those items. It would not be in response to the competitive bid. It would be for general day-to-day type purchases and contracts.

**Councilmember Bolkcom** asked if the City had a policy or if they had to develop one.

**Ms. Skogen** stated the Charter Commission is recommending the City develop that policy.

**Councilmember Bolkcom** asked if Council would see that policy.

**Ms. Skogen** stated the City Manager would work with Council and let them see that policy.

**Councilmember Bolkcom** stated as to the term "Contracts, How Let" that sounds weird.

**Ms. Skogen** replied, staff did look up definitions; and it basically comes down to legal, contract jargon. It is something that is acceptable in the field, and it is what you do with a contract.

**Mayor Lund** stated he read through it and it has been cleaned up.

**Ms. Skogen** stated Rick Nelson and Pam Reynolds serve on the Charter Commission.

**Rick Nelson**, 4624 2 ½ Street N.E., stated if this ordinance were adopted, people will have to look at their position descriptions for their personnel contracts with the City. For example, Mr. Wysopal's contract or his position description reflects what this is going to do or what he is doing currently. That needs to be looked at because there was much discussion on what are people doing within their department. It is not found in the Charter. You have to be aware of that.

**Councilmember Bolkcom** stated they would have to look at their job duties, responsibilities, and description.

**Rick Nelson** stated if you are going to adopt this part of the City Charter then you should; otherwise you have a contract with an employee who is not following the Charter and would be violating the Charter. The City needs to be aware of that because right now he believes there are some discrepancies.

**MOTION** by Councilmember Barnette to close the public hearing. Seconded by Councilmember Saefke.

**UPON A VOICE VOTE, ALL VOTING AYE, MAYOR LUND DECLARED THE MOTION CARRIED UNANIMOUSLY AND THE HEARING WAS CLOSED AT 10:14 P.M.**

**15. Public Hearing to Consider Text Amendment, TA #16-01, by the City of Fridley, to Amend Chapter 6.06, Appeals Commission, of the Fridley City Code Pertaining to Variance and Appeal Procedures.**

**MOTION** by Councilmember Saefke to waive the reading of the public hearing notice and open the public hearing. Seconded by Councilmember Varichak.

**UPON A VOICE VOTE, ALL VOTING AYE, MAYOR LUND DECLARED THE MOTION CARRIED UNANIMOUSLY AND THE HEARING WAS OPENED AT 10:15 P.M.**

**Julie Jones**, City Planner, stated this text amendment is really related to the next agenda item but they are proposing this text amendment to Chapter 6 because of the language they are proposing to change in Chapter 205 of the City's Zoning Code. The purpose of this text amendment is to remove some conflicts in the Zoning Code regarding the Appeals Commission's role in code enforcement appeals and variance applications. That information is rather intertwined in both Chapter 6 and the Zoning Code, and staff wants to separate that out and make it clearer. They are not changing any of the City's processes or procedures. Also, since they are going through proposing a text amendment, staff would like to correct and clarify a few other things.

**Ms. Jones** stated they would like to change the process to provide for substitute members to ensure the City has a quorum when it has a variance application. They want to make sure that if they are on a tight time schedule, the City is processing things in a timely fashion. Attorney Erickson took a look at this section and advised some better language on how to deal with that and having designees ahead of time and not doing it on the fly with substitute members filling in for the Planning Commission.

**Ms. Jones** stated staff is also proposing to add a reference to the residential rental licensing appeals. The City has a process set up in the licensing code for people to appeal, but the City does not say how that happens. Staff decided they should incorporate that into how they do other code enforcement appeals in the Code section. They are also proposing to separate out the variance and the appeal procedures so that is clear in the Code.

**Ms. Jones** stated the main change here is eliminating redundancies in this section because the City has the same language in Chapter 205. Staff made a change in Chapter 6 just referring to the process that is established in the Zoning Code which is Chapter 205. Staff recommends that Council conduct the public hearing tonight and proceed with the first reading thereafter. Staff would propose this text amendment follow the same timeline as the Zoning Code.

**Councilmember Bolkcom** stated in the substitute members, it says Planning designee. How is that decided who it is?

**Ms. Jones** replied in the past, it has been staff calling and asking the vice-chairperson to fill in. Attorney Erickson made a good point that it does not look good. That could look like you are picking a certain person just to get their vote a certain way. What staff is proposing to do is at their next meeting, the Planning Commission take a vote and decide who is going to be their alternate designee so they have that established for the year, and staff knows who that is going to be in case they need to rely upon them.

**Councilmember Bolkcom** stated regarding the change in Section 3, Purpose, was because of the change in the State Statute.

