

**CITY COUNCIL MEETING
CITY OF FRIDLEY
MAY 23, 2016**

The City Council meeting for the City of Fridley was called to order by Mayor Lund at 7:01 p.m.

ROLL CALL:

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

OTHERS PRESENT: Wally Wysopal, City Manager
Darcy Erickson, City Attorney
James Kosluchar, Public Works Director
Scott Hickok, Community Development Director
Deb Skogen, City Clerk
Pam Reynolds, 1241 Norton Avenue N.E.
Richard Harris, 6200 Riverview Terrace N.E.
Jim Frisell, McGough Construction

APPROVAL OF PROPOSED CONSENT AGENDA:

APPROVAL OF MINUTES:

Board of Appeal and Equalization Meeting of May 9, 2016

APPROVED.

City Council Meeting of May 9, 2016

Councilmember Saefke noted a couple of corrections: (1) On page 14, second from the bottom paragraph, "Motion by Councilmember Bolkcom to continue to the public hearing" the second word "to" should be eliminated; (2) on page 17, the first sentence, ". . .issuing these bonds, the Fridley", the word "the" should be eliminated.

APPROVED AS CORRECTED.

NEW BUSINESS:

- 1. First Reading of an Ordinance Amending Chapter 205.10, R-4 Mobile Home Park District Regulations, in the Fridley City Code.**

Wally Wysopal, City Manager, stated a public hearing was held on May 9, 2016.

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

2. Resolution Authorizing Membership in the 4M Fund.

Wally Wysopal, City Manager, stated this is a no-cost banking arrangement managed by U.S. Bank and is made possible through the City's membership with the League of Minnesota Cities. At first, it will primarily be used to park the money from the bond for the water improvements and then make disbursements out of that. It is completely managed at no cost.

ADOPTED RESOLUTION NO. 2016-24.

3. Approve a Joint Powers Agreement between the City of Fridley and Anoka County for a Traffic Signal System at East River Road (CSAH 1) and Northern Stacks Drive (Ward 3).

Wally Wysopal, City Manager, stated this is for the purchase and installation costs recovered by a grant for the ongoing maintenance at the City's expense performed by the County as the owner. There is also a developer contribution in that purchase as well.

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

4. Claims (172552 - 172716).

APPROVED.

ADOPTION OF PROPOSED CONSENT AGENDA:

Councilmember Bolkcom asked that Item Nos. 1 and 3 be removed.

MOTION by Councilmember Barnette to approve the proposed consent agenda with the removal of Item Nos. 1 and 3. Seconded by Councilmember Varichak.

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

Councilmember Saefke as to Item No. 9 of the Agenda, it should be "Ward 1" instead of Ward 2.

OPEN FORUM, VISITORS:

Pam Reynolds, 1241 Norton, stated last weekend she had an issue at her house. She said Chief Weierke told her he was going to handle it. It has to do with a dumpster she rented. After they

were done filling the dumpster, several people took items from the dumpster. It specifically says on the dumpster, "No Scavenging" and lists St. Paul City Code 357. She said she looked at that City Code and then looked at Fridley's. Perhaps this does not happen often enough to include in the Code, but Section 113.12 of the Fridley City code does not talk about roll-offs. It talks about recycling that she would put at her curb. She believed somewhere along the line the Supreme Court ruled that when you put your garbage out, once it is on the right-of-way, it is fair game.

Ms. Reynolds said her neighbor told her that as soon as she left her house at 7 a.m., a car and a truck pulled up and people were digging and diving in the dumpster. Her concern is maybe she is looking at the wrong Code to see if the City has something in place to take care of that issue other than a theft. Stuff from the dumpster was left all over her yard. Her neighbor helped her throw stuff back in. She told her hauler that if she ever rented another dumpster, she would like a cover so she could cover it when she was done and people would not go in there.

Ms. Reynolds stated she just has a concern that the Fridley City Code really does not address roll-offs and neither does St. Paul's.

Mayor Lund stated they will look at the Code and see if there is something that could be done. Beyond that, he would be more concerned about people bringing more stuff and putting it in there.

Ms. Reynolds replied that happened, too. Her neighbor also told her that one guy pulled up and threw stuff in. It almost made her wonder if the first guy maybe called other scavengers because she is on a dead end street. It was irritating. People had the items tossed to the point that she had to have her son come back over and redistribute the items, as they dug all the way to the bottom.

Ms. Reynolds asked whether Council had given any more thought to bringing the issue of a proposed civic center to voters in November.

Mayor Lund replied, honestly, they have not talked about specifically doing that. In fact, there is something on tonight's agenda for adopting a resolution for a construction manager.

Ms. Reynolds stated she is not going to stay for that. That is the way they are going to do it. She does not have a problem. As to the memo, she knows staff is excited and passionate about this, but she does not think they should be using the terms of "for the future" or "when a new complex". It is her understanding that has not been determined yet is her understanding. Maybe it should be proposed like it is in agenda.

Mayor Lund asked if she is talking about between pages 106 and 113 of the agenda. When he read it, there were a number of the words "should" and "if". The way he read it, it was not presumptuous that staff was treating this as a 100 percent deal.

ADOPTION OF THE AGENDA:

MOTION by Councilmember Bolkcom to approve the agenda with the addition of Item Nos. 1 and 3 and with the correction of changing Item No. 9 to Ward 1. Seconded by Councilmember Saefke.

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

PUBLIC HEARING:

5. Consideration of the Columbia Arena Area Draft Redevelopment Environmental Assessment Worksheet.

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

UPON A VOICE VOTE, ALL VOTING AYE, MAYOR LUND DECLARED THE MOTION CARRIED UNANIMOUSLY, AND THE PUBLIC HEARING WAS OPENED AT 7:18 P.M.

