

# EAST BETHEL CITY COUNCIL MEETING

July 10, 2023

The East Bethel City Council met on July 10, 2023, at 7:00 p.m. for the regular City Council meeting at City Hall.

MEMBERS PRESENT: Kevin Lewis Brian Mundle Bob DeRoche  
Tim Miller Jim Smith

ALSO PRESENT: Jack Davis, City Administrator  
Eric Larson, City Attorney  
Aaron Berg, Interim Community Development Director

## 1.0 Call to Order

The July 10, 2023, City Council meeting was called to order by Mayor Lewis at 7:00 p.m.

## 2.0 Pledge of Allegiance

The Pledge of Allegiance was recited.

## 3.0 Adopt Agenda

**Mundle stated I'll make a motion to adopt tonight's agenda. Miller stated I'll second.** Lewis asked any discussion? Smith added Item 8.0 G.2 Complaint Form. To the motion, all in favor say aye. **All in favor.** Lewis asked any opposed? That motion passes. **Motion passes unanimously.**

## 4.0 Presentations and Public Hearings

### 4.0 A Nexus Conduit Bonding Proposal; Resolution 2023-40

Lewis stated before he was on the Council, one of the things that bothered him was when there was a big issue, there would be a vote, but never an explanation for how the Council arrived at their decision. He stated he wanted the residents to know that the Council had anguished over and did their due diligence on the Nexus conduit bonding proposal as it was a complicated issue/project and there were a lot of moving parts.

Lewis stated one of the things was the CUP attached to the property. He indicated because the CUP was attached to the property, it was not something the current Council had any choice about as that decision had been made by a previous Council in 2018.

Lewis noted the Council had also learned at a recent meeting from the County Assessor that he was going to treat this property as exempt from property taxes, which was another big issue.

Lewis indicated the Council had done their due diligence and while some people thought the Council took too much time, these two issues were some of the issues they were dealing with.

Lewis believed this wound up with a better deal for both the City and Nexus and it was a win-win all of the way around. He also believed this would have little impact on the School District and residents of the City.

Davis stated the vote on the conduit bond financing for Nexus was tabled at the June 26, 2023 Meeting to allow additional details regarding the Payment In Lieu Of Taxes (PILOT) Program, participation fees, and Council questions to be submitted for review and to provide time for the new Council appointee to become informed of the details of this matter.

Davis noted with the request for this additional information, Nexus had submitted a brief of the project which is exhibited as Attachment 6 in Council's packet.

Davis indicate the City may charge the borrower an issuance fee for its services in connection with the bond financing. Nexus has agreed to pay \$100,000 at closing for our participation in the bond issuance. An agreement between Nexus and Anoka County requires the borrower to pay a \$3,000 application fee and the County would then receive 1/8th of 1% of the outstanding bond balance on the date of issuance and every anniversary thereafter for their fee for participation in the project.

Davis stated from an analysis of the two offers, the County would receive \$160,439 over the 27-year life of the bond in annual declining payments beginning with \$9,156 in year one and \$585 in year 26. If East Bethel's lump sum of \$100,000 were invested at 3% over the same term we would have a balance of \$222,129 over the same time period.

Davis stated if the City issues the proposed bonds, the borrower will be required to pay all direct and indirect expenses of the City and indemnify and hold the City harmless against any liability related to the issuance of the bonds. As the City's bond counsel, Dorsey-Whitney will prepare the bond documents and represent the City's interests in the financing, but the City's cost (as well as the fees of all other parties involved with the financing) will be paid by the Borrower. Nexus has also agreed to enter into a PILOT Program (payment in lieu of taxes) and has offered to pay the City \$24,000 per year with an annual 2.5% increase in payments regardless of their revenues. This would be approximately a 500% increase over the payment that was to be received from Cambia Hills.

Davis noted based on the R-1 zoning and no water or sewer service available to this site prior to sale to Cambia Hills, the property could have only been divided into lots that would have had a minimum density of 1 unit per 10 acres. This site, which is 37.37 acres in size, could have been divided into only 3 lots (includes the homestead lot). If the previous owner had chosen this option and if each of these three lots had a current estimated market value (land and improvements) of \$600,000 they would currently produce approximately \$1,906 (Valuation X Tax Classification X Tax Rate = City Tax) in City taxes per lot or \$5,718 for the entire parcel. This scenario would have followed the pattern of 10 acre lots that are the typical lot size along Jackson Street between 189th and 181st Avenues. Prior to the sale of this property to Cambia Hills the 2019 estimated market value was \$368,400 and the City's taxes payable were \$1,590.