**Ms. Jones** replied correct.

**Councilmember Bolkcom** asked if the Appeals Commission really acts as an advisory commission to the Planning Commission?

**Ms. Jones** replied, yes. All of the City's commissions are set up that way. They work as an advisory commission to the Planning Commission. The recommendations are made by them. It goes to the Planning Commission and then to the City Council.

**Councilmember Bolkcom** asked the compliance official was.

**Ms. Jones** replied they are changing it from administrative officer to say compliance official. That would depend on what the particular appeal is about—a building code matter, a rental licensing matter, or zoning code matter.

**Councilmember Bolkcom** stated so it is not one person.

**Ms. Jones** stated it is multiple people. That is why they wanted to make it a more general term.

**Councilmember Bolkcom** stated so then under subdivision (b) the compliance official again can be anyone. Under (b), request for appeals, determination by a compliance official. That again depends on what it is about?

**Ms. Jones** replied correct.

**Councilmember Bolkcom** stated that last sentence goes on forever.

**MOTION** by Councilmember Barnette to close the public hearing. Seconded by Councilmember Saefke.

**UPON A VOICE VOTE, ALL VOTING AYE, MAYOR LUND DECLARED THE MOTION CARRIED UNANIMOUSLY AND THE HEARING WAS CLOSED AT 10:22 P.M.**

- 16. Public Hearing to Consider Text Amendment, TA #15-04, by the City of Fridley, to Modify Chapter 205, Zoning, of the Fridley City Code, to Clarify the Variance and Appeal Procedures, Modify the Public Right-of-Way and Easement Vacation Process, Provide a Process by which Property Owners may be able to Expand Legally Non-Conforming Structures, Reference the City's Active Transportation Plan, and Update Definitions and Existing Language (Continued November 9, 2015).**

**MOTION** by Councilmember Bolkcom to reopen the public hearing. Seconded by Councilmember Saefke.

**UPON A VOICE VOTE, ALL VOTING AYE, MAYOR LUND DECLARED THE MOTION CARRIED UNANIMOUSLY AND THE HEARING WAS REOPENED AT 10:23 P.M.**

**Julie Jones**, Planning Coordinator, stated this text amendment is in regards to the Zoning Code. The purpose of this amendment is to update definitions and existing language to clarify ambiguities in the Code, to provide a process by which property owners may be able to expand legally non-conforming structures, to separate out the variances and appeals procedures, and to adjust vacation procedures.

**Ms. Jones** stated Section 1 involves the definitions. Staff is recommending some new terms not previously defined in the Code. Any time that they are using terms that might cause some confusion, they like to define them more clearly in the City Code. They are also looking at modifying some existing definitions and terms so they match the Minnesota State Statutes and Building Codes.

**Ms. Jones** stated the new terms staff is proposing include assembly facility, expansion, garage sale, manufactured home, parking stall, angled parking stalls, public right-of-way, truck terminals, vehicle, and zero lot line. The modified definitions staff is proposing to modify include dwelling. Staff is proposing to change that to match the State Building Code when you are looking to clarify the distinction between a repair garage and a heavy duty repair garage, by addressing the distinction of whether they have collision services or not. Then staff is proposing to adjust the junk yard definition to make that a little broader; proposing to change the manufactured home park definition to match State Statutes, and to change the definition of motor vehicle to match where it is defined in City Code. Staff is looking at changing definitions for multi-story parking structures to make that a little clearer.

**Ms. Jones** stated staff is proposing to change the parking stall definition because currently the City Code has a description of what the requirements are for a parking stall in the definitions. They would rather have that distinction in the City Code as that has caused a lot of confusion for developers who call staff and try and find where the parking stall requirements are. One of the reasons staff is proposing a lot of these changes is there are a lot more people looking at the City Code online. Staff is also looking at defining accessible parking stalls as that is not clearly defined now in the Code. They are defining "structure" to match the definition that appears in other sections of the Code.

**Ms. Jones** stated they are modifying the vision safety definition, incorporating a diagram because that is a tough one to describe without using a picture. They are changing the definition of waterway to match where it is defined currently in Chapter 215. In Section 2 of the text amendment they are looking at more of the requirements in regards to buildings in the Code sections where there are restrictions involved in this. One is making a change referencing variances because it has involved State changes about variances as it has become very difficult for people to change variances. Staff has run into a lot of instances where people have a non-conforming situation on their property, but the expansion they want to create would not expand that non-conformity. Staff found that some cities are issuing what they are calling, expansion permits to allow this without people going through the more cumbersome variance process. Staff is proposing making a Code change to allow for that and to create a non-conforming use in a section of the Code.