James Kosluchar, Public Works Director, stated the Master Plan for the Columbia Arena site was developed over the past year with input from the community. On December 28, 2015, an open house was held and additional input was gathered. As part of the approval for the Master Plan development, a draft Environmental Assessment Worksheet (EAW) was prepared.

Mr. Kosluchar stated this is part of a standardized environmental review process. Characteristics of the site and impacts are published to disclose information about potential negative environmental effects and to determine if there are ways to avoid or minimize those impacts before the project is permitted and built.

Mr. Kosluchar stated the Columbia Arena site redevelopment required an EAW process again because the number of housing units proposed exceeded the statutory threshold and a mandatory EAW must be performed.

Mr. Kosluchar stated while there was no requirement for the public hearing for the EAW process, Council believes and agreed to set the hearing to improve transparency and understanding of the project.

Mr. Kosluchar presented the current updated schedule. There was a publication by the EQB on May 16. The end of the comment period is June 15, 2016.

Mr. Kosluchar stated the project includes many housing types and amenities including a 220-unit, up to 5-story senior housing complex; a 36-unit townhome development; a 160-unit, up to 4-story apartment building; a 154-unit, up to 8-story tower residential; another 178-unit, up to 6-story tower; 60 liner apartments; 44,000 square feet of commercial space; 15 patio homes; and a

40,000 square foot 1-2 story City Hall including police and fire; a 75,000 square foot, 1-2 story Public Works buildings; and multiple parking decks to serve these various elements.

Mr. Kosluchar stated the draft EAW is a report that covers several potential environmental impacts including land cover and impacts; and permits and approvals that are needed; land use and zoning; geology soils and topography; water resources and utilities; contamination and hazardous waste; wildlife and sensitive ecological resources; historic properties; visual, air, and noise impacts; transportation; and potential cumulative effects.

Mr. Kosluchar stated staff will be tabulating comments received and responding to all. Staff has three ways to comment right now. People can comment by directly to the City Council, by email or by providing written comments to City Hall. All those instructions and the documents are available at the City's website at www.fridleymn.gov/ColumbiaArenaAreaRedevelopment.

Mr. Kosluchar stated after the comment period, the report will be finalized and a determination will be made whether additional environmental review is required. Amy Denz from Wenck & Associates, is present. She was essential in putting together the environmental documentation.

Councilmember Bolkcom asked what a liner apartment was.

Scott Hickok, Community Development Director, replied that building would be designed to wrap around a parking deck. The liner refers to the fact that it lines the outside of a parking deck.

Councilmember Bolkcom asked if the City Council would see the final comments.

Mr. Kosluchar replied they will. Staff will summarize them, and at a minimum, provide a report and would likely provide a recommendation on the disposition of the environmental document.

Councilmember Bolkcom stated as to the noise. Construction would occur from 7 a.m. to 9 p.m., Monday through Saturday. Is that correct?

Mr. Kosluchar replied, that is what is authorized by ordinance. That is the largest window of hours. The City typically requires contractors on City projects and some private contractors to construct within a narrower window. Typically it is Monday through Friday, 7 a.m. to 7 p.m. Saturday it might be 9 a.m. to 7 p.m.

Councilmember Bolkcom stated she remembered Medtronic not being that long so she wondered why the City would treat this any different.

Mr. Kosluchar replied, and they probably would not. They just cited what was in ordinance.

Councilmember Bolkcom asked why there were more trips there at night than during the day. Is that because people are running to the grocery store after they get home from work and things like that? She said she does not understand the peak hours going from, it says the first letter for

the intersection now, right, and then the second is the worst operating condition. She asked if it was saying that 47th and 69th they are at an F at times and then it would stay an F if they did not build but it would become an F all day long.

Mr. Kosluchar said there will definitely be impacts on 69th Avenue. He can attest to the limited functionality of that intersection. Actually, the University frontage road is a through street. They call it 69th but 69th actually intersects with the University frontage road which intersects with University. That intersection stacks so that vehicles often have to wait for a signal through two cycles.

Councilmember Bolkcom asked why it was better if it was just a C. It will be an F if they build it, in the a.m. She asked if there were more trips at night, why was it not an F.

Mr. Kosluchar replied the assumption is that traffic is directional. The evening peak trips may be in one particular direction that might be away from that intersection vs. into that intersection in the morning.

Councilmember Bolkcom stated she does not understand. It was an F at is the worst time now. If they build it, it would be a C and an F.

Mr. Kosluchar replied, correct. But it is an A and F right now. And it is directional. The traffic does disburse in particular directions, and that is what the projections are.

Councilmember Bolkcom stated why it was at the worst. Why is it an A and F in the a.m. right now?

Mr. Kosluchar replied that is the range of the performance of the intersection so basically it is the best and worst.

Councilmember Bolkcom asked how it went from A to F.

Mr. Kosluchar stated again, it is such a short queue length. He has been in that queue, and if there is a semi in front of him, he is the only vehicle that fits behind that semi and the semi does not block the intersection. Presumably with a semi truck waiting for that light for a left turn, if two vehicles queue up behind than it has gone to an F.

Councilmember Bolkcom asked if it could be worse than an F.

Mr. Kosluchar replied, no. He said the geometry was not great. That is something that is going to have to be addressed somewhat through the development.

Mayor Lund stated he heard some comments from the Holiday Hills neighborhood, the neighborhood that is adjacent to 69th Avenue. Their concerns for this entire development are what affect them on 69th Avenue. The drawing they have all seen, where the patio homes would be, show that Rice Creek Boulevard where it intersects 69th now through the south would continue on into this new development to the north. Their preference would be not to allow

traffic to come down those new streets but to make cul-de-sacs so they are segregated from 69th Avenue. He does not think that is going to really affect 69th Avenue. It will affect the intersection they just spoke about because of the limited stackability on the frontage road that intersects at 69th Avenue.