Davos stated the following property tax scenarios for 900 189th Ave were prepared by Alex Guggenberger, Anoka County Assessor and are reported and summarized in Attachment 7 to Council's packet. As noted in his report, Scenarios 1 and 2 are the most accurate estimates based on the current ownership and structure in place:

- If this site had an all-commercial classification as exhibited in Attachment 7 to Council's packet – Scenario 1, \$28,036 would be generated in City property taxes for 2023 pay rates.
- If this site had an all-residential classification as exhibited in Attachment 7 to Council's packet – Scenario 2, \$17,274 would be generated in City property taxes for 2023 pay rates.
- If this site had an all-rural residential classification as exhibited in Attachment 7 – to Council's packet - Scenario 3, \$4,288 would be generated in City property taxes for 2023 pay rates.
- If this site had a higher density residential tax classification as exhibited in Attachment 7 to Council's packet - Scenario 4, \$83,563 in would generate in property taxes for 2023 pay rates. However, this scenario assumes an ownership change, complete demolition of the existing structure, new plat approval and the development of a residential neighborhood with 75 homes.

Davis indicated from an environmental and visual impact to the Jackson St neighborhood, the higher density type developments on this property would have required the clear cutting of the entire usable area of the site to prepare building pads and construct streets. The current 20-acre natural buffer that remains behind the Cambial Hills campus would have been eliminated to maximize the number of housing units that could have been constructed, leaving no transition to the lower density neighborhood along Jackson St.

Davis stated this property is not considered as a potential commercial site due to the following:

- It is located  $\frac{3}{4}$  of a mile from and has no visibility from Hwy 65;
- It has a residential zoning designation and rezoning for commercial use would essentially be spot zoning and difficult to justify and support;
- It is accessed by Jackson Street which had a 2021 traffic count of 980 VPD and 189th Ave which had a count of 230 VPD; and,
- It is the site of a 60,000 SF building which was designed specifically as a PRTF and would be extremely expensive to repurpose for another use.

Davis stated the cost of the land and redevelopment expense of this building would require that it be located at high visibility and easily accessible signalized intersection along a major highway with a traffic count in numbers required to support a multi-million-dollar investment to be a prime commercial site.

Davis stated as this property has very limited and if no commercial value, Scenario 2 appears to be the best estimate for City property tax generation for non-tax-exempt uses.

Davis noted the City of East Bethel held a Public Hearing on June 12, 2023 at 7 PM at City Hall to take comment regarding the consideration of the issuing conduit bonds in the amount of \$10 million to Nexus Diversified Community Services (Nexus). Anoka County has agreed to partner with City and issue \$7 million in bonds to compliment the City's proposed participation in the project

Davis indicated Nexus will be purchasing the Cambia Hills property and provide the same service as the previous operator, Cambia Hills of East Bethel, LLC.

Davis stated the bonds that would be issued pose no liability or expense to the City and qualify for tax exempt status that enable a lower payback of the bonds over conventional financing. The implications of these savings is a lesser impact on potential costs to the school district. From a presentation made to City Council on May 22, 2023 and further reviewed at the June 5, 2023 City Council Work Meeting, Nexus has indicated that they are coming to East Bethel either with or without the approval of the conduit bond financing. The difference between the two scenarios is that without conduit bond financing, Nexus would have a higher cost of borrowing and this additional cost would be passed along to the school district in higher costs for classroom rental space and other chargeable expenses for the educational component of their service. Approval of the conduit bond financing would result in a reduction of approximately \$3.5 million in added interest cost over the term of loan. As Nexus is a non-profit, these savings would result in lower costs to the school district.

Davis indicated the educational component of the Nexus service is a separate matter with ISD 15 and these two groups are still engaged in discussions to work out a resolution to the school district's concerns.

Davis stated the City Council scheduled a public hearing for June 12, 2023 regarding the \$10 million issuance of conduit bonds to Nexus for the Cambia Hills acquisition. The facility would be operated under the terms of the Conditional Use Permit that is recorded on the property.

Davis noted at the June 12, 2023 meeting, the public hearing for the bond issuance was held, comments received and the hearing closed. There was a motion and second to adopt Resolution 2023-40, Resolution Relating to a Financing Under Minnesota Statutes, Section 469.152 through 469.165, As Amended, on Behalf of Nexus Diversified Community Services; Authorizing Execution and Delivery of Documents Relating Thereto. The second to the motion was made for the purpose of discussion of this topic. At the conclusion of the discussion a motion was made, seconded, and approved to table the consideration to answer questions relating to tax exempt matters and enable the Council to be fully seated for a final decision on the conduit bond proposal.

Davis stated the City sent 473 notices of the public hearing by mail to those living in area bounded by Highway 65 on the East, Klondike Drive on the north, University Avenue on the west and 181st Avenue on the south. Five people spoke at the public hearing with concerns relating to the bond issuance and four people spoke in favor of the proposal.