**Ms. Jones** stated the process is actually authorized under State Statute. This is not something new. The non-conforming expansion permit would create a practice where a property owner could expand a non-conforming structure. She showed an example of a property owner who may come in and say they want to build a garage, and the City would like to allow them to do even though their rear yard setback of their home does not meet that requirement. They could build a garage and meet all the current Code requirements for that without expanding that non-conforming setback on their house. It does not happen a lot, but occasionally staff comes across it and the process has been that people have to go through a variance. Staff thinks this expansion permit is probably a more reasonable way to handle that situation.

**Ms. Jones** stated they are also looking at changing Section 205.04.4, Building Site. Staff is recommending changing in some language there to match the City Code language in Chapter 208 that clarifies when someone needs to have a land alteration permit.

**Ms. Jones** stated one of the main parts and why staff has been working on this text amendment for a long time is in the section referring to the Active Transportation Plan. The Zoning Code currently now refers to an old 1970's bike plan that no one even knows where it is anymore. Staff wanted to focus on the City's Active Transportation Plan requirements for bike lanes and easements for sidewalks. Staff is also proposing new language for land alterations in Section 205.04.4.h.3.

**Ms. Jones** stated then under Accessory Buildings and Structures, staff is recommending changing the reference of "house" to "living" area to be consistent with the City Code definitions. Also looking to remove Section 205.4.5.B(2) to reduce some confusion. Under "Required Yard and Open Space," the City's fence requirements are now addressed in Chapter 213. That was a text amendment the City did last year and put all of its fence requirements in the fence code rather than having some of them in the Zoning Code and some of them in a different chapter. They also wanted to clarify that people can build a parking area in the right-of-way, but they do not allow people to park there.

**Ms. Jones** stated there is a fuel tank section staff is proposing to remove, because that is covered in the Fire Code. Under multi-story parking structures, staff is proposing to change the name of that section just to "Parking Standards" and have the parking stall definition she referred to before that was in the "Definitions," put there. There are also some other parking requirements, like angle parking, that they have in the City in various places; but it is not addressed in the Code, which would indicate what the requirements are for dimensions on that. Staff used the dimensions that are in the State Aid Road Rules Manual as a guide.

**Ms. Jones** stated in Section 3 in the text amendment includes various sections and primarily some of the application processes and the variance vacation processes, staff is talking about changing. In the application process, staff is proposing that if the City receives an incomplete land use application, they are required by State Statutes to respond and tell them whether their application is complete or not within a certain number of days. It says 10 days in the City Code but State Statute actually changed it to 15 business days some time ago.

**Ms. Jones** referred to page 212 and 213. There are some typos regarding Planning Commission being referred to. Then under the Variance section which is on page 215 through 217, that is where they need to make some adjustments because of the change in Statute Statutes. They are also looking at separating out the variance procedures and the appeal procedures. They really are different processes. Staff decided to create a separate appeals section to make that really clear.

**Ms. Jones** stated under the Vacation section, on page 219, there is a significant change that staff is proposing because they want to match State Statutes. Staff is recommending some new language to clarify how right-of-way and easement vacations would be processed. Right now the City Code requires there be a petition accompanying these applications and also requires there be a unanimous approval from the adjoining property owners on the vacation. State Statute actually does not require unanimous approval. It requires a majority approval. Staff thinks they should change the Code to match that. Attorney Erickson did some work researching that.

**Ms. Jones** stated Attorney Erickson also found there was some language in that same State Statute section related to the DNR being notified when things involve a body of water so staff is suggesting that be added into the section under vacations. Under building permits, they are suggesting to update the Code language to match what the City is actually doing in practice right now. They have not been handling bonding requirements exactly how the Code reads there. Staff also has proposed a change for changing the name of one of the overlay districts, the Flood Plain District, that they just renamed and adopted here in that section.

**Ms. Jones** stated staff recommends approval of Text Amendment, TA #15-04. They feel these changes will help clarify the City Code by updating the Zoning Code definitions and recognizing the Active Transportation Plan in the Zoning Code and creating this new expansion permit process.

**Ms. Jones** stated tomorrow morning staff is meeting with a developer who is proposing a case which will actually involve this process. Staff has not received any comments from the public regarding these proposed changes. The Planning Commission did hold a public hearing on this matter on October 21. They passed the text amendment onto the City Council by unanimous approval. Then it was on the Council agenda on November 9 when it was continued until this evening. The next step in this public hearing would be for the City Council to conduct a first reading so they have some time to work out maybe some better verbiage or some corrections they would like to see. They would like to have the first Reading on February 8 if Council would like and then the second reading after that.

