

EAST BETHEL CITY COUNCIL MEETING

December 11, 2023

The East Bethel City Council met on December 11, 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: Matt Look, City Administrator
Eric Larson, City Attorney
Rodney Sanow, Fire Chief
Aaron Berg, Community Development Director
Nate Ayshford, Public Works Manager
Mike Jeziorski, Deputy City Administrator/Finance Director
Carrie Frost, Administrative Coordinator
Craig Jochum, City Engineer

1.0 Call to Order

The December 11, 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. DeRoche 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.**

4.0 Presentations and Public Hearings

4.0 A 2024 Budget Presentation: Public Comment and Approval of City, EDA and HRA Budgets and Levies

Jeziorski stated Minnesota Statute 275.065 required cities to conduct a public comment period where stakeholders were offered the opportunity to provide input to the City Council on proposed budgets and tax levies. He indicated the State required that each City announce the date, time, and place of the meeting where residents can provide City Council feedback on proposed budgets and tax levies. He stated the date selected must be done at the meeting when the City Council adopts the preliminary budget and levy in September. He noted this meeting date was also listed on the parcel-specific notices for proposed 2024 taxes that the taxpayers received in November from Anoka County.

Jeziorski indicated the Council directed that December 11, 2023 at the regular meeting for this opportunity. He recommended that the Council open the floor for public comment on the 2024 Budget and Tax Levies and then consider the adoption of the General Fund Budget and Levy, the EDA Levy and the HRA Levy with the motions as presented in the Council packet.

Jeziorski presented some financial highlights including revenues came in at 101% of budget and expenditures came in at 97% of budget. He noted this illustrated that the budget process and modeling did a good job in capturing actual activity that occurred. He stated the City had a fund balance of roughly 3.67 million dollars at the end of 2022 or 54% of the 2023 budget. He indicated given the strong fund balance, the City was able to use \$225,000 of that in order to minimize the levy increase. He noted the City also had capital funds set up for equipment, streets, parks, and buildings so when

the capital B equipment became fully depreciated, there were funds available for those items to be replaced without the need to borrow funds from external sources.

Jeziorski indicated the City had the seventh lowest tax rate in Anoka County out of 21 cities.

Jeziorski presented the 2024 budget and levy. He noted the City was projected to maintain a healthy fund balance into 2025. He indicated the components that made up the \$6.8 million in general fund revenue included franchise fees, liquor, and tobacco licenses, building inspection permit revenue, State aid for streets and fire inspection, fines and forfeitures, inter-governmental charges, cemetery revenue, tower site lease revenue, gambling contributions revenue, interest earnings, and property taxes.

Jeziorski stated with respect to expenses, there were two primary ways one could look at the City's expenditure budget. He indicated one way was to look at it by object or what was actually being purchased such as personnel costs for salaries and benefits, contracted services, supplies, etc.

Jeziorski noted the City's personnel costs account for roughly 42% of the general fund budget with the City budgeting for 22 full time employees in 2024 which included six administration, four in community development, nine in public works, and three in the fire department. He stated of those employees nine were represented by a union for which contract called for a 3.5% cost of living increase in salaries and the cafeteria contribution for benefits to increase from \$1,425 to \$1,450 per month.

Jeziorski stated for 2024, the Mayor, Council, and committee stipends were budgeted to remain unchanged. He noted the City also budgeted for 35 paid on call firefighters and two seasonal public works employees. Overall salaries and benefits reflect an increase of roughly \$52,000 over 2023.

Jeziorski stated a summary of the City's contracted service budgets for 2024 show that the law enforcement contract was budgeted to increase by \$174,000 or 14%. The City Attorney contract was budgeted to increase by \$15,000 or 9%. The internal transfer to the street Capital Fund was budgeted to increase by \$50,000.

Jeziorski indicated the alternate way to look at this was City expenditure budget by department. The general government classification captured all expenses involved with City governance, the City Council, City administration, finance assessing, legal, and elections this classification was budgeted to increase by 5% from \$1,301,000 in 2023 to \$1,368,000 in 2024.

Jeziorski stated for the community development classification that captured all expenses involved with planning, zoning, and building inspections. This classification was budgeted to decrease by 15% from \$672,400 in 2023 to \$570,000. \$302,020 for the public safety classification then captured all expenses involved with police and fire protection. This classification was budgeted to increase by 13% from \$2,213,000 in 2023 to \$2,510,000. \$702,024 engineering expenses were budgeted to decrease by 25% from budgeted at \$30,000. The public works classification captured all expenses involved with street maintenance and park maintenance. The Public Works classification was budgeted to increase by 3% from \$1,565,900.02 in 2023 to \$1,610,800.02 in 2024. The transfers to other funds include transfers to street, building, and park capital, and was budgeted to increase by 8% from \$650,002 in 2023 to \$700,002 in 2024.

Jeziorski stated with respect to the City's debt service funds, the City will have two outstanding bond issues at the end of 2023 with principal balances of roughly \$15.2 million in total. He indicated each year the City paid interest in principals on each of these bonds. These annual principal and interest payments would follow an amortization schedule that was determined when the initial bond sale

occurred. The City also paid fiscal agent fees for each of these issues which was reflected in the budget. The budget reflects that increase from 2023 to 2024 from \$875,000 to \$917,500.

Jeziorski noted the City has two different components to the overall City levy. The first was the general fund levy which was projected to increase by 2% from \$5,144,600 to \$5,251,100. The debt service levy component was projected to increase also by 2% from \$945,500 to \$962,500. Adding the two levies together gave the City an increase of 2% from \$6,090,100 to a total City levy of \$6,213,600.