Davis stated the City Attorney has affirmed that the public hearing for the bond consideration has been met. As this subject was tabled at the June 12, 2023 and June 26, 2023 meetings with the discussion to continue at the July 10, 2023 meeting, Council is requested to consider the options outlined as follows:

Recommendation 1 – If the City Council finds it warranted to approve the conduit bond financing, consider approval of Resolution 2023-40 as exhibited in Attachment 1 to Council's packet and documents relating thereto as exhibited in Attachments 2-5 to Council's packet. Bond Counsel to the City, Dorsey & Whitney LLP, developed these documents on behalf of the City and endorses the approval of the same. Approval of Resolution 2023-40 authorizes the issuance of the note, the loan of proceeds to Nexus Diversified Community Services for acquisition of the Project, execution of all required documentation, and the issuance by Anoka County, Minnesota of additional financing for the Project. This approval will result in the lowest overall interest rate for the financing of the Project, and in turn, the lowest lease cost to the School District; or,

Recommendation 2 - If the City Council does not find it warranted to approve the financing, consider approval of Resolution 2023-40 as exhibited in Attachment 6 to Council's packet. Approval of Resolution 2023-40 dismisses the financing request of Nexus Diversified Community Services and prevents the City from issuing conduit financing for the project but provides consent for Nexus Community Diversified Services to seek and secure funding for the Project through Anoka County, Minnesota, or one or more other municipalities or authorities. This approval will remove East Bethel from the financing process except as host jurisdiction (since the project is physically located in East Bethel's boundaries) but will allow Nexus an opportunity to seek alternative tax-exempt financing options from any other public entity willing to partner with Nexus on the project. This approval will likely increase the overall interest rate for the financing of the project, but it will not require Nexus to borrow at commercial loan interest rates despite its nonprofit purposes; or,

Recommendation 3 - The City Council could take no action which would prevent Nexus from obtaining tax-exempt financing from any public entity. However this would significantly increase the overall interest rate for financing the project. Nexus could seek a commercial loan to acquire the project facility, but at a higher cost than with the use of the tax-exempt bonds. The higher cost of this option would more than likely be passed along in part or in its entirety to the school district and result in the most negative impact to ISD 15.

**Mundle stated I'll make a motion to adopt Resolution 2023-40, Resolution Relating to a Financing Under Minnesota Statutes, Section 469.152 through 469.164, as Amended, On Behalf of Nexus Diversified Community Services; Authorizing Execution and Delivery of Documents Relating Thereto. DeRoche stated I'll second. Lewis asked any discussion?**

Smith noted on page 97, he had asked a question about the PRTF contract between the State of Minnesota and Nexus Company. He asked if the document they were sent should say PRTF somewhere in the body of the document. Larson responded he would take a look at that. He noted when it came to the actual licensing issued by the Department of Human Services, he made a judgment that it was between them and the person that was the licensee, but he would take a look at it.

Smith asked if this would need to be notarized. Larson explained when a notary was required.

Smith questioned the page numbering. Margaret Vimont, Nexus, explained the page numbering and noted she had not included the whole contract, but instead included the pages that were important along with the signature page to show it had been signed by both parties.

To the motion, all in favor say aye. **All in favor.** Lewis asked any opposed? That motion passes.

**Motion passes unanimously.**

#### **4.0 B Continuance of Public Hearing – Amendment to City Code, Chapter 2, Section 424**

Davis stated that City Council reviewed the Community Development Director position at the April 3<sup>rd</sup> and June 5<sup>th</sup> Work Meetings.

Davis noted at the June 5<sup>th</sup> Work Meeting, it was discussed that if there is to be but one full-time person responsible for all the land use, planning and business development for the City, the Community Development Director position is more appropriate for addressing issues of a developing City than that of a City Planner. Existing growth pressures require a higher degree of involvement and attention to prevent unintended or secondary consequences of developmental decisions. Demands on cities that are on a major highway in the metro area are more extensive than those municipalities that are not in areas that are becoming prime locations for development, only require minimal services and have no City utilities.

Davis indicated the consensus of Council was that it is on-board with keeping and staffing the Community Development Director position and City Council is requested to consider amending the current ordinance to reflect the proposed changes as exhibited in Attachment 1 to Council's packet.

Davis stated staff is requesting that Council hold a Public Hearing to discuss revisions to the ordinance as exhibited in Attachment 1 to Council's packet, and consider approving those changes to City Ordinance, Chapter 2, Article VI, Division 6, Community Development Department.

Lewis opened the public hearing at 7:14 p.m.

There were no comments made.

Lewis closed the public hearing at 7:14 p.m.

**Mundle stated I'll make a motion to adopt Ordinance Section 2-424. DeRoche stated I'll second.**

Lewis asked any discussion?

Mundle asked with the removal for the City Planner from the Ordinance, would they still have language for the City Planner. Davis responded that those duties could be expressed outside of the

Ordinance. He indicated this was a procedural matter if the Council approved the hiring for that position sometime in the future.

Smith recommended wording in the Ordinance that all big decisions are brought to the Council before any decisions are made. He believed there was a lot of information the Council was not aware of. Davis responded that did not need to be a part of the Ordinance and staff could not do anything without the Council's approval.