**Councilmember Bolkcom** stated on page 184, No. 5, what is she called if she is a facility that is open to the public but she does some of those same things? An assembly facility is one that is for private events such as weddings, conferences, or meetings. It does not include rental for uses that are open to the general public. Springbrook is not an assembly facility because those could be private events? She does not need an answer tonight.

**Scott Hickok**, Community Development Director, replied they will make a note.

**Councilmember Bolkcom** stated on page 185, a business occupies time, what is attention?

**Ms. Jones** replied, she never noticed that before.

**Councilmember Bolkcom** stated, again, she does not need an answer tonight.

**Councilmember Bolkcom** stated asked as to Section 14, Commercial Recreation. It states, "Leisure time activities are offered to the general public for a fee including, but not limited to, health clubs, racquet clubs, billiard halls and bowling alleys, but not including massage parlors." Why is that even in there, because they have their own section?

**Ms. Jones** replied, that clause is referred to in the City's industrial zoning language where they can apply for a special use permit to have a commercial recreation use. That is why that is defined in Code so that could be, for instance, they had a volleyball practice facility that went into an industrial building, etc.

**Councilmember Bolkcom** stated but you cannot have a massage parlor.

**Ms. Jones** replied, right, that is defined differently in the Code.

**Councilmember Bolkcom** stated as to Section 19 on that same page, "established elevation of curb in front of a building measured at the center of such front. Where no curb has been established, the City shall establish such curb elevation." What does that mean?

**Mr. Kosluchar** replied, that means the City will tell them where to put the curb.

**Councilmember Bolkcom** stated and then No. 21, Day Care, Usable Floor Area. It states "Primary space exclusive of hallways, bathrooms, lockers, kitchens, and floor space occupied by sanitary equipment, but not including equipment and furnishings. . . ." She does not get that. Usable floor area is where they play there.

**Ms. Jones** replied that is to define the words where children play.

**Councilmember Bolkcom** stated but it is usable floor area. Just look at it and see if it makes sense.

**Councilmember Bolkcom** stated what is a day care at home called? It just defines any non-home based program. If she has daycare in her home, what does she call it?

**Ms. Jones** replied home day care.

**Councilmember Bolkcom** asked does the City treat them differently?

**Ms. Jones** replied, yes. There are certain zoning districts that a day care center can go into.

**Councilmember Bolkcom** asked regarding page 187, is a dwelling a home? "A building that contains one or more dwelling units used, intended or designed to be used, rented, leased, let or hired out to be occupied for living purposes." So that is not a home? Is a home a dwelling?

**Mr. Hickok** replied yes.

**Councilmember Bolkcom** asked if it said that.

**Ms. Jones** stated but there are different types of dwellings. It might be a one-family dwelling, two-family dwelling, or multi-family dwelling.

**Councilmember Bolkcom** asked and then under "Section 29. Expansion," square footage and volume. What is volume?

**Mr. Hickok** replied that is cubits. That would be high as well as wide.

**Mayor Lund** stated it is depth x width x height square footage cubed.

**Mr. Hickok** stated you would do same the math to get to the volume of that area. You are not only talking about the floor area, you are talking about the space within.

**Ms. Jones** said the reason they are putting that definition in the Code and why the word, "volume," is there is to refer to expansion of the sign. It is something staff was advised by an attorney to do because you are expanding the volume of the sign, and that is considered an expansion of the sign. Sometimes you might not be expanding the dimension, but you are expanding the depth of it.

**Councilmember Bolkcom** asked under Section 30, "Family." She understands staff is defining a family but why is the language there, "More than five (5) unrelated persons living. . ." ? If you describe what a family is above it, stating family is related by blood, what does that have to do with five who are unrelated?

**Ms. Jones** stated in the Code, you can only have as many as five unrelated people living in a single-family home. That definition comes from State Statute language.

**Councilmember Bolkcom** stated she totally understands that but that looks like the definition and it is right in the middle of it, five unrelated persons shall not constitute a family.

**Ms. Jones** stated it all relates to how those words are used in the Code and what is allowed.

**Councilmember Bolkcom** stated they are defining a family and then you are putting something in that has nothing to with what defines a family.

**Mr. Hickok** stated "family" is more than a single person, so they will start with two or more and those are related people. It does not matter how many would be considered a family. Now step into unrelated people living together in a single-family home. Five or less would still be considered a family by State Statute. As long as there are not more than five they would be considered a family by State Statute.