Mayor Lund stated one time that he sees is the most difficult now is when the Baptist Church lets out, and there is some heavy vehicle traffic from the immediate north that comes down. It is his opinion and in reviewing the Environmental Assessment, if this property gets developed, there is going to be too much traffic at certain times of the day there. They will have to restrict commercial vehicles at the least, so that they would all have to head to the north and exit out on 73rd Avenue. It used to be much more pronounced in his opinion when they had the arena there. As soon as the arena let out you had a real influx of cars leaving there. It was a 15-minute deal and it was about every hour, hour and a half.

Councilmember Bolkcom stated she thought the City did not like to do cul-de-sacs because of plowing of the snow, etc.

Mr. Kosluchar replied he could not make the decision right now. It was something to plan around. One of the problems with cul-de-sacs is they take up a pretty large area.

Mayor Lund stated everything has to be looked at, especially for traffic flow. He told the residents in the Holiday Hills neighborhood that it would allow them some flexibility to take another route out of their neighborhood. Right now they have one way in and one way out. That is 69th Avenue via the frontage road. With all of this development, they would be able to escape through the new neighborhood and end up going out on 73rd Avenue. It would be a little circuitous and there would be a couple turns, but it was better than waiting impatiently at a jammed up intersection at 69th Avenue and the frontage road. That is a positive note. It is important that they do have a back road at the eastern edge of this development to get out onto 73rd Avenue. There is some easement property that would allow for an actual road to 73rd Avenue.

Councilmember Barnette stated he knows that discussion has come up even for the emergency vehicles that want to go east but go up to 73rd Avenue. If they can provide a road from 72nd to 73rd Avenues, the emergency vehicles and traffic could also go east. He said he lives in the same neighborhood, and if you get behind one of the large trucks that are on 69th Avenue, you are lucky if you can get out. The sign changes in about 30 seconds and those big vehicles take a long time to get through there. Adding more development would create some problems and would need to be addressed.

Councilmember Bolkcom asked at what point it would be necessary to revisit the EAW.

Mr. Hickok replied the EAW takes a broad look at everything from the intersection and the range of activity through an intersection to the development that can happen there. The Paul Hyde project, for example, was approved for 1.7 million square feet. If there was 12 million square feet of development, and someone wanted to build a 600,000 square foot addition, they would need to go back through the process.

Mr. Hickok said Mr. Kosluchar has very carefully taken a look at all the proposed numbers for the units that were there, and the likelihood of the City exceeding that is not great. In fact, there would probably be fewer units.

Councilmember Bolkcom stated she was talking more about certain discussions in there related to Public Works and what would and would not stay there.

Mr. Kosluchar stated she is referring to the operations and Public Works in the future. There would be an off-site area for storage. If they had a wind storm, they would have somewhere to store tree debris that is more suitably located next to industrial property or property that is having similar activities. They are looking at that right now as part of this plan. The Public Works operations would be cut down considerably as well.

Richard Harris, 6200 Riverview Terrace, stated they were talking about the truck traffic on 69th Avenue. Unfortunately, the streets and intersections in Fridley and probably most of Minnesota are 50 years old or thereabouts and they were designed for 40-foot trailers. Somebody decided they should have 53 foot trailers. Consequently, the trucks that are using the intersections today do not fit very well in the intersections. If they are going to redo intersections, they probably should look at designing intersections for the larger trucks.

Mr. Harris stated it is his understanding this is for the new city offices and maintenance garage. Is he correct in that assumption?

Mayor Lund replied it is actually for a campus for City Hall offices, Fire, Police, and Public Works.

Mr. Kosluchar stated it is more than that. It is 889-units of residential, in addition to commercial space. The EAW deals more with those aspects than public development.

Mr. Harris stated in Mr. Kosluchar's presentation he mentioned there were some 6-story buildings. Is that getting pretty close to the City's height limit?

Mr. Hickok replied in standard zoning, 6 stories or 65 feet in a multi-family district would be the limit. A redevelopment district departs from the standards that they are most familiar with, and an 8-story would be permitted.

Mr. Harris stated they are not going to add two stories.

Mr. Hickok replied, no.

Mr. Harris said he noticed the other day that Braun was taking soil borings. He asked if their findings would be part of it.

Mr. Kosluchar replied, yes. Actually, the soils on the site may be the limiting factor. They are doing deeper borings now to determine what the structural nature of the ground is.

Mr. Harris stated back when the previous structure was built, they did not pay enough attention to construction integrity. It was more aesthetic. He is hoping this time they do it the other way around.

MOTION by Councilmember Varichak 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 PUBLIC HEARING WAS CLOSED AT 7:42 P.M.

NEW BUSINESS:

- 6. First Reading of an Ordinance Amending the Fridley City Code by Creating Chapter 609, Liquor Caterers Registration and Event Notification Permit; Amending Chapter 508 Parks and Parkways, Section 508.21.5.D., Allowing City - Registered Caterers to Serve Alcoholic Beverages at Springbrook Nature Center; and Chapter 11, General Provisions and Fees, Section 11.10. Fees, Creating Fees for Registration of Caterers and Event Notification Permits.**

Debra Skogen, City Clerk, stated this is the first reading of an ordinance creating Chapter 609 requiring caterer registration and event notification. There has been a lot of discussion about "Event Centers" which appears to be a new trend in the state. As properties have become vacant or have been on the market for a long period of time, they are being purchased without the buyers inquiring as to the type of zoning or use of the property. As a result, staff has received a lot of inquiries about whether a liquor license can be acquired for a specific event in a specific location or inquiries about individuals who do not have a liquor license. Minnesota Statute, Section 340A.404, Subd. 12, provides language allowing a restaurant with an on-sale liquor license to acquire a state caterer's permit. The holder of the permit may sell intoxicating liquor as an incidental part of a food service that serves prepared meals offsite of their licensed premises.