Smith stated things were put on social media that the Council did not know about and requested Davis inform Council by email of "stuff like that." Davis responded most, if not everything, read on social media was not accurate.

To the motion, all in favor say aye. **All in favor.** Lewis asked any opposed? That motion passes.

**Motion passes unanimously.**

## 5.0 Public Forum

Denise Lachinski, stated she wanted to address what had occurred at the June 26, 2023 Council meeting where the Councilmember made snide and sarcastic comments and exhibited bad behavior especially in how they treated Stephanie Doran when she giving an update on Booster Days. She indicated some Councilmembers were laughing, giggling, and trying to pass it off to somebody else as nobody thought it was worth their time.

Ms. Lachinski stated Booster Days represented the City and she wanted them to go forward with a good attitude about it. She hoped when Councilmember Miller was the liaison that he went in with an open mind and helped Ms. Dorn. She indicated Ms. Dorn had a hard time getting volunteers and being on the Committee was an unpaid position. She stated they would like to grow Booster Days again like it was pre-Covid. She noted Ms. Dorn was humiliated due to Council laughing, giggling, and saying they don't want to do it. She believed the Council owed Ms. Dorn an apology.

Lewis stated he did not know what Ms. Lachinski was talking about and he did not remember saying anything about Booster Days at that meeting. Ms. Lachinski requested Council look at that meeting as Ms. Dorn was very upset.

Lewis asked why Ms. Dorn didn't come to the Open Forum to express her concerns. Ms. Lachinski responded Ms. Dorn did not want to talk about it and she was probably thinking about quitting.

Lewis stated the only thing he remembered kidding about was the Sandhill Crane meetings, and he wasn't going to take her accusations just because she said it.

DeRoche stated he did not know who Ms. Lachinski was addressing her comments to as he did not recall saying anything. Ms. Lachinski responded she was talking about the Council in general and she suggested they move forward in a positive manner regarding Booster Days.

DeRoche asked Ms Lachinski. if she could pull out the information from the meeting she was referring to and give it to Mr. Davis so it could be looked into.

Ms. Lachinski stated Ms. Dorn and the Booster Days Committee were all unpaid volunteers and they were trying very hard to represent the City in a positive light and then somebody laughed and giggled about being the liaison, which was not a positive promotion.

Lewis stated she was not listening to him and he literally did not understand what she was saying. Ms. Lachinski stated she felt badly for Ms. Dorn and it had been a rough few years with Booster Days with everything that had happened. She indicated Booster Days had to be reduced the past year and

they needed to be positive as it was a City event. She requested Councilmember Miller to keep an open mind and help promote Booster Days as a positive event, so it could grow.

DeRoche asked if anyone had thought about changing the name from Booster days to Bethel Days because in some people's minds Booster Days meant they were supporting a booster club. Ms. r Lachinski esponded Booster Days was a fundraiser event for the City.

Miller stated after the June 26 meeting, Ms. Dorn came up to him and they talked and he was happy with what she was saying. He stated he informed her if there was anything they needed to let him know. Ms. Dorn walked away and she was happy. He indicated he had told Smith at the time that was the type of enthusiasm he wished they had all over the City. He stated he did not know where this was coming from and he was looking forward to working with Ms. Dorn. He indicated he would reach out to Ms. Dorn to figure out what happened.

Ms. Lachinski stated she wanted the Council and City to promote the event as it was a good event. Lewis responded he had every intention of promoting it and he was planning on mentioning it at this meeting during Council comments. He indicated though the Council was not going to embrace accusation of poor behavior if they don't know what she was talking about.

Ms. Lachinski stated the Commission members felt they were under attack, but they were hearing that they were going to be replaced. DeRoche responded he did not recall any of that coming up and he believed somebody was "stirring the pot."

Lewis stated he would review the video and if they "messed up," or they were out of line, they would apologize. DeRoche stated if Ms. Lachinski pulled the minutes or the recordings and brought them to Council, they would like to see them. He believed her three minutes were up.

Ms. Lachinski stated it was disappointing to watch how everyone was treated. DeRoche stated he apologized, but he did not know what he did. Lewis stated he was not going to apologize because he did not remember doing anything to apologize for. He noted if once he looked at the video and if he saw something on it where they were out of line, then an apology would be made.

Ms. Lachinski stated she never said anything bad against them.

Mundle asked if Booster Days Committee was still looking for volunteers. Ms. Lachinski responded they were still looking for people and noted a few of their main volunteers had passed away.

Mundle made a call out to the residents and asked if anyone were available to volunteer, it would be appreciated.

Ruth Larsen stated with respect to the CUP, she was glad that changes were made and thanked the Council for taking their time and going through everything.

