

**MINUTES  
CITY OF LONSDALE  
REGULAR CITY COUNCIL MEETING  
MAY 29, 2008**

**1. CALL TO ORDER**

Mayor Rud called a meeting of the Lonsdale City Council to order at 7:00 pm in the Council Chambers at 415 Central Street West.

**2. PLEDGE OF ALLEGIANCE**

Everyone stood and recited the Pledge of Allegiance.

**3. ROLL CALL**

Present: Duban, Kodada, Rud, Smith, and Furrer

Absent: None

Staff Present: City Administrator Joel Erickson, City Planner Benjamin Baker, Public Works Director Russ Vlasak, Police Chief Jason Schmitz, and City Engineer Kevin Kawlewski

**4. AGENDA**

Mayor Rud asked if anyone had any additions, deletions, or corrections to the Agenda. Rud that Agenda Items (a) Fire Department Centennial Celebration and (k) Schedule Board of Appeals and Adjustments meeting could be deleted.

A motion was made by Kodada and seconded by Smith to approve the agenda with the two deletions. Vote for: Duban, Kodada, Rud, Smith, and Furrer. Against: None. Vote 5-0. Motion carried.

**5. APPROVAL OF MINUTES**

A motion was made by Duban and seconded by Kodada to approve the minutes from the March 24, 2008 Special Meeting, April 10, 2008 Regular Meeting, April 21, 2008 Special Meeting, April 24, 2008 Regular Meeting, and the May 8, 2008 Regular Meeting. Vote for: Duban, Kodada, Rud, Smith, and Furrer. Against: None. Vote 5-0. Motion carried.

**6. PUBLIC HEARINGS**

None

**7. PRESENTATION OF CITIZEN PETITIONS AND COMMENTS**

None

**8. APPROVAL OF THE CONSENT AGENDA**

Rud stated that there were three items on the consent agenda: (1) monthly bills, (2) Treasurer's Report, and (3) Commission minutes. Duban asked for further an explanation on a few of the WSB Engineering bills listed on the Bills Due Payment 05-29-2008 report. He asked why the City was being billed for the Industrial Park. City Engineer Kawlewski

explained that before the City decided to advertise for engineering services for the Garfield Avenue Industrial Park, there was a real push to get going on the project. He said WSB provided services including site selection, draft review, phasing, and infrastructure cost estimates. Duban asked about Fig Street. Kawlewski said that most of the time has been spent trying to coordinate with Chard Tiling. Rud said that in the future City staff should report to the City Administrator before making excess requests of the City Engineer.

A motion was made by Duban and seconded by Kodada to approve the items listed on the consent agenda. Vote for: Duban, Kodada, Rud, Smith, and Furrer. Against: None. Vote 5-0. Motion carried.

## **9. OLD BUSINESS**

### **a. Update on Proposed Business Park**

This item was actually discussed after New Business Agenda Item (h)

## **10. NEW BUSINESS**

### **a. Discuss Assisted Living Facility Project – Mike Schoenecker and Patricia Vincent**

Rud welcomed senior housing partners Mike Schonenecker from Winkelman Building Corporation and Pat Vincent from Three Links Care Center-Northfield. Rud stated that the City of Lonsdale has been working to land a senior housing facility for the past three years. Schonenecker presented full-sized elevation sketches for the Council and audience to view. Schonenecker went on to describe the project in detail. He said they are planning to construct a 3-story, 56 unit senior housing facility including 2 public meeting rooms and a public library. He said the site plan was designed to leave room for future expansion in the rear yard. Kodada said the plans look great. Furrer asked if there would be on-street parking along Birch or Ash. Schonenecker stated that Ash Street might be utilized for overflow parking. Rud asked about potential contractors for the construction. Schonenecker stated that there will be 30 to 40 bid divisions, and they will give local contractors the opportunity to bid. Schnoenecker said that a public hearing will be held at the June 19, 2008 Planning Commission meeting and they hope to start the bidding process in August. Rud suggested that a “coming soon” sign be erected near the site and that a ground breaking event be coordinated. He also said the library and meeting rooms will be great for volunteer organizations that are in need of a place to meet. Schnoenecker provided City staff and the Council with a list of senior housing reference projects including Owatonna, MN and Becker, MN. Rud said this project is pretty impressive for the Lonsdale community. Lynne Young, from the Northfield Library, said that the idea of a Lonsdale public library has been talked about for a long time, and she is excited to be helping with the project. Rud thanked Vincent and Schnoenecker for their efforts and time spent on the project.