Jeziorski indicated the other authorities within the City were the Economic Development Authority and Housing Redevelopment Authority. He stated the goals of the EDA were to encourage redevelopment activities achieve commercial development and encourage development of housing within the City. The EDA levy was budgeted to remain unchanged at \$136,200. The East Bethel Housing and Redevelopment authority's purpose was to provide a sufficient supply of adequate safe and sanitary dwellings and address substandard slum or blighted areas that existed within the City. The HRA levy was budgeted to remain unchanged at \$77,000.

Jeziorski indicated all stakeholders should have received their 2024 property tax statements in the mail from Anoka County. He noted the individual overall tax increase or decrease was controlled by a number of factors including their taxable market value increase/decrease in relation to the entire City, the City's levy, the County levy, and the school district Levy.

Jeziorski recommended the Council open the floor for public comments on the 2024 budget and tax levies and then consider the adoption of the general fund budget and levy, along with the EDA Levy and the HRA levy with the Resolutions presented in Council's packet.

Lewis stated Jeziorski gave an excellent presentation.

Lewis opened the floor for public comments at 7:21 p.m.

There were no comments made.

Lewis closed the floor for public comments at 7:21 p.m.

DeRoche requested a copy of Jeziorski's presentation. Jeziorski responded he would get that out to the Council.

Lewis asked where did the reserve capacity loan fit into this. Jeziorski noted he had mentioned the debt service for the City was roughly \$15.2 million, which was actually the external bonds that the City held. He stated the City had that capped at \$2 million and had tentatively agreed to pay that back over a 10-year period with the Met Council. He indicated that would start in 2024 and was budgeted for in the sewer fund.

Lewis asked if he was remembering correctly that the amortization worked out to be about \$235,000 per year. Jeziorski responded that was correct. Lewis noted that would be on top of the 917, so it would be about \$1.15 or \$1.14 million of debt service per year, which worked out to be 18 or 19 percent of the budget. Jeziorski responded yes, and one of them was in the general tax levy and the other one was going to be paid for by the sewer fund.

Miller stated when it came to the City budget, it demanded the most diligent of oversight and they must look at every department to ensure taxpayer dollars were spent on true needs and not frivolous wants. He indicated the residents expected fiscal responsibility, and their future, along with the City's future, depended on its City leaders who had to boldly safeguard every single penny by using the City's resources wisely.

Miller stated he believed that was their solemn duty to do something like that. He indicated he had personally, and he knew a couple of other Councilmembers also, had spent a considerable amount of time going over the numbers and met with the department heads to try not only understand but to grasp and ask questions about areas of concern.

Miller noted this Council puts a lot of trust in the members of the City's departments, and the Council asked the department head to use a "sharp pencil," even though inflation and the cost of everything was skyrocketing around them.

Miller believed they still had a little bit of work to do yet, but the heads of these departments and staff along with the effort they put in into the budget was second to none, while the cities around East Bethel saw large increases in percentages of what their taxpayers and the residents are going to pay, but East Bethel's staff and the department heads had kept the City under control. He thanked everyone for the hard work they had done.

Lewis responded, "Amen," to Miller's comment. He then introduced Matt Look the new City Administrator and noted this was Look's first Council meeting. He welcomed Look to the City.

Lewis stated he also wanted to acknowledge Jeziorski. He indicated Jeziorski was as good of a financial person as he had ever worked with, and he worked with a lot of them. He noted the City was very lucky to have him and thanked him for what he did with the budget by getting all of the numbers together, auditing, etc. He indicated Jeziorski was also the Deputy City Administrator and was in the human resources department so he had "many hats."

4.0A1 Adopting the 2024 Budget and Levy

Lewis requested Jeziorski explain the enterprise fund. Jeziorski responded the City's budget was comprised of different categories with the first component being the general fund budget, which captures all of the activity previously mentioned in his presentation. He indicated the second part was the special revenue funds, which was the HRA, EDA, recycling.

Lewis requested Jeziorski pull up page 99 of his presentation.

Jeziorski stated the components of the City's budget were broken down into four categories. He indicated one of the categories was the general fund, which got the most attention and that was the one that the major levy came from. He stated the special revenue fund was the EDA and HRA, and the other component was the recycling fund which was fully and totally controlled by Anoka County.

Jeziorski explained the debt service funds was the one he mentioned in his presentation where there were two bond issues remaining, which were expenditure budgets. Jeziorski indicated the City budget was the enterprise funds, which were totally supported by user fees. He stated the water fund, sewer fund, and arena fund were all supported by user fees.

Mundle stated I'll make a motion to adopt Resolution 2023-87, Adopting the 2024 Budget and Levy. Miller stated I'll second. Lewis asked any discussion?

Lewis believed Blaine was going to have a property tax levy increase of 19 percent this year and Look, as the Chair of the Anoka County Board of Commissioners, could confirm that the County levy increase was going to be 10.4 percent. He believed Ham Lake was about 7 or 8 percent, so East Bethel was in good shape considering the enormous debt the City took on because of the Sheriff's Department which was a 14.4 percent increase.

Lewis noted fortunately the City had a one-time State grant that helped the damage that could have been done and hopefully next year they will not be facing another one of the Sheriff's Department increases.