Ms. Skogen stated the statute allows cities to regulate caterers, and requires caterers to notify the local police department of the event and location.

Ms. Skogen stated after reviewing several other municipal codes related to this topic, an ordinance was drafted which would require caterers to register with the City and provide an Event Notification Permit for each event.

Ms. Skogen stated the ordinance defines the conditions of registration and information required for reviewal of registration. It requires an Event Notification Permit to be filed 10 days prior to the event. It provides an appeal process. It also creates administrative offices and fines for required liquor compliance checks, similar to licensed establishments in the City.

Ms. Skogen stated in addition to requiring registration and event notification, this ordinance amends Chapter 508 of the City Code to allow a registered caterer to provide food, malt liquor and wine for events at Springbrook Nature Center; and establishes the fees for the registration and Event Notification Permit.

Ms. Skogen stated staff recommends Council hold the first reading of this ordinance.

Councilmember Bolkcom stated Section 609.02, said the form may contain the business name, address, phone, e-mail address, contact name or any other information deemed necessary by the City Clerk or Public Safety Director. She asked what that information was or if it was random every time someone asks for a registration. How does staff decide what other deemed information was needed?

Ms. Skogen replied, they are starting out with the information that they have outlined but as to any other information, depending on how this goes, they may have to include further information and that would allow them to do that.

Councilmember Bolkcom asked, so it is not randomly depending upon who the caterer is?

Ms. Skogen replied correct.

Councilmember Bolkcom asked, under Section 609.03, has run-on sentences. Can they bullet point No. 1 maybe? Then under No. 5, no sale of alcohol beverages shall, they come to the words must and shall. Have they decided they are going to use "must" or "shall"?

Mayor Lund replied, as far as when they had these discussions before, to him "must" and "shall" hold the same meaning.

Darcy Erickson, City Attorney, replied it is obligatory. She said she would concur with Mayor Lund. If the language is troublesome, maybe they could say, "is" permitted after "no sale of alcohol."

Councilmember Bolkcom stated it comes up every once in a while and they have changed some to "must." As to No. 6, the property owner shall give consent. That is another one.

Councilmember Bolkcom stated as to No. 8, "If the event is held outside, the applicant shall indicate how the alcohol will be confined to a particular area." If she has a restaurant with intoxicating beverages, she has to have it fenced in. Is the City saying that as long as they tell the City where it is, it can be open? It came up when they were talking about Springbrook that if they had an outside patio it would need to be fenced in. What are they saying there? Do they have to tell you where that area is in their application?

Ms. Skogen replied they are trying to keep the alcohol in one location so if they are outdoors they are not walking around the street or parking lot. They are in one area, contained.

Councilmember Bolkcom stated should it say that then that it has to be separated. Is there a better way of saying that? To her it just says they are going to define where it is. It does not mean that no other people can go in. If she is 16-years old can she go to that area where they are serving alcohol?

Ms. Skogen replied she believed they would be carding them at the area as they walk in. The other thing to remember is insurance. They have to provide insurance and they have to have a specified area as to where that alcohol is contained to.

Councilmember Bolkcom asked what that had to do with insurance.

Ms. Skogen replied, with a liquor license, they would be confined to a specific area. For all of the restaurants the City provides, it has to be inside of the restaurant, unless they have a patio endorsement. This is just trying to contain the alcohol into one location.

Councilmember Bolkcom stated she asks that staff go back and look at what the City has as far as restaurants, etc., and they try and fine tune it. To her it leaves it a little open. It does not say confined there. It does not mean that other people cannot go there.

Ms. Skogen replied, she is not sure there is a better way to say this.

Attorney Erickson stated she did not know that you necessarily would restrict people from going there. A restaurant is licensed for a particular premises and alcohol cannot be moved off of those defined premises as it relates to their license. It would not be illegal for a 16-year old to be there, for example, at the wedding reception at Springbrook Nature Center. There might be underage guests, and they are not going to be able to partake. The liquor/caterer is going to have to comply with every other state law. However, we can improve upon this language just to say that the liquor caterer will have to define the premises to the area of the property to which alcohol is permitted and limit it to that so it is not taken into the woods at the Nature Center.

Councilmember Bolkcom stated as to No. 10, "The City may by resolution establish a list of premises for which a caterer may not provide services at an event without explicit approval. . . ." She asked Ms. Skogen if she had something in mind or thought it was one the City should have just in case. She asked for an example.

Ms. Skogen replied, she does not really have anything in mind; but you could have a premise that had a caterer but have had incidents that have created more enforcement. You could then create a resolution stating that this specific location could not be a liquor-catered event. This basically is in because there are three other cities that have this.

Councilmember Bolkcom stated to her this is like they just decided there is no way on such and such a street this is going to happen, but Ms. Skogen is saying more related to a premises that has had problems so any caterer could come in.

Ms. Skogen stated they can keep it in or remove it.

Councilmember Bolkcom stated maybe just tweak it a little bit.

Councilmember Bolkcom stated on page 72, under 609.06(2), "The operation of an event does or will unreasonably. . . ." Why is it does or will?

Ms. Skogen replied they could start the sentence with "if" as opposed to or change some of those words.

Attorney Erickson stated that might have been placed in there as "does or will" because of denial being in the future or "will". Either you are being suspended or you are being denied, but they can fix that language by putting "if" instead of using those words.

Councilmember Bolkcom stated when you have bullet points do you normally have semi-colons at the end of the paragraphs? The first section ends in a period and then the rest are all semi-colons.