### **b. Consider Approval of Resolution 2008-24, a Resolution Calling for a Public Hearing on a Development Program for Municipal Development District No. 1 and a Housing Program and Tax Increment Financing Plan for Tax Increment Financing (Housing) District No. 1**

Erickson explained that Resolution 2008-24 is essentially a resolution setting a public hearing date to review a development program, housing program, and financing plan. He

said that those three items need to be established and approved by the Council before TIF financing can take place. Paul Donna, from Northland Securities, was present at the meeting to answer any questions. He said that he understood that the City is considering using tax increment financing to facilitate the Three Links project. Donna said that he reviewed the preliminary request for TIF and put together some preliminary estimates as to what the project may generate in tax increment. He said based on an assessed value cost of \$4,480,000, the annual tax increment revenue that the project would generate is about \$55,000 per year. Donna explained the two different TIF funding options: (1) the pay-as-you-go method (the project covers the TIF request), and (2) the upfront funding method (City issues bonds and then uses the new taxes generated from the project to pay the principle and interest bond payments). Donna further explained the TIF District Assumption numbers shown in Exhibit 3 and Cash Flow numbers shown in Exhibit 4. He said the numbers were ultimately to provide a basis for discussion. He said Northland Securities would recommend some security provisions be added into the development agreement to mitigate the risk that is involved. Rud asked Donna to briefly explain TIF to the audience. Donna went over the basics of TIF. He also said that the City would need to prove the State's required "but for..." requirement (but for the use of TIF the project would not move forward). Donna said he would continue to fine tune the documents for the formal presentation at the public hearing.

A motion was made by Duban and seconded by Smith to approve Resolution 2008-24, a resolution calling for a public hearing on a development program for Municipal Development District No. 1 and a housing program and tax increment financing plan for Tax Increment Financing (Housing) District No. 1. Vote for: Duban, Kodada, Rud, Smith, and Furrer. Against: None. Vote 5-0. Motion carried.

c. Consider Approval of a Cooperative Agreement Between the City of Lonsdale and Rice County SWAT Team Mutual Assistance

Erickson asked the Council to consider a proposed SWAT Team agreement. He said that it's a mutual aid agreement between all the enforcement agencies in Rice County. Erickson said that in previous years, the City had entered into a mutual aid agreement with the City of Bloomington, MN for SWAT Team services. He went through 13 key points of the Joint Powers Agreement (JPA). Rud welcomed Police Chief Schmitz, and he asked if Schmitz was comfortable with the agreement language. Schmitz said yes. Rud asked if the agreement needed to be fine tuned. Erickson explained that the City Attorney recommended that the language be fine tuned to give the City the least amount of liability. Smith suggested tabling the issue to give staff time to fix some of the agreement's grammatical issues.

A motion was made by Kodada and seconded by Furrer to table the issue. Vote for: Duban, Kodada, Rud, Smith, and Furrer. Against: None. Vote 5-0. Motion carried.

d. Consider Approval of a Joint Powers Agreement Between the City of Lonsdale and the Rice County Drug Task Force

Erickson presented the Council with a proposed Joint Powers Agreement (JPA) for the Rice County Drug Task Force. Erickson read through the 12 key points of the JPA.

Kodada suggested tabling the issue so the City Attorney can relook at the agreement language and communicate with Rice County.

A motion was made by Kodada and seconded by Furrer to table the issue. Vote for: Duban, Kodada, Rud, Smith, and Furrer. Against: None. Vote 5-0. Motion carried.

e. Consider Approval of Ordinance 2008-221, an Ordinance Amending Chapter 153, Appendix A (I) (B-3 – Central Business District)

Baker presented Ordinance 2008-221, and ordinance amending the B-3, Central Business District, to the City Council. He read through the seven sections of the ordinance including: purpose, definitions, permitted uses, accessory uses, conditional uses, lot requirements and setbacks, and other standards. He explained that residential uses are not currently permitted in the Central Business District, except for residential uses that are legal non conforming. Baker said that in late 2006 and early 2007, the Planning & Zoning Commission started the process of updating the entire B-3 District language including permitting limited residential uses with a conditional use permit. Baker stated that the Planning & Zoning Commission held a public hearing and recommend approval of the ordinance. Baker stated that the City Attorney had some concern with Section 5 (d)(3). Based on comments from the attorney, Baker asked the Council if they wanted to grant an extension to the 6 month rule or eliminate the paragraph altogether. The Council suggested that an extension may be granted if a legitimate business prospect is set to move into a vacant ground floor area soon. Vlasak asked if the definition of “hard surface” parking included gravel. Erickson stated that in other sections of the Code, “hard surface” is defined as an imperious surface. Rud suggested that the proposed ordinance clarify the definition of hard surface parking. Rud also asked how residential uses could be enforced. Baker explained that Conditional Use Permits could not be forced upon any current building owner with existing residential tenants. Erickson said that enforcement would have to go through the court system which could take some time. Rud asked City staff to research if a quicker method for enforcement is possible for potential residential use violations. Rud asked if the City was headed toward a rental ordinance in the near future. Erickson stated that a rental ordinance would give the City stronger control on rental properties. Rud directed staff to make the suggested changes and present the revised ordinance at a future meeting.