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

4.0A2 Adopting the 2024 EDA Budget and Levy

Mundle stated I'll make a motion to adopt Resolution 2023-88, Adopting the 2024 EDA Budget and Levy. DeRoche 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.**

4.0A3 Adopting the 2024 HRA Budget and Levy

DeRoche stated I'll make a motion to adopt Resolution 2023-89, Adopting the 2024 HRA Budget and Levy. Miller 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.**

4.0 B Carla Wirth – City Council Minutes Discussion

Look recommended this item be moved to the Consent Agenda as Item K.

DeRoche stated I'll make a motion to 4.0B to the Consent Agenda under Item K. 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.**

4.0 C Viking Meadows S2 Traffic Solutions Study & Preliminary Plat Presentation

Berg stated that on October 23, 2023, the Council authorized Vern Swing and S2 Traffic Solutions to conduct a traffic study impact on the proposal for the Viking Meadows redevelopment. He noted Vern Swing was in attendance at tonight's meeting to present the result of the traffic study and answer any questions the Council might have.

Vern Swing, S2 Traffic Solutions, stated there would be full access on Sandhill Parkway and any right-in right-out only access planned off of Viking Boulevard.

Mr. Swing stated they had consulted with the City and the County. He noted the site area included Highway 65 along with a number of intersections including Viking Boulevard, Crosstown as well as looking at the intersections along Viking Boulevard, including Sandhill and Greenbrook Drive. He noted this also included intersections along Crosstown including Greenbrook Drive.

Mr. Swing noted in order to understand the impacts of land developments, it was necessary to forecast conditions that would be present without the land development which were known as background conditions. He indicated in this case they consulted with a number of different resources including MnDOT and Anoka County's Comprehensive Plan for the area as well as the City's Comprehensive Plan, which helped them generate background gross numbers, which were adjusted for the inclusion of the Elevage development and the Osborne development.

Mr. Swing stated in the Elevage study and discussion with MnDOT, he had indicated that Highway 65 and 187th Lane will need a signal similar to what they have at Viking Boulevard with a J turn. He noted they would signalize both of those so as to not cause unsafe conditions in the future not only at Highway 65, but also at the intersection of 187th and Sandhill.

Mr. Swing indicated Highway 65 and Crosstown had been identified as a potential future interchange, by both Anoka County and MnDOT. He stated with that in mind, they started by looking at the crash test statistics that had been provided by MnDOT as well as information from Anoka County. He stated it was noteworthy that the data they used for Viking Boulevard reflected the changes that have occurred after the fatality, not prior to that, including signage and significantly improved coordination between the intersection of Viking and the J turn associated with it.

Mr. Swing stated in looking at the statistics, the critical crash rates, and Statewide averages, none of the intersections actually rose to the category as “bad actors.” He noted some of the rates might be a little higher than others, but they were below the Statewide averages and below the critical crash rates. He indicated from a safety perspective, it was not anticipated the developments of Viking Meadows would result in an exacerbation to an already bad situation.

Mr. Swing stated with respect to Viking Meadows after having established what the background conditions were, they estimated the amount of traffic that the site would generate was based on the Institute of Transportation Engineer’s database which looked at hundreds of these types of developments, with a weighted average to be slightly more conservative in that it shows that the 242 single-family homes would generate about 2,280 daily trips.

Mr. Swing indicated they then looked at two design years to study conditions without the Viking Meadows development and all of the intersections, with the exception of Crosstown and Highway 65 had acceptable levels of service up to 2045, so that may or may not be an interchange at some point according to MnDOT and Anoka County.

Mr. Swing concluded by noting the crash data did not identify any specific intersections that would be exacerbated by the addition of traffic from Viking Meadows and the 2028 conditions with and without the project essentially had the same level of service, with the same amount of delay and relative queue distances were equal. He stated all of them generally worked with the exception of Crosstown and Highway 65.

Mundle noted to sum it up succinctly, based on the not build and the build, there was very little change. Mr. Swing responded that was correct.

DeRoche asked what were the parameters used to determine the level of service quite low. Mr. Swing responded the level of service was a term that traffic engineers created to help identify and help people relate to the impacts that the changes in operation or roadway might experience. He stated level of service was based on delay. He noted there were other things as well, but essentially it was based on driver delay.

DeRoche indicated he was confused that the system would not struggle by adding more congestion to the area. Mr. Swing explained how they looked at the area surrounding the site. He indicated the amount of daily traffic being encountered by drivers would increase a little bit, but it was not necessarily going to increase at a big enough rate to cause a change and operations in terms of level of service or in terms of queue.

DeRoche asked when they were talking about level of service, do they add buffers. Mr. Swing responded they did.

DeRoche asked if they took the best scenarios into account. Mr. Swing responded they weighted averages on the conservative side. He noted since Covid people were making fewer trips home to work, especially during the peak hour.

DeRoche asked did they go by areas when they do this. Mr. Swing responded it would be nice if they did. He indicated there was a local database, which he believed had not been updated since Covid but it was showing close to the IT numbers when it was being maintained.

DeRoche asked if there would be only one stoplight at the J turn on 187. Mr. Swing responded that was correct and he was surprised with the analysis to see that Sandhill and Viking will operate at a level of service into the year 2045. He stated he anticipated that this development and some of the

other ones that were coming online might require a future change at that intersection, but unless there was a lot of development to the north, he did not see that was going to come around.