Councilmember Bolkcom said with respect to No. 6 on the next page, do you need the word, "or"? It is any one of these things?

Attorney Erickson replied, yes, any of those could be grounds for denial or suspension.

Councilmember Bolkcom stated under 609.07(2)(A), in the middle of the paragraph, "In the event a party participates," she asked who the party was. **Ms. Skogen** replied, she believed it is

the individual who is serving the alcohol. It is not new language.

Councilmember Bolkcom asked whether that is defined somewhere in the Code?

Ms. Skogen replied, they have it in Chapters 602, 603, and 609. She asked if it was the word "party" she had a question about.

Councilmember Bolkcom replied yes.

Ms. Skogen stated, no, it is not defined.

Councilmember Bolkcom asked, should it be in this section?

Ms. Skogen replied, they could change that word to individual.

Mayor Lund stated it could be applicant, individual, or party.

Attorney Erickson stated party, individual, or person. These are the penalties for the individual person who violated the conditions of a license, the statute, the caterers, and the entity who holds the permit or registration.

Ms. Skogen stated this would be under a compliance check where you have an underage individual going in and attempting to purchase alcohol. The individual who did the serving is the individual who would be penalized.

Councilmember Varichak asked if it would need to be changed in all the other chapters.

Councilmember Bolkcom stated under No. 3 was saying. "Any officer of the City's police department shall, upon determining there has been a violation, notify the violator of the violation." How do they know what the violation is?

Ms. Skogen replied after a compliance check has been done, a police report is made. There is a police report for those who have passed and a separate one for those who have been denied. The patrol officer who is out with the underage person is the one who writes the report. In trying to determine how the letters would be sent out, when they first started doing it, it was determined that the City Clerk's office would do that. She gets the reports and the letters are actually provided by them and they send them downstairs and have the Police Captain sign them and they go out. The officer is working with an underage person who is given "x" amount of money, they go into the business and attempt to make a purchase, and they bring their product out with any leftover money. Whatever happens is recorded.

Councilmember Bolkcom stated as to the language in the same paragraph, "said notice of violation shall be sent to the municipality who issued the liquor license to the caterer." If they had a liquor license from, for example, Cottage Grove, then who sends the notice?

Ms. Skogen replied the Police Department. It would most likely be prepared in her office and provided to the Police Department for their signature. The letter would have to be drafted and the same letter would go out to any future caterer who had a violation to the City who issued that license. She is assisting the Police Department in their process.

Councilmember Bolkcom stated as to page 74, No. 4, "The penalty may be paid in person or by mail, and payment shall be deemed to be an admission of the violation." How soon do they have to pay it?

Ms. Skogen replied, they are given 20 days after the date they received notification to make the payment. With the City's current liquor license compliance checks, they actually will contact her or the Police Department and the City will come up with a payment plan. What happens is a lot of people lose their jobs since they violated Code. If they do not call and make arrangements to make payments, then they can be charged with a misdemeanor.

Councilmember Bolkcom stated she understands what Ms. Skogen is saying but the first sentence says they have within 20 days of the time of issuance of the notice to pay the amount set forth on the notice." So they have within 20 days to do both?

Ms. Skogen replied, yes. They have the choice of asking for a hearing so they can come before a hearing officer and state their case or they can pay the fine or make arrangements to pay the fine. In the 18 years she has been doing this they have only had two public hearings and that was at the very beginning when this was first established. Now people pay and they call and make arrangements. The City has not done caterers so that would be something new

Councilmember Bolkcom asked if they put it in the mail on the 20th day is that being paid?

Ms. Skogen replied they went by what is currently in the Code so 20 days from the date of receipt is what she believes the letter states.

Councilmember Bolkcom asked if it is by the postmark so even if it does not reach the City here on the 20th day?

Ms. Skogen replied, even if they get it on the 21st day they will accept it.

Mayor Lund stated they would go by the postmark would they not?

Ms. Skogen stated the goal is to say you have 20 days to get in touch with the City, make the payment, or schedule a hearing. Just to let them know they have to do something.

Mayor Lund pointed out a lot of commas in No. 5.

Councilmember Bolkcom stated as to No. 9, the word again "party" is used. Again, the wording needs some help.

Councilmember Bolkcom asked Ms. Skogen whether the \$100 fee covers all the work they have to do on this..

Ms. Skogen replied, in talking with the Police Department they felt they are going to look into the background on them once. And then for each event, the permit would be \$25. She talked to one of the caterers in the City, and they felt it was reasonable. The City is not actually licensing them, they are registering them. A background check has already been done by another city, so it will not be as intensive.

Councilmember Bolkcom asked if the Fridley Police Department would call the other city and ask them.

Ms. Skogen replied, they would contact the other city and find out the number of police calls, whether they have had issues, etc.

Councilmember Bolkcom asked Ms. Skogen, if they thought most caterers that have a liquor license would report problems.

Ms. Skogen replied, that would be their goal. If they had an issue here, they would report that to the other city.

MOTION by Councilmember Saefke to waive the reading of the ordinance and adopt the ordinance on first reading. Seconded by Councilmember Barnette.

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

- 7. First Reading of an Ordinance Creating a New Chapter of the Fridley City Code, Chapter 610, Liquor Manufacturers, and Amending Chapter 11 of the City Code by Establishing Fees.**
- 8. First Reading of an Ordinance Amending Chapter 603 of the Fridley City Code Entitled Intoxicating Liquor to Allow for Brew Pubs and Amend the Hours of Operation; Chapter 602, Section 609.09; and Chapter 606, Section 606.11, Amending the Hours of Operation.**

Debra Skogen, City Clerk, stated this is the first reading of an ordinance creating a new chapter entitled, "Liquor Manufacturers" and also the first reading of an ordinance allowing for brew pubs and amending the hours of operation.