**Councilmember Bolkcom** asked on page 190, "Junk Yards," what is a recycling center vs. junk yards, because it already says you can recycle. She asked staff to tell her what the very long

sentence says. As to the second sentence stating, "does not include uses that are entirely within enclosed buildings or City Council" that is because it is not out in the yard?

**Mr. Hickok** replied, it is making the distinction between the yard and what is in the building.

**Councilmember Bolkcom** asked what does that have to do with City Council approving recycling centers?

**Mr. Hickok** replied, because the junk yard is distinctly defined here and there are certain restrictions required for Council approval for a junk yard for things happening outside the building. It is different than an industry that might be disassembling and manufacturing or reselling parts based on disassembling that is happening inside the building.

**Councilmember Bolkcom** asked if it could make more sense.

**Mr. Hickok** replied they want people to be able to read it and understand it. If it is not understandable, they need to look at it more.

**Councilmember Bolkcom** stated she does not understand it. She asked them to look at it.

**Councilmember Bolkcom** asked regarding page 192, Section 66. Is a parking structure anything over four cars? If she builds a structure and it only has four vehicles, it is not a multi-structure? What is the "four" distinction?

**Mr. Hickok** replied, it is just simply telling you that a structure having two or more stories would be considered multi-story parking structure.

**Councilmember Bolkcom** stated what does that have to do with four vehicles?

**Ms. Jones** stated typically in the Code they are referring to, that is kind of a trigger in the Zoning Code. If it is more than four vehicles and there are certain requirements they go into place as far as having to be striped.

**Councilmember Bolkcom** stated do they want to say vehicles instead of automobiles? Why does it have to do with four vehicles. Where does that come from?

**Mr. Hickok** replied, for example, he knows a person in Heather Hills who has a lift and two stalls of a garage with two levels, two cars on the ground and two cars on the top. If he had that third stall with that lift, it would be considered a multi-story structure by virtue of the fact he can store more than four cars in that three-stall garage. This is trying to make a practical distinction between a typical multi-story parking structure and something that might happen even in a residential district.

**Councilmember Bolkcom** asked if she had three vehicles across and two up, would she now have to abide by some different rules?

**Mr. Hickok** replied, depending on how his house is structured, they would have to take a look at other elements of it. However, it is trying to define and make a distinction between probably a more residential type of setting where you might have two sets of vehicles, one above the other; and this one which was more the commercial application with the typical multi-story structure.

**Mayor Lund** stated he cannot see too many cases where that would be in a residential area.

**Councilmember Bolkcom** asked on page 196, "Structure." It goes on and on. What is that telling us?

**Ms. Jones** replied the definition of structure is very important. It is used repeatedly in the Zoning Code and they need to distinguish it for setback reasons. If something is a structure that means it needs to be set back a certain distance. They are trying to distinguish between different types of structures.

**Councilmember Bolkcom** asked so it would include something on the ground or attached to the ground or on-site utilities above the ground.

**Ms. Jones** stated, for example, satellite dishes attached to the ground would not be allowed in the front yard as it is a structure.

**Councilmember Bolkcom** asked regarding page 201, would staff explain the terms of "Expansion Permit." She is not sure she understands that.

**Ms. Jones** replied, for one thing it would run with the land. In other words, it would transfer from owner to the next owner of the property if sold, as variances do.

**Councilmember Bolkcom** stated she thinks this is similar to when they have had people who have variances and then they ask for an extension and an extension and an extension.

**Ms. Jones** stated that is why staff put language in there giving staff the capability of extending that period of construction which is already quite generous in the Building Code.

**Mr. Hickok** stated he thought it was 190 days stated in the Building Code, and it is impossible to know whether they have driven a nail or not because people can be their own contractors. However, this term of expansion is easy because if they have not started within one year, it is null and void. If they have started, they are under construction, and they simply have not completed it, staff can certainly allow some latitude. The distinction is they have let an expansion permit run, they have not done the work within one year, and it becomes null and void. Oftentimes people are getting bids, they are doing all sorts of things, and they are really only three months into their construction after a nine-month search for the right contractor and the electrician, etc. This allows room and says, once it is done, it runs with the land.

**Councilmember Bolkcom** asked when should they say enough is enough. She is thinking of the gentleman down in Riverview Heights who every once in a while would have more money so he would put two new pieces of siding on his building.

**Mr. Hickok** stated they try and handle those either through the standard building inspection process or through the City's housing maintenance. It is not to say there are not some frustrating situations. The home on University Avenue without siding made all of them nuts. It was just within a couple of days of having to take the building paper off and redo the building paper before they put siding on. However, did they do enough work to keep that permit alive? Yes. Some of these things are difficult to do.