Lewis asked Look, because Look was steeped in transportation issues in the County, what he thought they could expect. Lewis noted he hated to say this because he was a motorcyclist and he hated the Viking intersection. He stated he had people pull over on him three times in that intersection because they do not know they have to change lanes and by the time they do realize that, they're right on you. Lewis asked Mr. Swing if he was talking about a reduced conflict intersection with only one set of lights at 187th. Mr. Swing responded that was correct.

Lewis asked Mr. Swing if it was optimistic that it would be built by 2028. Mr. Swing responded MnDOT brought it up when they were discussing the intersection with them and it was something they were actively looking at.

Lewis asked if that was specifically 187. Mr. Swing responded it was. He stated without a stoplight there, there was insufficient gaps on Highway 65 so traffic will back up all the way through the roundabout which will cause the roundabout to fail even though there is plenty of capacity for that by itself.

Lewis stated as a long-term resident of East Bethel it was counterintuitive. He noted he lived on the opposite side of this and it wasn't going to affect him one way or the other as he was retired, but to him it was counterintuitive because all he heard about was the traffic at Viking and Highway 65. However, he did believe in the data and analysis if they were properly set up.

Lewis asked what assumption as far as the 2045 scenario did Mr. Swing make as far as to the development of the Osborne property. Mr. Swing responded they assumed it would fully develop.

Lewis asked what would it entail, such as the number of homes, or businesses. Mr. Swing indicated they had 60,000 square feet of commercial retail and approximately 132 single-family homes along with some multi-family as well in 60 or 66 acres.

Lewis stated he believed Anoka County was projected to grow 1 percent per annum for background growth on the long-range planning to year 2045, and this study used .37 which was almost one-third of what the County said. He asked what was the rationale for that. Mr. Swing responded the County's background probe had what they called a traffic analysis zones, and inside the traffic analysis zones that encompassed the area was an assumption for Viking Meadows for Osborne and for Elevage. He stated they went ahead and figured out what that trip generation was and then adjusted the number so there was still background growth (i.e. cars coming from outside the area), but within the area, it was those three developments that would generate any of the traffic that was associated with the one percent.

Lewis stated he was not following that. He indicated he had requested the appendices for this study and what he was particularly interested in was when the data was collected, the traffic counts, and according to Appendix A, it was at then normal hours you would expect, 7 – 8 a.m. and 5 – 6 p.m. He indicated they were collecting data at the right time, but there was something about the County had a 2045 projection and they deducted Elevage, Viking Meadows, and Elevage from the analysis. He asked if he was saying that correctly. Mr. Swing responded that was correct and they took the one percent and grew it up because that one percent was inclusive of Viking Meadows, Elevage, and Osborne. He indicated they did not want to double count them, so they took them out so they still left their growth rate in there.

Lewis asked if that was what netted it down to the .37. Mr. Swing responded that was correct.

Lewis stated that was what he did not understand. Mr. Swing apologized for not giving a good explanation to the Council. Lewis indicated it just took his brain a little while to catch up.

DeRoche asked if the setup now was a single phase, or did they have a second and/or third phase. Mr. Swing responded this was set up as a single phase.

DeRoche asked if they were not interested in the commercial property that has come up in conversations. He was looking at it because he knew the area and he believed when the sewer and water project came through, that was pretty nasty ground to build anything on. Jochum responded that was correct.

Lewis stated with the proposed commercial, there had been some talking about the northwest corner of the property and he thought it was basically a peat bog. He asked if anyone knew anything about that. Jochum responded that on the map, you can see that it's mainly vegetative material, and there is a very small useable piece.

Lewis asked if it was buildable. Jochum responded that it is wetland, and one would have to get a permit for all the wetland fill, so it's likely not usable to build on. There is one small lot to the south that has a stormwater pond developed for that lot and service road.

Lewis asked on the diagrams in Appendix A, what was the box in the center of the intersections; what did those numbers mean. Mr. Swing responded the boxes were associated to what was referred to as the peak hour factor. He indicated the peak hour factor was a number that used to adjust the volumes for the peak hour to reflect peak conditions that occur within 15 minutes. He gave an example of a factory that let out and they would get a huge throng of cars coming out all at once. He noted the operations of the intersection during that 15 minutes was going to suck, so they would have huge delays during that time. He stated it was not fair to represent the intersection at that hour as a whole, when they know for the 15-20 minutes there would be a difference and that was used to adjust the hourly volumes.

Lewis stated that made sense to him and thanked Mr. Swing for explaining it.

Lewis asked if Look wanted to make any comments as he was a transportation expert. Look responded he was not an expert, but as it related to recent conversations with the County, they were looking at stepping up the proposed change from signalized, RCI to grade separated interchange at 22 and Highway 65. He asked Mr. Swing for his opinion if that would potentially support that area, enhance it, or would it affect a second RCI. Mr. Swing responded it would absolutely change the patterns in the area. He indicated having ramps and a merge area would help that operation as far as traffic on both sides of Highway 65 on Viking and he believed it would increase the importance of Viking as a regional mover to have an interchange that would become more of a permanent east/west route. He noted, however, he was not as familiar with all the properties that could develop along both sites, but he believed it would enhance the golden opportunity.

Look believed the County would be pursuing legislative action on that this year, so it might be something the Council would like to consider a resolution in support of at some point. Lewis requested a log be kept of that.

DeRoche noted at the Planning Commission meeting, there were several people that were concerned about ponding and runoff in the project. He asked what was staff's thoughts on that. Berg asked if DeRoche was talking at the concept plan meeting, or the preliminary plat meeting as he recalled one person speaking at the public hearing about the preliminary plat and they were supportive of the

preliminary plat. He believed Commissioner Reiter was the only person who was questioning pending.