## 6.0 Consent Agenda

Item A: Approve Bills

Item B: Approve Meeting Minutes June 21, 2023, 2023 City Council/Planning Commission Joint Work Meeting

Item C: Approve Meeting Minutes, June 26, 2023 City Council Meeting

Item D: Approve Hire of Community Development Director

**Mundle stated I'll make a motion to approve the Consent Agenda. DeRoche stated I'll second.**

Lewis asked any discussion? Smith requested to pull Item D. Lewis pulled Item A and D. To the motion, all in favor say aye. **All in favor.** Lewis asked any opposed? That motion passes. **Motion passes unanimously.**

**6.0 A Approve Bills**

Lewis asked what was the charge in the amount of \$9,100 for Civic Plus for. Davis responded that was the fee they paid Civic Plus for hosting and support of the website. He indicated this was an annual charge.

Lewis asked if they were the same company that published the *East Bethel Bulletin*. Davis responded he thought so, but he would check with Ms. Frost and get back to Council on this.

Lewis inquired about the \$58,200 charge for Park and Landscape Services. Davis responded that was for paving the trail within John Anderson Park.

**Lewis stated I'll make a motion to approve Item A of the Consent Agenda. Mundle stated I'll second.** Lewis asked any discussion? To the motion, all in favor say aye. **All in favor.** Lewis asked any opposed? That motion passes. **Motion passes unanimously.**

**6.0 D Approve Hire of Community Development Director**

Smith noted the Council had been going back and forth on this a lot. He asked if the City Planner position was union. Davis responded no.

Smith asked if the Community Development Director salary was union. Davis responded it was not.

Smith noted when Berg was hired he was at \$17 per hour and then when the previous Community Development Director left, he was given an additional \$1,000 per month to become the Interim Community Development Director. Davis responded Berg was given the role of City Planner when the previous City Planner left and then when the Community Development Director left, he was given an additional \$1,000 per month to be the Interim Community Development Director as well as to do some additional duties on top of that. He stated the Community Developer's position was \$89,000 and was at the bottom of that pay scale.

Berg noted he started as an intern, which was a temporary three-month position at \$17 per hour. Smith noted that within a year Berg had received three raises.

Berg stated he had left a great job to come work for the City. Smith responded he had not realized that and he had not heard of any other job that had that fast of a pay raise.

Davis stated Berg was highly underpaid when he started with the City. He noted if the Council did not hire Berg, it would be very difficult to find someone to fill the position because the City's pay rate was not equivalent to most of the surrounding cities. He noted the City lost the previous Community Development Director because she could make more money elsewhere. He indicated Berg met all of the qualifications and he had done an excellent job and he recommended his hire. He stated Berg had been a great help and was going to be a great value to the City.

Mundle noted the City Administrator for Isanti just received a \$30,000 per year raise. Smith responded that was Isanti and not East Bethel.

Lewis stated the reason he asked the item to be pulled was because he sensed it would be approved and he thought it deserved individual attention than just being passed on the Consent Agenda.

Lewis stated for him, his concern was that Berg was on the City Council of Cambridge and he questioned the time commitment Berg had as it took a time commitment to be a City Councilmember and a Community Development Director. He acknowledged Berg said he was an excellent organizer of his time, but it was an issue for him. He noted he had observed Berg under pressure and he was able to handle it, which was good and he was impressed with his performance so far. He believed Berg was someone worth giving the benefit of the doubt.

DeRoche agreed. He noted he had received more information since he said he didn't have enough information to vote on this the last time and he had no issue with this.

**Smith stated I'll make a motion to approve Item D of the Consent Agenda. Lewis stated I'll second.** Lewis asked any discussion? To the motion, all in favor say aye. **All in favor.** Lewis asked any opposed? That motion passes. **Motion passes unanimously.**

## **7.0 New Business. Commission, Association, and Task Force Reports**

### **7.0 A Planning Commission**

#### **7.0 A.1 Resolution 2023-47, Designing Earth Construction CUP**

Berg stated Designing Earth Contracting, Inc., an East Bethel company for 16 years, has outgrown its current location and on June 9, 2023, its owner, JSN Ulysses Holdings, LLC., purchased two adjacent, 2 + acre, parcels of land, at 1282 187th Lane NE, PIN: 32-33-23-21-0004 and PIN: 32-33-23-24-0011, in the Sauter's Commercial Park.

Berg noted a Concept Plan proposal was reviewed by City staff and presented at the May 23, 2023 Planning Commission meeting. The proposal consisted of the construction of a new 19,000 square foot building for a Construction, Trade, and Service Business facility.

Berg indicated the properties are Zoned (I) – Light Industrial and in accordance with Appendix A, Sec. 48 (4), Construction, Trade, and Service Business are permitted by a Condition Use Permit (CUP). Additionally, exterior storage is also regulated by CUP.

Berg stated the light industrial (I) district is intended and designed to provide areas of the City suitable for activities and uses that are industrial in nature. The proposed use aligns with the approved 2040 Comprehensive Plan.

Berg stated if the CUP is approved, a formal site plan will be submitted for review and approval by the Planning Commission and City Council.