**Councilmember Bolkcom** stated that seems real clear to her but is there any way to say a certain percentage or something?

**Mr. Hickok** replied the City cannot be more restrictive than the State Building Code. Staff is trying to find happy ground here. Staff does a pretty good job ahead of that. He cannot think of a house out there anymore that is a problem that way.

**Ms. Jones** stated the real purpose of the paragraph is to keep this language the same as the processes the City follows for variances and to handle it administratively.

**Councilmember Bolkcom** asked what Subsection (8) meant.

**Ms. Jones** replied if they do not get the expansion permit and go ahead and expand the non-conforming use, that is saying it is a misdemeanor.

**Councilmember Bolkcom** asked, why is the word "permit" in there then?

**Attorney Erickson** stated if this comes before Planning staff and they put parameters on that expansion and they have given conditions, if someone goes beyond and expands larger than what those conditions might be, staff wants to have the ability to revoke that permit and take action. There is a finite amount of expansion that staff would allow and if they exceeded it, then there would be the ability to revoke that expansion permit.

**Mr. Hickok** stated if they came in with a plan that shows them expanding and not affecting the non-conforming element, then put in a foundation that would expand the non-conforming, contrary to their plan, they have expanded that non-conforming situation and extended it. That would be a violation of this section of the Code.

**Councilmember Bolkcom** stated on page 208 she was totally amazed that under Section C(3) that you can have a vibration three minutes or more of duration in any one hour. This is saying if you have a vibration for three minutes every hour that would be acceptable, right?

**Mr. Hickok** replied it would have to be measurable incidents. The City does not have enough staff to camp out at industries to measure these things.

**Councilmember Bolkcom** asked if it could be the train that goes by her house. It can happen for more than three minutes.

**Mr. Hickok** stated a lot of these are taken from State standards.

**Councilmember Bolkcom** asked on page 210, Section 205.05, it says "The Zoning Administrator as designated by the City Manager." She asked who that was.

**Ms. Jones** replied, herself or Mr. Hickok. Whoever is administering the Zoning Code requirements at the time.

**Mr. Hickok** replied, it is part of his job description.

**Ms. Jones** replied, it is in hers, too.

**Councilmember Bolkcom** asked why does it say Zoning Administrator and not Community Development Director?

**Ms. Jones** stated titles can change. Her title has changed three times since she has worked here in 20 years.

**Mr. Hickok** stated oftentimes in court they will refer to the person who was the zoning administrator who identified this issue first. It is out there and is a term they hear in the industry a lot.

**Councilmember Bolkcom** asked on page 215, Section 6, it says, "The City Council created an Appeals Commission to serve as the Board of Appeals and Adjustment. . . ." What is adjustment? What are they adjusting?

**Ms. Jones** replied that is a term referring to the State Building Code.

**Attorney Erickson** stated she believed it is taken out of Chapter 462 in the Planning Act.

**Councilmember Bolkcom** asked on page 218, Item (E), do they really call it "video" recording nowadays?

**Attorney Erickson** stated it may be a digital recording but it is still a video recording.

**Wally Wysopal**, City Manager, asked Ms. Jones to clarify that the non-conforming uses and structures, when it gets to the appeal, specifically on page 201, Appeals, and it says, "appeal their case to the City Council pursuant to Chapter 205.05.7." That really means the Planning Commission.

**Ms. Jones** replied, actually, no. This is a little bit of a different process because it is for an expansion permit. It is not the same as the variance process. This is an administrative permit that staff would be administering, so if for some reason staff denied someone's application for an expansion permit, they would have the right to come in and appeal to the City Council.

**Mr. Wysopal** asked, does that reference need to be checked?

Ms. Jones replied, yes, she made a note of that earlier.

Councilmember Bolkcom stated that is where they are going to add the length of time, too.