Ms. Skogen stated Chapter 610 is being written because of the increasing popularity of craft beers and microdistilleries. Research was completed and an ordinance was drafted to address how the City could license liquor manufacturers. While the State licenses liquor manufacturers, it does allow cities to issue "taproom," "cocktail room" or "brew pub" licenses.

Ms. Skogen stated language was drafted to allow a manufacturer to receive a license from the City for an on-sale brewer "taproom" license; an off-sale small brewer license, allowing for the sale of "growlers" at the brewery; an on- or off-sale brew-pub license; an on-sale microdistiller "cocktail room license"; and an off-sale microdistiller license

Ms. Skogen stated the City can be more restrictive than the State. Staff is recommending the following:

- On-Sale brewer taprooms and microdistiller cocktail rooms be open similar to the times of restaurants and clubs. They may choose different hours but to begin with, she thought they should have the same capabilities.
- Off-sale brewer license and brew pub license are limited to the hours of 8 a.m. through 10 p.m. Monday through Sunday. This does allow the off-sale malt liquor to provide growlers on Sunday.
- Off-Sale microdistiller licenses are limited to the hours of 8 a.m. through 10 p.m. Monday through Saturday and closed on Sunday.

The only products they can sell off-sale are products they make themselves.

Ms. Skogen said to remain consistent with the City's other liquor codes, the remainder of the ordinance is in the same format.

Ms. Skogen said a lot of research and discussion has gone into this new chapter and as a result, a few minor changes were needed to Chapters 602, 603 and 606 to allow for Beer Pubs and to amend the hours of operation.

Ms. Skogen stated to allow for fees, Chapter 11 would be amended establishing the following fees:

\$600 – for on-sale Brew Pubs, Brewery “Taproom” License” and Microdistiller “Cocktail Room” License.

\$300 – for Small Brewer Off-Sale License, Brew Pub or Microdistiller License.

\$200 – for Investigation of Individual

\$400 – for investigation of Partnership/Corporation

\$100 – for Alteration of Business

\$25 – for Change in Officers.

Ms. Skogen stated a brew pub may only operate as a restaurant to be eligible for an on-sale brew pub license. To allow for brew pubs, there are a few amendments to Chapter 603:

- Section 603.01 provides for a definition of a brew pub;
- Section 603.02 allows for a license to be granted;
- Section 603.08 provides for an exception to a manufacturer to allow for a brew pub;
- Section 603.09 defines places that are ineligible for a brew pub license;
- Section 603.10 provides for an exception to a brew pub to allow for the “off-sale” of the “growler” and requires brew pubs to have a minimum food sales of 40 percent;
- Section 603.11 amends the opening hours of operation of restaurants and brew pubs to 8:00 a.m. Monday through Sunday;
- Section 603.26 allows a brew pub to apply for a patio endorsement;
- Amending Chapters 602 and 606 staff is looking at just the hours of operation because of the change of the law in 2015 allowing the sale of liquor between 8 a.m. and 10 a.m.;
- Section 602.09 is amended to allow for the sale of 3.2 percent malt liquor between the hours of 8:00 a.m. and 1:00 a.m. Monday through Sunday; and
- Section 606.11 is amended to allow for the sale of intoxicating liquor at a Club between the hours of 8:00 a.m. and 1:00 a.m. Monday through Sunday.

Ms. Skogen stated staff recommends Council hold the first reading of this ordinance.

Ms. Skogen stated as to Item No. 8, staff recommends holding the first reading of an Ordinance Amending 603 of the Fridley City Code Entitled Intoxicating Liquor to Allow for Brew Pubs and Amending the Hours of operation; Chapter 602, Section 602.09 and Chapter 606, Section 606.11 Amending the Hours of Operation.

Mayor Lund stated on page 80, Definitions, No. 6, states the definition of 3.2 malt liquor. The next item, No. 7, talks about "Malt Liquor." He asked if there were any changes restricting brew pubs and operations like that to 3.2. He said he did not read anything about 3.2. He is assuming the definitions are all-inclusive so they are not restricting in any way the 3.2 malt liquor.

Ms. Skogen replied that is correct. State law allows them to brew 3.2 malt liquor or malt liquor which would be stronger than 3.2.

Mayor Lund stated under Fees in Chapter 11, when she talks about "change of officers" that would be a \$25 fee. In those cases in the change of an officer, would the Police Department need to do a background check.

Ms. Skogen replied it would be strictly an administrative thing.

Mayor Lund stated that would not constitute a change of an officer in the corporation or in the business. It does not constitute having that person being investigated.

Ms. Skogen replied correct.

Councilmember Bolkcom asked regarding page 82, could she be a brewer and have more than one brewery? Is it within the City of Fridley?

Ms. Skogen replied, according to State law, a brewer may only have one taproom license. They may not have ownership in a pub. If they are getting a license in the City of Fridley, they can only have one.

Councilmember Bolkcom asked, within the City or all over the State of Minnesota?

Ms. Skogen replied because the City is issuing, they have to have a license in the City of Fridley, where they manufacture in their taproom, unless they have a brewery in another city or a taproom.

Councilmember Bolkcom but just within our City?

Darcy Erickson, City Attorney, said she would look into that.

Councilmember Bolkcom asked what the fees for "alteration of business" would be.

Ms. Skogen replied an example would be if they started out as a small brewery, brewing 2,000 barrels and they decided they wanted to expand.

Attorney Erickson stated in answer to the earlier question, it looks like a small brewer, off-sale, whom she believes is selling growlers, is limited to having just one small brewer license under State law.

Councilmember Bolkom stated they can only have one in the entire State.

Attorney Erickson stated she does not see a classification on this chart with respect to taprooms. She does not think they can have multiple locations.