Berg noted the Planning Commission conducted a review and held a public hearing at its June 27th, 2023 meeting. At the conclusion of its review made a recommendation, by a 6-0 vote of approval for the City Council to consider.

Berg recommended the City Council review the CUP request along with the Planning Commission's recommendation and approve the CUP with the conditions set forth in the attached Resolution 2023-47.

**DeRoche stated I'll make a motion to approve Resolution 2023-47, A Resolution Approving a Conditional Use to Allow the Construction of a Construction Trade and Services Business with Exterior Storage, at 1282 187<sup>th</sup> Lane NE, East Bethel, PIN 32-33-23-31-0004 and 32-33-23-24-0011. Smith stated I'll second.** Lewis asked any discussion? To the motion, all in favor say aye. **All in favor.** Lewis asked any opposed? That motion passes. **Motion passes unanimously.**

#### **7.0 A.2 Resolution 2023-48, Designing Earth Construction Site Plan Review**

Berg stated Designing Earth Contracting, Inc., an East Bethel company for 16 years, has outgrown its current location and has submitted an application for a site plan review for the new Construction, Trade, and Service Businesses facility, located on at 1282 187th Lane NE. The proposal consists of the adding a 19,000 square foot building, consisting of 7,500 square foot, two-story, office space and 11,500 square foot shop, with additional land for future expansion.

With respect to property zoning, Berg stated the property is zoned (I) – Light Industrial, in which Construction, Trade, and Service Businesses is permitted by Condition Use Permit (CUP).

With respect to the code requirements, Berg noted a site plan review is required prior to issuance of a building permit for new construction and is also required in conjunction with an application for a Condition Use Permit (CUP) as defined in Appendix A, Sec. 04, 12. – Site Plan Approval.

With respect to the architectural design, Berg indicated City staff have reviewed the proposed building exterior and determined that it is consistent with the architectural standards as defined in Appendix A, Sec. 28, 3. – Light Industrial (I) Zone.

With respect to the landscape plan, Berg stated the City staff have reviewed the proposed Landscape Plan and have determined that it exceeds the minimum landscaping code requirements as defined in Appendix A, Sec. 27, 3. C. - Light Industrial (I) Zone.

With respect to the lighting plan, City staff have reviewed the proposed Lighting Plan which is in compliance with Appendix A. – Sec. 26. – Lighting Regulations.

With respect to the parking plan, Berg noted the parking plan includes a total of 45 parking spaces, divided up between 19 paved spaces for the office, 2 Handicap stalls and 24-yard stalls for the warehouse. This combination of spaces meets Appendix A. – Sec. 22. – Off Street Parking and Loading Requirements.

With respect to the Easement Vacation, Berg stated an existing combined 20-foot-wide drainage and utility easement will need to be vacated prior to lot combination and construction.

Berg stated the Planning Commission, at its June 27, 2023 meeting, conducted a site plan review and at its conclusion, by a vote of 6-0, recommends approval to City Council.

Berg recommended the City Council review the site plan as well as the Planning Commission's recommendation and approve the site plan review with the conditions set forth in Resolution 2023-48 and accompanied exhibits.

**Smith stated I'll make a motion to approve Resolution 2023-48, A Resolution Approving the Site Plan Review for Construction of a Construction Trade and Services Business at 1282 187<sup>th</sup> Lane NE, East Bethel, PIN 32-33-23-31-0004 and 32-33-23-24-0001. DeRoche stated I'll second. Lewis asked any discussion?**

Mundle asked if all three lots would have the same PIN number. Berg responded they will combine the two lots where the facility was going to be built and the third lot was divided by a drainage ditch and they were still working through the vacancy which would be separate.

Mundle stated that was going to be his question, if they have to combine the PIN numbers. Berg responded they technically have already been combined.

DeRoche asked if a lot would need to be vacated. Berg responded there was a wide drainage or utility easement on each lot and the two lots were going to be combined together. He noted they cannot have a drainage or utility easement running through the middle of their shop floor. He indicated their grading plan would need to be finalized by the City Engineer to determine water flow and drainage, etc. and that would take into effect the vacation of the 20-foot-wide easement.

DeRoche asked if the Corps of Engineers would play a part because that was an issue with Viking Preserve. Berg responded both watersheds had reviewed this and some had comments or permit related things that needed to be accomplished as well as the County and that was all being managed under the City Engineer's review.

To the motion, all in favor say aye. **All in favor.** Lewis asked any opposed? That motion passes.  
**Motion passes unanimously.**

#### **7.0 A.3 Resolution 2023-53, Drainage and Utility Easement 1282 187<sup>th</sup> Lane**

Berg stated on May 15, 2023, City Staff received an application from Designing Earth Contraction, Inc. requesting the vacation of drainage and utility easements located on two lots they had purchased for the future construction of a headquarters for their Construction, Trade, and Service Business facility.