**MOTION** by Councilmember Saefke to close the public hearing. Seconded by Councilmember Bolkcom.

**UPON A VOICE VOTE, ALL VOTING AYE, MAYOR LUND DECLARED THE MOTION CARRIED UNANIMOUSLY AND THE HEARING WAS CLOSED AT 11:09 P.M.**

- 17. Public Hearing to Consider Text Amendment, TA #15-06, by the City of Fridley, to Add a Fee for Non-Conforming Building Expansion Permits to Chapter 11, Fees, of the Fridley City Code (Continued November 9, 2015).**

**MOTION** by Councilmember Bolkcom to reopen the public hearing. Seconded by Councilmember Saefke.

**UPON A VOICE VOTE, ALL VOTING AYE, MAYOR LUND DECLARED THE MOTION CARRIED UNANIMOUSLY AND THE HEARING WAS REOPENED AT 11:10 P.M.**

Julie Jones, Planning Coordinator, said this is related to Chapter 11, Fees, and, as was continued from November 9, 2015. The purpose of this ordinance is to establish the fee for the non-conforming building expansion permit they are creating in the text amendment to the Zoning Code. Staff is proposing a fee of \$150, and they are basing that on their estimation that during the administrative review, one of these permits would take approximately two hours of staff time. There would be no public hearing or publication costs related to this.

Ms. Jones stated the Planning Commission held a public hearing on this item on October 21, 2015, and there was unanimous approval on the proposed fee. Staff concurs and proposes keeping this amendment on the same schedule as the Zoning Code amendment they just heard.

**MOTION** by Councilmember Saefke to close the public hearing. Seconded by Councilmember Barnette.

**UPON A VOICE VOTE, ALL VOTING AYE, MAYOR LUND DECLARED THE MOTION CARRIED UNANIMOUSLY AND THE HEARING WAS CLOSED AT 11:11 P.M.**

- 18. Resolution Authorizing Staff to Distribute a Request for Proposal (RFP) for Architectural Services for a Civic Complex to be Considered for the Former Columbia Arena Site at 7011 University Avenue (Ward 1).**

**Scott Hickok**, Community Development Director, stated Council approved the former site of the Columbia Arena for further analysis for a civic complex to include city hall, a police station, a fire station, and public works facility on September 28. The campus layout could also include a private development on the south side and a pond, and could serve as a central focus for the development. An RFP is short for Request for Proposal. This process will allow interested architectural firms to provide a detailed project approach. Staff favors an approach where firms would first submit their proposals to the City and after proposals have been submitted, staff would then review them, score those proposals, and interview the firms whose proposals best align with the City's vision for that complex.

**Mr. Hickok** said the cost of service would then be negotiated once an architectural firm has been selected. Much due diligence has been completed since the September meeting. An ALTA survey on the three parcels, Columbia Arena, public works, and the park are now complete. Geotechnical work has commenced, environmental work has commenced, wetland areas have been identified, an Environmental Assessment Worksheet has been commenced, and the site plan has been refined. All of these things were important to get us to a point of letting the architects know what they are dealing with on the site.

**Mr. Hickok** stated diagrams have been worked on and finalized for this site. Sites were visited to view city halls, police stations, fire stations and public works facilities to get a better sense and flavor of the type of buildings that different divisions would like to see or things they would like built into the design of this new complex. Interviews of other staff where projects have been completed were part of this. People are very proud to tell you about their complex. They are also very quick to tell you about things they would do different next time which is very helpful.

**Mr. Hickok** stated the Planning Commission, the Parks and Recreation Commission, and citizens were invited to an open house to gain additional input. All of those groups have provided great advice to the City, and so have the HRA and City Council. The complex would be about 180,000 square feet including 85,000 square feet of city hall, police station, gathering area/meeting rooms; 25,000 square foot fire station; and 80,000 square foot public works facility. Structured parking will also be part of the complex and will provide a covered area for police fleet and a sally port. A sally port is where they take prisoners into the holding cell before they go to the County. The residential space above the city complex seems to have lost out in view of a number of different reviews and has been eliminated from what architects are to design for this complex.

**Mr. Hickok** stated as to the next steps, the RFP will be completed and distributed by February 5. Proposals would be due back from firms by March 4. Staff interviews of candidate firms will happen on March 16 and 17. Recommendation of the preferred architectural firm will come to the City Council on April 11. They will have a go or no-go decision to be brought to the City Council in November once the complex costs are known.

**Mr. Hickok** stated staff's recommendation would be for Council to approve the attached resolution that authorizes staff to distribute a request for proposal for architectural services for the combined complex of city hall, police station, gathering space, fire station, and public works facility.

**Councilmember Barnette** asked as they look at building a new city hall, etc., and going out for bids, how much it is going to cost, what have they done in the area of residential? Is the City going out asking builders and so on what they think, and is the City showing them an idea of what the City is looking at?

**Mr. Hickok** replied, yes. Staff wanted to get the architecture for this specific piece of it underway and that is a very, very big piece and a piece they can control. Staff next wants to prepare a similar document, a request for proposals for the residential piece. In talking with developers on this, the sense he gets is do not plat it. Let them come back to the City with their suggestions about how to do the patio homes and whether they hire people to do the mixed use building, whether they think seniors is right, whether the market calls for precisely what the City is saying or whether they see a different mix there.