Mayor Lund asked staff to look into this for the second reading.

MOTION by Councilmember Saefke to waive the reading of the ordinance and adopt the first reading of an Ordinance Creating a New Chapter of the Fridley City Code, Chapter 610, Liquor Manufacturers, and Amending Chapter 11 of the City Code by Establishing Fees. Seconded by Councilmember Bolkom.

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

MOTION by Councilmember Saefke to waive the reading of the ordinance and adopt the first reading of an Ordinance Amending Chapter 603 of the Fridley City Code Entitled Intoxicating Liquor to Allow for Brew Pubs and Amend the Hours of Operation; Chapter 602, Section 609.09; and Chapter 606, Section 606.11, Amending the Hours of Operation. Seconded by Councilmember Barnette.

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

9. Resolution Approving Construction Management at Risk Services with McGough Construction for the Preconstruction Services of the Proposed Civic Complex to be Constructed at 7099 University Avenue N.E. (Ward 1).

Scott Hickok, Community Development Director, stated this is a resolution approving the construction manager for the City's potential project at the former Columbia Arena site. In mid-April the City published a Request for Proposal for a Construction Manager at Risk for the potential City complex at 7099 University Avenue N.E. The pre-proposal meeting was held on April 28, 2016, and proposals were then due by May 6, by 10 a.m.

Mr. Hickok stated the City received five excellent proposals and an internal team of staff members independently scored those five proposals. A second-envelope system was required by proposers that would then outline the cost of their services. Grading was completed without knowing the cost of by each of the members on the scoring team.

Mr. Hickok stated once the scores were turned in to be tabulated, the scoring team opened the envelopes to see what the cost of services would be for each group. What this really did was provide an opportunity for the City to determine the best proposal and what matched the criteria

in the RFP and compare that with the pricing data submitted by the firms to see which firm represented the best value for the City in its selection process.

Mr. Hickok stated McGough Construction was chosen as the clear choice by the City's scoring team. As to what the "at risk" part of the construction manager title for this project means, for cities there are really three main types. "Design, Bid, Build" was popular. "Construction Manager Agency," and "Construction Manager at Risk" are also options that you might see more commonly today. Design, bid, build is as the name implies. It is project design by an architect. Once it is designed it is either bid out by a general contractor which they bid for first. Or, in some instances the entity will act as its own general contractor and bid all the individual trades and contracts themselves.

Mr. Hickok stated the Construction Manager Agency is a method of project involving RFP construction manager to oversee the preconstruction and construction phases of the project. Their role is to bring in a project on time, on schedule and on budget, and the risk involved with over-runs is at the agency's risk. In this case, it would be the City's if it had gone with this type of proposal.

Mr. Hickok stated Construction Manager at Risk (CMAR) is a method of project delivery involving hiring a construction manager to oversee that pre-construction and construction portion of the project. The role of the CMAR is to bring the project in on time and on budget. In this case the risk though is that of the CMAR. They will bring in the project at guaranteed price and time and they hold the risk.

Mr. Hickok stated project work provides all services necessary to manage and oversee the construction of a City-owned facility. The range of duties is specifically outlined in their project on pages 108 and 109 and listed as items (a) through (t).

Mr. Hickok stated self-performance is something they probably saw in the staff report and they will touch on today. The term means having the Construction Manager at Risk be allowed to bid the bidding stage of the contracts where they specialize in, as McGough specializes, in concrete, masonry, carpentry, finished carpentry. In the RFP, each firm was asked about its interest or desire to self-perform on aspects of the projects. The scoring team scored on the quality of their answer and not on whether they did self-perform. Two firms did self-perform. Two did not. One had a second entity to do some of their work that they were to self-perform.

Mr. Hickok stated in all cases, the statutory bidding process was adhered to assure integrity of process and an open book allowed opportunity to demonstrate after the results of the bidding.

Mr. Hickok stated McGough Construction has indicated a desire to self-perform. Staff is agreeable to allowing them to do that as long as they meet all statutory requirements and provided their bid is the best bid when it gets to that process.

Mr. Hickok stated as to who is on the team: Jim Frisell is the principal, Ken Peterson is the pre-construction manager, Greg Hedlin is the senior project manager, Andy Rasmussen is the project

manager, and Chris Wilde is the project superintendent. The Vice President is Daniel Nelson, who lives in Fridley not far from the project.

Mr. Hickok stated as with the architect, the contract is drawn so that the breakdown between preconstruction and construction on the contract at the end of the project is not advanced. The preconstruction value in this case, \$95,000, cannot exceed that price. All contracts for construction will come back to the Council in June. It is a template as the architect's contract, and would represent then for the construction phase 4.35 percent of the overall project cost.

Mr. Hickok stated the City does have that break between the preconstruction and the construction which is important to note. Just like the architect's contract, if at some point they did not advance past preconstruction, they would extend that \$95,000. However, when they go to construction that is when the 4.35 percent portion of the contract would apply.

Mr. Hickok stated staff recommends approval of the McGough Construction firm as the Construction Manager at Risk for preconstruction services. They will be back with the full 4.35 portion next month.

Jim Frisell, McGough Construction, stated they are really excited about the project and feel they are extremely qualified based on previous projects for City. They are excited to be part of the team.

Mayor Lund stated they should be pretty proud in the fact they took first in both categories of the rating process.

Mr. Frisell replied they are very proud of that. They have done a lot of work in Fridley at the Medtronic campus and also some work for Cummins.

Councilmember Bolckom asked where the funding for these services was coming from.