DeRoche stated he wished Reiter was here, but he was not going to paraphrase what he said.

Smith inquired about the 2,282 cars per day and asked if that was per week or per day. Mr. Swing responded that was per day. Smith stated that was going to be coming in and out of the development every day, correct. Mr. Swing responded that was trips so as far as cars were concerned, you cut that number in half – one trip in and one trip out per vehicle.

Lewis thanked Mr. Swing for doing the study and presenting it to the Council.

Informational; no action required.

5.0 Public Forum

Kay Anderson, 217th Avenue NE, requested her written statement be entered into the Minutes:

“I am here tonight to address the hiring of the new City Administrator and the Mayor’s decision to circumvent the normal, public, hiring process.

- 1) First, I would like to ask the ‘elephant in the room’ question. What is the name of the third party who connected the job seeker to the Mayor? Why do I ask this question, because if that individual has so much influence on the Mayor and the Mayor chose a closed hiring process, and the soon to be new City Administrator is well enough connected to this person that they were willing to initiate this process, the residents of East Bethel deserve to know the name of the person with this influence over two (or more) people in their City government.*
- 2) Second, what occurred is called cronyism or the “good old boys”. Cronyism was banned in federal government in the 1970-80s era, because it wasn’t good for government. The best person for the job would never have a chance unless they knew someone who could recommend them for the job and recommendations were only considered if the job seeker was from the same political party. As it stands tonight, East Bethel residents don’t know who is the best person for the City Administrator job because only one person was considered in a closed process.*
- 3) Third, I thought that relying on technically legal but ethically questionable conduct was the thing of our past, remember the City Council from a few years ago when 3 members of the same political party were elected and met before they were sworn in to plan the first meeting – in which they had a majority so everything they wanted passed without public input. I find myself again wondering why the Mayor, and I imagine some Council Members, would choose the apparently technically legal but ethically questionable conduct that occurred in this hiring process.*

My request to you is that you refrain from instigating similar apparently technically legal but ethically questionable practices and behaviors in the future.

You are all elected representatives for a public entity. You have a responsibility for transparency and openness in your actions.

Thank you for this opportunity to speak.”

Lewis thanked Ms. Anderson for her comments.

6.0 Consent Agenda

Item A: Approve Bills

~~Item B: Approve Meeting Minutes November 13, 2023 City Council Meeting~~

Item C: Approve Meeting Minutes, November 27, 2023 City Council Meeting

~~Item D: Resolution 2023-90, Setting 2024 City Meeting Dates~~

~~Item E: Resolution 2023-91, TIF 1-2 Permanent Fund Transfer~~

~~Item F: Resolution 2023-92, TIF 1-3 Permanent Fund Transfer~~

~~Item G: Resolution 2023-93, TIF 1-4 Permanent Fund Transfer~~

Item H: Approve 2024 Tobacco License Renewals

Item I: Approve 2024 Cannabinoids Edibles License Renewals

~~Item J: Resolution 2023-94, Check Signatory Approval~~

Item K: Approve TimeSaver (TOSS) approval of the Addendum for the 2024 contract extension

Lewis requested to pull Items B, D, E, F, G, and J.

Mundle noted the letters did not line up with what his Agenda said. He indicated the agenda on the website was incorrect. He requested the City's website agenda for this meeting be revised.

Mundle stated I'll make a motion to approve Consent Agenda Items as revised. DeRoche 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 B Approve Meeting Minutes, November 13, 2023 City Council Meeting

Lewis requested on Page 137, Line 19 it should say "high debt level in a situation analogous to ours," instead of high debt level in a situation not analogous to ours. He requested a review on Page 137, starting with line 36 to determine what he said.

Lewis stated I'll make a motion to approve Item B of the Consent Agenda. 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.**

6.0 D Resolution 2023-90, Setting 2024 City Meeting Dates

Lewis stated he wanted to discuss the Council Work Meetings. He stated the Council had said they wanted to avoid Work Meetings being iron clad, bullet proof, but to have them as needed and not have them be an every month thing. He indicated some people had an opinion one way or another and that was why he wanted to discuss it with Council. He asked what was the sense of the Council for the need for Work Meetings.

Frost stated the Work Meetings were included in the Resolution because it was easier to cancel them than it was to try and come up with a date at the time. Lewis stated that made a lot of sense.

Larson agreed they should have a set of regular notices that they could depend upon and cancel the Work Meetings if they were not necessary. Lewis indicated that answered that part of his question.

Lewis asked what was the status of the EDA meeting days being to change from the third Monday to the third Tuesday. He noted the Resolution said they would be held the third Tuesday in January and February. Berg responded that discussion was held with the removal of the previous City Administrator. He stated staff did not know if Look was available for those meetings, so in the interim they were looking at moving those meetings so he could handle the meetings as the staff person. He stated he had a brief conversation today with Look and the December meeting was going to be cancelled, and staff will tackle the January meeting when they get there. He indicated if a

change was necessary for the January meeting, it could be taken care of at an upcoming Council meeting. Lewis thanked Berg.