**Mayor Lund** stated plus some of the infrastructure like the streets, water, sewer, and all of that. So when Mr. Hickok says not too far behind, and if they get this out, in a few months the City will be asking for their proposals?

**Mr. Hickok** replied, yes.

**Mayor Lund** stated so of course the immediate neighborhood, the residential neighborhood has some concerns. There are already some comments out there that the City is not listening to them, that they did not have as much as say as they were led to believe, and that they feel it is a done deal. The response he has is that it is way too early in the process to say it is a done deal. It is conceptual at this point. The City does not have enough information to determine from the contractors. He said he is not hearing anything really negative about city hall. Albeit one person that he can recall, but he certainly is hearing from people when the City starts determining the project for the housing--specifically the patio homes. The developers may say scratch that idea altogether. The plan does not make it a reality until the City approves whatever the developer is suggesting.

**Mr. Wysopal** asked Mr. Hickok to just refresh them as to what brought them to the point of looking at sites and this particular site in general in the first place.

**Mr. Hickok** replied, earlier on in this process people said the City bought Columbia Arena to make that their city hall site. That was not necessarily the truth. As a matter of fact, as to city hall, there was an analysis of city hall being done about how they could live for the next 50 years in this building. That really had nothing to do with the purchase of the Columbia Arena site. Since 2006, the City has had three different proposals for the Columbia Arena site, none of which got built. The City did have a rare opportunity to buy probably one of the nicest pieces of developable land left in Fridley, and the HRA seized that opportunity and purchased it. Council was very cautious about proceeding, and looked at all options out there. There were nine different sites that were looked at and analyzed, and eventually a determination was made from nine sites to five sites to three sites to this site.

**Mr. Hickok** stated the determination was made that this site did the best in terms of serving all of the needs the City had. One of the goals the City heard in was it would be good to put

services all together into one location and have police, fire, public works, and city hall together in the complex. The City would have staff all working in one complex that was joined and could have some efficiencies, share some amenities, and look out maybe on what would be required anyway as a ponding area and make that a feature for this site. It really evolved. It was not just a foregone conclusion certainly when the HRA bought that site. In fact when it was bought, it was basically to preserve an opportunity to get the best development the City could get on that campus and later evolved into the city hall civic site.

**Mr. Hickok** stated through the citizen input meetings, interestingly enough, unbeknownst to them, there was this study going about what do we do to live in this complex for the next 50 years; and they were saying, I think it is time for a new city hall. That theme kind of continued through the open houses the City has had, and through citizen contacts it has had. It seems at least to those who have contacted the City that they like that, and it is a good idea. Many who were at those four meetings the City held said we should do it, do it right, and do it grand. It is the right site to do something very nice and everyone will enjoy it once it gets done.

**MOTION** by Councilmember Barnette to adopt Resolution No. 2016-10. Seconded by Councilmember Varichak.

**UPON A VOICE VOTE, ALL VOTING AYE, MAYOR LUND DECLARED THE MOTION CARRIED UNANIMOUSLY.**

#### **7. Claims.**

**Mayor Lund** stated he will send an e-mail to the person who requested this item be removed and find out what her questions, since she has left the meeting.

**MOTION** by Councilmember Barnette to approving the Claims Nos. 171098 through 171316. Seconded by Councilmember Varichak.

**UPON A VOICE VOTE, ALL VOTING AYE, MAYOR LUND DECLARED THE MOTION CARRIED UNANIMOUSLY.**

#### **19. Informal Status Reports**

**Mr. Wysopal** stated Northern Stacks, Phase III, was awarded \$902,000 for a grant to continue to clean up. They are showing great progress. Congratulations to the developer and also the work that Scott Hickok and Paul Bolin are doing to help them out.

**Mr. Wysopal** showed a picture of the SRING project which has really taken shape. They hope to get some more pictures on the website to let people know what it is looking like. One of the comments made is when you get to this point, you are pretty secure in the costs and everything so they are feeling very good about the project now.

**ADJOURN:**

**MOTION** by Councilmember Barnette, seconded by Councilmember Varichak, to adjourn.

**UPON A VOICE VOTE, ALL VOTING AYE, MAYOR LUND DECLARED THE MOTION CARRIED UNANIMOUSLY AND THE MEETING ADJOURNED AT 11:28 P.M.**

Respectfully submitted by,

Denise M. Johnson  
Recording Secretary

Scott J. Lund  
Mayor