Wally Wysopal, City Manager, replied the funding is coming from the City's deferred projects for capital items that were earmarked for repair for the City Hall and Public Works garage. It is the same source the City is paying its potential services for as well. If in fact the City does construct a new building, it will be able to reimburse its capital improvement program with the expenses the City has had by the proceeds of the bond. If the City does not build the building, it will be out those resources that it has earmarked for those capital items and will have to figure out something else. Also, the City conducted a needs assessment about one and one half to two years ago and a conditions assessment of the existing City Hall and the Public Works garage.

Mr. Wysopal stated staff brought that report to Council, and he believed the City Hall was in the neighborhood of \$20 million of needed repairs and another about \$20 million or a little less as well at the Public Works garage. When staff presented it to Council, they asked staff to consider alternatives to repairing and building new. That is what set off about a year-long process where they looked at multiple locations within the City to build on.

Mr. Wysopal stated it was determined by Council that the Columbia Arena site was the most preferred site for the civic campus. This is a long-winded explanation of where the money is coming from, but they do want the public to know that the money that is funding the construction manager and the architectural services comes from the City's capital improvements program for projects that were earmarked for the existing City Hall and the Public Works garage.

Councilmember Bolkcom stated both Mr. Wysopal and Mr. Hickok were involved and this is a great project for the team and they were able to ask some of the questions they all have. She said she appreciates that opportunity

MOTION by Councilmember Saefke to adopt Resolution No. 2016-28. Seconded by Councilmember Bolkcom.

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

1. First Reading of an Ordinance Amending Chapter 205.10, R-4 Mobile Home Park District Regulations, in the Fridley City Code.

Councilmember Bolkcom stated under the first reading, Mr. Hickok said he looked back at the storage. She was not quite sure what if anything changed.

Mr. Hickok replied, one of the two facilities has outdoor storage. It predated the special use permit requirements. However, in looking further at that, if they were to make modifications to that, the City wants to make sure it has the ability through the special use permit to be able to provide some stipulations as to, for example, screening, etc. One of the popular things it seems at some facilities like this is to lease out their outdoor storage for campers. This is one of the things where he thinks the City would want some controls on, and they would want to make sure as they look at that closer it is a good idea for people in the development that they have a space for a boat, etc.

MOTION by Councilmember Bolkcom to waive the reading of the ordinance and adopt the ordinance on first reading. Seconded by Councilmember Saefke.

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

3. Approve a Joint Powers Agreement between the City of Fridley and Anoka County for a Traffic Signal System at East River Road (CSAH 1) Northern Stacks Drive (Ward 3).

Councilmember Bolkcom asked under paragraph 2 in staff's memo, on page 34, it says, "under an anticipated grant agreement." What does that do and what is the overall cost, because it looks like the City bears the cost of the signal, maintaining it, and the cost of the power. There is not any number here. It is a huge and beautiful development. However, what is the cost?

Mr. Kosluchar replied the signal includes new established poles, wiring, boxes, electrical, and turn lane. There is a lot of work to be done. That is actually under the developer's agreement for Northern Stacks and the developer's cost more than the City Hall construction. It is all rolled into those single plans. They had their engineer prepare the plan, and those are the approved plans with Anoka County.

Councilmember Bolkcom asked so they are bearing the cost of the signal.

Mr. Kosluchar replied that is correct.

Councilmember Bolkcom stated because she was looking at Exhibit C on page 39. It says the concrete curb and gutter was at 50 percent City and 50 percent County.

Mr. Kosluchar replied, in this case this would be future maintenance and reconstruction of the signal. These agreements are set up so that they linger on so that when the life cycle of the signal is over, in 30-40 years, it can be rebuilt and there is a cost share between the County and the City.

Councilmember Bolkcom stated so the anticipated grant agreement is for a grant that Mr. Hyde would cover?

Mr. Hickok replied this is an innovative industries grant by DEED that will help pay \$300,000 towards cost of that installation. What that does is takes some of the cost off the developer and also really assists in getting that signal light in. When it helps the developer, it really helps the City and the other finance mechanisms that are happening in order to clean up that site.

Councilmember Barnette stated he had very similar questions. Item 3 on page 36, goes into all the costs and he was wondering himself why the City was responsible for a light that is going onto a county road. That could be a pretty big expense.

Mr. Kosluchar replied, Councilmember Barnette is correct. He would expect it will exceed that \$300,000 price tag and run between \$400,000-\$500,000. The reason the City is named in this is because the Joint Powers Agreement is between two parties, the City and Anoka County; and the City is basically being the responsible party to have this constructed.

Councilmember Bolkcom asked how soon the signal light would go in.

Mr. Kosluchar replied, he does not know. He would say that construction starts this summer. He knows that some materials have been ordered by the developer.

MOTION by Councilmember Bolkcom to approve a Joint Powers Agreement between the City of Fridley and Anoka County for a Traffic Signal System at East River Road (CSAH 1) Northern Stacks Drive (Ward 3). Seconded by Councilmember Saefke.

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

10. Informal Status Reports

Councilmember Bolkcom asked if there has been any discussion with the individual from the special use permit. Any update yet?

Mr. Hickok replied there have been a couple talks. The first one was basically kind of a summary of what they do and how they do it to try and accomplish what the stipulations insisted that site would have take place. Some of those are not defined enough at this point to get at the issues they talked about at the last Council meeting. Staff is working with the owner who seems to be very cooperative in this effort to get the language right and to get the methodology by which they keep an eye on that area behind the building so they will not have any issues.

ADJOURN:

MOTION by Councilmember Barnette to adjourn. Seconded by Councilmember Varichak.

UPON A VOICE VOTE, ALL VOTING AYE, MAYOR LUND DECLARED THE MOTION CARRIED UNANIMOUSLY AND THE MEETING ADJOURNED AT 8:50 P.M.

Respectfully submitted by,

Denise M. Johnson
Recording Secretary

Scott J. Lund
Mayor