Lewis stated I'll make a motion to approve Item D 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 E Resolution No. 2023-91, TIF 1-2 Permanent Fund Transfer

6.0 F Resolution No. 2023-93, TIF 1-3 Permanent Fund Transfer

6.0 G Resolution No. 2023-93, TIF 1-4 Permanent Fund

Lewis requested Jeziorski educate the Council on the permanent fund transfer. Jeziorski stated this was a housekeeping item that was done every year depending upon the workload that the City finance team encounters throughout the year for the TIF districts. He stated there was a log sheet that was kept where they chronicled the number of hours associated with each of the district and at the end of the year, staff sets up a Resolution to bill back the TIF districts for the administrative time. He noted each of the TIF districts were calling for a transfer of \$1,400 each. He indicated the transfer was from the TIF district to the general fund.

Lewis thanked Jeziorski for the explanation.

Lewis stated I'll make a motion to approve Items E, F, and G 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 J Resolution 2023-94, Check Signatory Approval

Lewis stated Mundle handled this in 2023 and asked if anyone else wanted to handle this in 2024. Miler stated he would be the 2024 check signatory.

Miller stated I'll make a motion to approve Item J of the Consent Agenda with Miller being the check signatory in 2024. DeRoche 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 CUP: 18533 Buchanan Street NE

Berg stated Jennifer O'Brien, owner of TEAM Drywall, Inc., an East Bethel based commercial and residential drywall company for over 32 years has purchased 18533 Buchanan Street NE (formally Northern Asphalt) with the intent to grow and expand operations. Berg indicated the 2.19-acre property has an existing 6,000 sq. ft office and warehouse, 6,300 sq. ft of customer parking lot, and 40,500 sq. ft of screened exterior rear and side yard storage.

With respect to property zoning, Berg stated 18533 Buchanan Street NE; Lot 5, Block 1, Sauters Commercial Park, PID: 32-33-23-24-0006 is zoned Light Industrial (I) and in accordance with Appendix A, Sec. 48 (4), Construction, Trade, and Service Business are permitted by a Conditional Use Permit (CUP).

With respect to exterior storage, Berg noted Sec. 24 (4) states that: *Exterior storage is permitted in I-1 and B-3 districts as a conditional use permit and subject to the following conditions:*

1. *Exterior storage shall be limited to the rear yard and shall not be allowed within the required setbacks, public right-of-way, private access easement, or within the required parking area.*
2. *Maximum amount of exterior storage cannot exceed 2 times the square footage of the Principal Building.*
3. *Exterior storage cannot exceed the maximum allowable height of the principal building.*

Berg stated construction yards are exempt from exterior storage requirements as outlined in Section 24, 4-A, provided they are located in the rear yard behind the principal building and cannot exceed the square footage of the Principal building and shall not be allowed within the required setbacks, public right-of-way, private access easement, or within the required parking area.

Berg indicated the 18533 Buchanan Street NE location has an existing exterior storage area, rear, and side yard, approximately 6 times the size of the principal building however it's fully fenced meeting all of the screening requirements of the ordinance and reducing the visual impact from the right-of-way. Berg stated accessory storage containers, as defined in Section 01. General Provisions of Administration shall not be permitted.

With respect to parking, Berg stated TEAM Drywall, Inc. currently has one employee and equipment will be out on jobsites daily as this is skilled labor residential or commercial jobsite service-based business. The existing 6,300 sq. ft. parking area is designated for 17 vehicles and with the abundance of exterior yard there should be sufficient parking for employees in the event more employees are added. Vehicles over 20,000 GVWR, construction equipment, and trailers shall be required to be parked in the Exterior Storage yard or behind screening.

Berg indicated in the 2040 Comprehensive Plan, 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 the Planning Commission held a Public Hearing at its November 28, 2023 meeting. There were no public comments and the Planning Commission, by a vote of 6-0, recommended approval of the Conditional Use Permit to the City Council.

Berg requested City Council review the request, consider the Planning Commission's formal recommendation, and approve the CUP as presented in Resolution 2023-83.

Miller stated I'll make a motion to approve Resolution 2023-83. 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.**

Mundle thanked Team Drywall for choosing to stay in the City as they expand and reinvest in the City. He thanked them for staying in the City.

6.0 K Approve TimeSaver (TOSS) approval of the Addendum for the 2024 contract extension (clarification)

Lewis stated he made a mistake and on the Consent Agenda there was an item K which was the extension of the contract with TimeSaver which had been moved down from the presentations and that had not been done by Resolution, but by voice vote to approve it. Larson responded he heard that it was added to the Consent Agenda but he didn't see that had been pulled so when the consent agenda was approved, it was approved.

Mundle stated he specifically added Item K to the Consent Agenda. Lewis asked if everything was correct and he didn't "screw up." Larson responded Lewis did not screw up and he was doing well. Lewis thanked Larson for the clarification.

7.0 A.2 IUP: Farm Animal (Horse), 716 192 Avenue NE

Berg stated that in late July 2023, the City of East Bethel received a complaint about code violations at 716 192nd Avenue NE. During the investigation the Code Enforcement Officer discovered that in addition to the code violations there was also a horse on the property. A standard City Code enforcement letter was issued identifying the Code issues and a request that the property owner contact the City.

Berg indicated the property owners, Wendy Cisneros and Leyva Pinal, came to East Bethel City Hall to discuss the identified Code issues with staff. At the conclusion of the discussion, multiple permit applications and Interim Use Permit were applied for by Cisneros in the following week.

Berg stated upon review of the building permit applications it was discovered by the City's Residential Building Inspector there were construction Code related deficiencies, as well as excessive number of detached accessory buildings, and the IUP requirements for farm animals (horse) were not met.