A motion was made by Duban and seconded by Smith to table the issue. Vote for: Duban, Kodada, Rud, Smith, and Furrer. Against: None. Vote 5-0. Motion carried.

f. Consider Approval of a Quote Submitted by Ideal Paving in the Amount of \$8,253.00 to Patch/Overlay the Glenview Drive SE Trail in the Willow Creek Heights Subdivision

Vlasak explained that the trail section behind the homes along Glen View Drive SE and Bluff Heights Drive SE is in need of patching and overlay work due to prior drainage work near the trail. Kodada asked if the drain tile system was working. Vlasak said yes. He provided the Council with two quotes to review: (1) Ideal Paving, \$8,253.00 and (2) Bituminous Materials, \$10,114.00. He said that the Park Board reviewed the quotes and recommended Ideal Paving.

A motion was made by Kodada and seconded by Furrer to approve a quote submitted by Ideal Paving in the amount of \$8,253.00 to patch/overlay the Glenview Drive SE Trail. Vote for: Duban, Kodada, Rud, Smith, and Furrer. Against: None. Vote 5-0. Motion carried.

g. Consider Approval of a Quote Submitted by Summit Supply in the Amount of \$3,195.90 for a Drinking Fountain at the Jaycee Park Field # 1

Vlasak explained that there was a leak somewhere under the brick drinking fountain in Jaycee Park. He said the fountain needs to be demolished in order to find and fix the leak. He suggested replacing the fountain with one of the new options from the Summit Supply Catalog. He stated that the Park Board reviewed the different fountains and options shown in the catalog and recommended Item 5700 (ADA accessible duel fountain) with Item 32 VP (hose end w/ locking cover). Kodada stated that the 5700 will be the standard in all existing and future parks.

A motion was made by Duban and seconded by Kodada to approve a quote submitted by Summit Supply in the amount of \$3,195.90 for a drinking fountain at Jaycee Park Field # 1. Vote for: Duban, Kodada, Rud, Smith, and Furrer. Against: None. Vote 5-0. Motion carried.

Update on Proposed Business Park

Erickson reminded the Council that engineering proposals have been received but not acted upon. He also mentioned that the City met with Ted Kowalski, Onsite Marketing/property owner, the day before. Kowalski presented the Council with a redesigned concept plan of the proposed business/industrial park at Garfield Avenue and Hwy 19. He requested the Council consider scheduling a joint workshop with the Council, EDA, and Planning & Zoning Commission to discuss the proposed business/industrial park. Kowalski briefly described the layout of the new concept plan.

A motion was made by Kodada and seconded by Smith to schedule a special City Council meeting date for June 9, 2008 at 5:00 pm. Vote for: Duban, Kodada, Rud, Smith, and Furrer. Against: None. Vote 5-0. Motion carried.

h. Consider/Discuss Options for a New Location for the Compost Site

This issue was tabled to a future City Council meeting

i. Consider Approval of a Proposed Minor Commercial Subdivision (Rolling Ridge Market Place 4<sup>th</sup> Addition) in the Rolling Ridge Market Place Addition

Baker said that Gene Berens, owner and applicant of the subject property, was requesting a minor subdivision of his property at 740 Ash Street NE (Lot 2, Block 1, Rolling Ridge Market Place). Baker explained that before the Rolling Ridge Market Place PUD/CIC was approved, it went through the plat approval and public hearing process. Baker said, according to the City Attorney, the Council has the authority to directly approve minor commercial subdivisions, such as future subdivisions within the Rolling Ridge Market Place, because a public hearing has already taken place and an approved PUD Agreement

for Rolling Ridge Market Place – Finding of Facts confirms the intention that the larger lots will be replatted until complete build out of the property.

A motion was made by Kodada and seconded by Duban to approve the Rolling Ridge Market Place 4<sup>th</sup> Addition Final Plat. Vote for: Duban, Kodada, Rud, Smith, and Furrer. Against: None. Vote 5-0. Motion carried.

## **11. OTHER BUSINESS**

- a. Planning & Zoning Report  
None

- b. Council Comments & Department Head Reports  
*Council Member Duban*  
None

*Council Member Kodada*

Kodada asked City staff to reimburse the first Green Team, Boy Scout Troop # 327, a matching amount of money raised during their April-May-June 2007 term.

*Council Member Smith*

Smith said the EDA will be working on new webpage including a links to Rice County land information. He said the City will be looking at completing a joint application with another municipality for next year's Small Cities Grant.

*Council Member Furrer*  
None

*Mayor Rud*

Rud asked staff to research services to new homes in regards to copper vs. plastic. He said that he would be attending a Lonsdale Golden Agers meeting to present sketches of the proposed assisted living facility. He mentioned that June 21<sup>st</sup> will be the next meeting with the Mayor event. Rud directed City staff to cut the boulevard grass along the Fig Street NE and 8<sup>th</sup> Avenue NE. Rud asked Public Works and Engineering to work on finishing the cul-de-sac on the west end of Commerce Drive SE (near the new Pet & Car Wash).

## **12. ADJOURNMENT**

A motion was made by Kodada and seconded by Duban to adjourn the meeting. Vote for: Duban, Kodada, Rud, Smith and Furrer. Against: None. Vote 5-0. Motion carried. The meeting ended at 8:52 pm.

Respectfully Submitted:

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Joel A. Erickson, City Administrator