Berg noted the Final Plat of Sauter's Commercial Park, filed on July 27, 1990, dedicated standard 10-foot-wide drainage and/or utility easements along adjoining lot lines for each lot throughout the commercial park.

Berg indicated City staff have reviewed the request and find it appropriate for the applicant to adjoin the two parcels of property by removing the dedicated easement for future construction.

Berg stated during the Site Plan review, the City Engineer and Public Works Director were supportive of the easement vacation.

Berg requested the City Council hold a public hearing and consider the approval to vacate the drainage and utility easement located between Lot 11, Block 1, Sauter's Commercial Park, Anoka County, Minnesota; and Lot 10, Block 1, Sauter's Commercial Park, Anoka County, Minnesota, with the conditions set forth in Resolution 2023-53.

Lewis opened the public hearing at 7:51 p.m.

There were no comments made.

Lewis closed the public hearing at 7:51 p.m.

**Mundle stated I'll make a motion to approve Resolution 2023-53, A Resolution Approving the Vacation of a Drainage and Utility Easement on Lots 10 and 11 of Block 1 of Sauter's Commercial Park. Miller stated I'll second.** Lewis asked any discussion?

Mundle thanked Design Earth for staying in the City and wanting to make it their home.

To the motion, all in favor say aye. **All in favor.** Lewis asked any opposed? That motion passes.  
**Motion passes unanimously.**

#### **7.0 A.4 Resolution 2023-52, Metes and Bounds Split 2836 221<sup>st</sup> Avenue**

Berg stated on June 15, 2023, Steve Strandlund Trustee, submitted an application for a metes and bounds split of a 39-acre parcel of land, located at 2836 221st Avenue NE, PID: 10-33-23-21-0001, into two parcels. The first parcel, the original family farmstead, will be divided off as a 5.66-acre lot and the remaining 34.16 acres will be subdivided at a later date as a future subdivision. The property proposed for the division is zoned Rural Residential and per City Code, Appendix A, Zoning, Section 42, the minimum lot size for any division is 2 acres.

Berg indicated to be eligible for using metes and bounds divisions as outlined in Appendix A., Zoning, Section 12, the following conditions must be met:

- 1.) The parcel must be a minimum of five acres.
- 2.) The parcel must have a minimum road front of 300 feet.
- 3.) The parcel must contain 23,000 square feet of buildable area as defined in other portions of this ordinance.
- 4.) Appropriate road, public utility, and drainage easements, as outlined in Ordinance 151 as amended, must be dedicated to the City.
- 5.) Park and trail dedication fees as adopted by the City Council by resolution must be paid at the time of City certification of parcel division.

Berg stated this request for a metes and bounds parcel split meets the conditions as it is more than five acres, has over 300 feet of road frontage and has an existing primary residence which is in compliance with the remaining conditions.

Berg indicated the Planning Commission reviewed the request at its June 27, 2023 meeting. At the conclusion of its review of the requirements of City Code, Appendix A, Zoning, Section 12 made a recommendation, by a 6-0 vote of approval to the City Council.

Berg requested the City Council review this petition for a metes and bounds parcel split to ensure it satisfies the requirements of City Code, Appendix A., Zoning, Section 12, in addition to the planning commission's recommendation and approve the parcel split.

**Mundle stated I'll make a motion to approve Resolution 2023-52, A Resolution Approving the Metes and Bounds Split for the Administrative Subdivision of the Property Located at 2836 221<sup>st</sup> Avenue NE, East Bethel, PIN 10-33-23-31-0001. Smith stated I'll second. Lewis asked any discussion? To the motion, all in favor say aye. All in favor. Lewis asked any opposed? That motion passes. Motion passes unanimously.**

**7.0 B Economic Development Authority**

None.

**7.0 C Park Commission**

None.

**8.0 Department Reports**

**8.0 A Community Development**

None.

**8.0 B Engineer Report**

None.

**8.0 C City Attorney**

None.

**8.0 D Finance**

None.

**8.0 E Public Works**

None.

**8.0 F Fire Department**

None.

## **8.0 G City Administrator Report**

### **8.0 G.1 Cedar-East Bethel Lions Recycle Service Payment Increase**

Davis stated the Cedar/East Bethel Lions had provided personnel to operate the City Recycle Center at 2761 Viking Boulevard for over 20 years. In exchange for their services, the City paid the Lions Club \$1,000 per month for their assistance through 2014. In 2014, their payment was increased to \$1,200 per month. There has been no change in their payment since that time.

Davis noted Cedar-East Bethel Lions President Dallas Jelmberg has requested that City Council consider an increase in their payment to \$1,400 per month due to the increase in volume of recyclable materials the Center has experienced over the past 6 years. This payment increase is proposed to be \$1,300 per month in 2024 and a \$1,400 per month payment in 2025.