Berg noted a subsequent meeting was scheduled with the property owners and the issues were identified along with a plan to remedy the City's concerns by November 15, 2023. The applicants complete all of the necessary corrective actions and an inspection was completed on November 3, 2023.

Berg referenced Code: **Sec. 10-157. - Interim use permit required.** *The keeping of animals regulated under this article will be allowed only after issuance by the City of an IUP for such keeping. The procedure for an IUP will be in accordance with the City's zoning ordinance, set forth in Appendix A to this Code. The required public hearing will be before the planning commission. The final decision on the IUP will be made by the City Council not earlier than seven days after the public hearing.*

Berg stated that the applicants are requesting an Interim Use Permit to keep the one horse on the property. Berg noted the property is zoned Rural Residential and is 4.86 acres in size. Berg indicated City Ordinance Section 10-151 Section regulates the issuance of Interim Use Permits, imposing acreage requirements for domestic farm animals, which provides:

Sec. 10-151. - Interim use permit (IUP) and acreage requirements for domestic farm animals; nondomestic animals prohibited.

No animal regulated by this article can be kept on a parcel of land located within a platted subdivision or on any parcel of land of less than three acres. Provided further, that if 80 percent of the lots within a platted subdivision are larger than three acres, an IUP for keeping a regulated animal may be issued for any of those lots larger than three acres.

Berg stated Brookside Place was platted in 1978 and includes 10 lots (Attachment 4). Of the 10 lots included in the plat, only 4 or 40% of the lots meet the acreage requirement outlined in Sec. 10-151. 716 192 Avenue NE is 1 of the 4 that are larger than 3 acres.

Sec. 10-152. - Domestic farm animal shelter setbacks, paddocks, and pastureland. Regulates shelter, pasture, and setbacks requirements. During the November 3rd inspection staff were able to verify that the minimum requirements for the keeping of 1 horse could be and have been met (1 acre of pasture, an adequate 12' X 30' shelter, food, water, and all setbacks are met).

Berg stated on November 28, 2023, the Planning Commission met and held a Public Hearing. City staff did request that the Planning Commission consider a limited term (1-3 years) IUP due to the deviation from the zoning standard identified in Sec. 10-151(c), to evaluate if it has an impact on the neighborhood. There were no public comments made at the time and after discussion the Planning Commission made a recommendation of approval to the City Council. The Planning Commission did

not find a limited term IUP necessary. City Staff received a phone call and voicemail, the day after the Planning Commission Meeting from a neighbor, who had received a Public Hearing Notice by mail, requesting the City not issue a permit for a horse due to the way the applicant treats other animals (dogs) on the property. There were no additional details shared and the complainant did not want a call back on the matter.

Berg recommended the City Council review the request, consider the Planning Commission's formal recommendation, and approve, deny, or amend the IUP as presented in Resolution 2023-84.

DeRoche stated I'll make a motion to approve. 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.**

7.0 A.3 Preliminary Plat: 1788 Viking Boulevard NE – Capstone Homes, Inc.

Lewis stated the City Council had received an email from former Mayor Steve Voss and given Mr. Voss's long term as the Mayor, he thought it was worthwhile to share Mr. Voss's thoughts on the public record. He noted he had informed Mr. Voss he was going to do this and Mr. Voss did not disagree.

Lewis read into the record former Mayor Voss's email:

"Mayor and Councilmembers, there have been several issues discussed related to tonight's consideration of the preliminary plat for Viking Meadows, that there is one that really hasn't been dealt with which is lack of land dedicated for future commercial development along the eastern side of Sandhill Parkway.

Sandhill Parkway was constructed by the City for two primary purposes, improve Highway 65 safety and to encourage economic development along the roadway. And while there will be some future commercial development with alibis, the use of road frontage along Sandhill Parkway for residential housing is a waste of valuable commercial land.

The proposed residential housing provides little benefit to our current residents, whose long-term desires for more service-related commercial businesses. This area is zoned mixed-use for a reason. Its proximity to Highway 65 for higher visibility and vehicle access, or Sandhill Parkway is a collector roadway that will carry more traffic which is better aligned with adjacent commercial property, rather than single family housing. The City made a substantial, over \$3 million investment, for the construction of Sandhill Parkway.

I encourage the City Council to stay true to the City's intent and require the land along Sandhill Parkway be designated as future commercial use.

Thanks for your consideration.

Steve Voss."

Berg stated on November 8, 2023, a Preliminary Plat and PUD application from Capstone Homes, Inc. for the redevelopment of Viking Meadows was received. The proposal shows the redevelopment of 155 acres of land which spans across the zoning classifications of Mixed Use and Single Family Residential. The proposal shows 95 acres of developable land will contain a proposed 242 lots. In addition, the proposal contains 60 acres of open space which also includes over 10 acres of park and recreation space.

- At the June 27, 2023 Planning Commission Meeting a Public Hearing was held and feedback was provided to the developer on a Concept Plan proposal.

- At the July 24, 2023 City Council Meeting the Concept Plan proposal was presented to the City Council for feedback.
- On August 22, 2023 a revised Concept Plan was presented to the Planning Commission and by a 6-1 vote, a recommendation of approval was forwarded to the City Council.
- On August 28, 2023 the revised Concept/PUD Plan was presented to the City Council along with the Planning Commission's Recommendation. The City Council unanimously voted to approve the Concept Plan by Resolution 2023-61.
- On November 28, 2023 the Preliminary Plat and PUD application was presented to the Planning Commission and by a 5-1 vote, a recommendation of approval was forwarded to the City Council.