Davis indicated the basic services provided by the Lions Club at the Center include:

- Sorting, crushing, and storing cardboard bales
- Sorting and separating tin and aluminum
- Crushing and loading glass
- Collecting and storing those items left after hours
- Cleaning and maintaining the exterior and interior of the facility
- Monitoring the used oil collection site

Davis stated the Lions spend approximately 20 hours per week to conduct these activities. The City's cost to staff and operate the facility for the same number of hours would be at a cost of \$800 per week or \$3,500 per month to perform the same functions. Davis noted the City will receive a SCORE Grant in the amount of \$67,820 for 2024 from Anoka County to operate the Recycle Program. Included in this amount is the cost of \$16,556 for staffing. This would cover the Lions request and administrative costs of the City. No City funds would be used for the proposed fee increase for the Lions Club reimbursement. Should this increase be approved it would only be through 2024. Continuation of this rate or adjustments to the 2025 payment would be dependent on future funding from the SCORE Grant beyond 2024.

Staff requested the City Council consider approving the fee increase from \$1,200 to \$1,300 per month to the Lions Club for the operation of the Recycle Center effective January 1, 2024 and continuing through December 31, 2024.

**DeRoche stated I'll make a motion to approve the fee increase from \$1,200 to \$1,300 per month to the Lions Club for the operation of the Recycle Center effective January 1, 2023 and continuing through December 31, 2024. Miller stated I'll second. Lewis asked any discussion?**

Lewis asked if 2024 would be separate from 2025. Davis responded that was correct and they would reconsider that again, depending on the budget and how many grant funds they had.

To the motion, all in favor say aye. **All in favor.** Lewis asked any opposed? That motion passes. **Motion passes unanimously.**

### **8.0 G.2 Complaint Form**

Davis stated Council had a discussion at their last meeting about Code enforcement and the need to document some of the complaints to make sure they were coming from residents. Councilmember Smith had suggested items that needed to be on the form, which was in front of Council. He requested Council adopt the complaint form as a means of validating and documenting Code enforcement complaints.

**DeRoche stated I'll make a motion to amend the complaint form. Smith stated I'll second.** Lewis asked any discussion?

Smith asked if this were a complaint form for only Code violations or could this be a regular complaint form also. Davis responded the form could be used for anything.

To the motion, all in favor say aye. **All in favor.** Lewis asked any opposed? That motion passes.

**Motion passes unanimously.**

## **9.0 – Other Items**

### **9.0 A Staff Report**

None.

### **9.0 B Council Reports**

Lewis stated he had no report.

Mundle thanked Stephanie Dorn for her time and effort on Booster Days. He indicated she got the volunteers, did the paperwork, the phone calls, and acknowledged an incredible amount of time had been spent on Booster Days by the Ms. Dorn and the Committee. He noted this was an unpaid position. He recommended some sort of an appreciation token should be given by the City to Ms. Dorn. He suggested a \$100 gift certificate be given to a local restaurant or some other business.

Lewis stated he did not understand why Booster Days was set up the way it was. Mundle responded Booster Days was officially separate from the City itself and does not fall under the City umbrella.

Lewis noted what was unusual was that the City paid for the fireworks. Mundle noted that was just a contribution from the City to help pay for the fireworks as a lot of other businesses made donations.

DeRoche stated the City did quite a bit to help this along also such as garbage cleanup. He noted the City staff "worked their butts off."

Mundle agreed but his point was that they were not part of the City and it was independent from the City. Davis stated Booster Days was separate from the City and they had their own 501(c)(3). He noted there was always an issue of fundraising and so the City agreed to take over the cost of the fireworks for Booster Days and the Public Works Department did the set up and clean up for this event.

Mundle stated as this was an unpaid position and a separate entity and they did a lot for the residents and that needed to be recognized.

DeRoche stated it was fine to give kudos to the Director, but there was a lot more than one person behind the scenes and if they were going to include one person, they would need to include everybody because one person could not do it all.

Mundle suggested this could be a discussion for a future Work Meeting.

Larson stated when they get into a monetary type of remittance to an outside group or individual, that was not something that he would advise them to do today. He indicated he would need to look into the legality of it to make sure it meets with other proprietary aspects.

Mundle stated he was not going to have a motion at this meeting, but he thought it could be something they could discuss at a future meeting.

Larson acknowledged volunteers put in an extraordinary effort and personal time on behalf of the community, but some type of monetary would come from public monies. He recommended putting a pause on this.

Lewis suggested maybe they should look at how Booster Days was set up so it was not such a crunch on very few people.

**9.0 C Other**

None.

**10.0 Adjourn**

**DeRoche stated I'll make a motion to adjourn. Miller stated I'll second.** To the motion, all in favor say aye. **All in favor.** Lewis asked any opposed? That motion passes. **Motion passes unanimously.**

Meeting adjourned at 8:11 PM.

Submitted by:

Kathy Altman

*TimeSaver Off Site Secretarial, Inc.*