Berg indicated as part of the preliminary plat/ PUD review, staff have reviewed the following ordinances to ensure the proposal is in alignment and compliance.

Berg noted Section 66-12. Compliance with comprehensive plan, zoning ordinance, and official map. *No subdivision of land shall conflict with the provisions of the comprehensive plan, the City's zoning ordinance, which is set forth in Appendix A to this Code, or official maps.*

Lewis asked what was included in the term commercial, particularly in the 157 acre parcel the upper section. Berg responded that was all sod fields, Hoffman Sod, which was a commercial sod company and that potentially could at some point down the road develop. He indicated there was an insurance company and a couple of other commercial properties along Sandhill. He pointed out that King County Market would be there also, which he assumed would be commercial.

Lewis inquired about the southeast intersection corner. Berg responded that was where Capstone was proposing the 15-acre parcel designated for commercial.

DeRoche stated that was the one he was inquiring about which was full of peat. Berg stated his analysis of the entire area, the mixed-use area, was 790 acres. He indicated they have designated right now, if projected the way it is, 218 acres, which was less than 20 percent already designated for commercial with the 15 acres. He indicated without the 15 acres, they were still over 20 percent in the total mixed-use area.

DeRoche asked when the maps were printed from, as they were in different colors. Berg responded he printed those maps off on December 1, 2023 from the Comprehensive Plan and they had a contract with SEH that managed all of the City's GIS systems, including the zoning maps. He indicated SEH put the overlays in any zoning changes once they received the information from him. He stated what was in Council's packet was the most recent zoning map.

Berg stated the current maps, which they just updated after two rezoning items were within the last year. Lewis asked when was the last comp version. Berg believed it was 2020.

Miller asked if this was a projection for the future of what could be. Berg pointed out on the map where the day care and Kwik Trip already existed and where the roughly 5.37 commercial Elevage lot was, along with the 15.69 proposed from Capstone.

Miller noted they had Elevage at 5 acres and Capstone at 15 acres, so that was 20 acres for projections. Berg responded that was correct and pointed out where there was already commercial along with 3 lots zoned mixed use, but he did not know how small they were.

Miller asked if Hoffman was the large commercial section. Berg responded that was correct.

Miller asked what had happened if they developed houses on that with no commercial. He asked if the last developer was going to get stuck with “X” amount of acres to make sure. Berg responded that was a possibility. He read from the Ordinance, “the actual percentage will be determined at the time of preliminary plat approval and may include residential light industrial or public where deemed appropriate.” He noted Council would make that decision, so right now the projection as they were at roughly 218 acres, if all that was blue on the map stayed commercial. He indicated the City’s Comprehensive Plan called for 20 percent of the 790, which was only 158 acres.

DeRoche stated initially when the sewer and water came in, they were talking 75-foot pilings to hold up the pipes. He indicated that gave them a good idea of what the ground was going to be like around there. So, for him to say that, “maybe this is going to go here,” he did not know if somebody could afford to develop that. Berg stated he was just showing them the current conditions and the Council made the recommendation. He stated he was just showing the Council what was out there now, where the numbers were at today, and how that aligns or fits into the City’s Ordinance Zoning Map as well as the Comprehensive Plan.

Smith stated basically, the 15 acres on the northwest corner were worthless, even if they were going to call it commercial. He indicated if this was all peat, how would anyone mine all of that out. Berg stated he did not have the number off the top of his head, but he thought there was 2 plus acres that was potentially buildable.

Smith stated in his opinion, two acres was nothing, compared to the 15 acres that was there and this was worthless. He indicated they could call it whatever, but it was not buildable land the way it sat now. Berg stated he did not have the calculations, but he guessed even if the 15 acres was dropped to 2 acres, they were already 40 acres more over right now.

Smith noted they were talking about the development that Capstone was going to do that was supposed to have 20 percent just in that development itself. Berg responded the Comprehensive Plan said it was 20 percent in the area, not development by development 20 percent.

Smith pointed out they did not know what was going to end up north of that. Berg responded he was correct, and that was why it needed the Council to make the decision case-by-case. He noted in the bottom left corner of the map that was East Bethel Apartments, which was a mixed-use district and there would be no commercial there. He indicated the two apartment buildings were classified as high-density residential. He noted the Comprehensive Plan called for 7.9 percent high-density residential, so they were going to get the high-density residential out of the apartment building. He indicated they had more than 20 percent commercial already.

Smith asked if Capstone was strictly a residential developer and didn’t deal in commercial development. Berg stated he would like to finish his presentation and then the developer would answer questions. Smith agreed.

Berg summarized Section 49 – Mixed Use (MXU) District:

1. - *Purpose. The mixed use (MXU) area is comprised of a number of land uses that provide mixed-use development, commercial workplace, neighborhood, and parks/open space components.*
2. - *Permitted uses. A. The primary land uses within the MXU district shall include office, retail, and residential uses. The mix, location, and relationship of these uses shall conform to the land use plan, the purpose statement, and all the specific findings of the City Council. In addition, the applicant shall demonstrate to the satisfaction of the City that the proposed lot sizes and land uses and their mix and location are compatible and complementary both internally and with adjacent land uses.*

Berg stated the East Bethel 2040 Comprehensive Chapter 3: Land Use Plan - *Mixed Use district is intended to provide development flexibility, allowing for both commercial and residential uses. For the purposes of the household forecasts and Housing Chapter, Mixed Use has a guideline of 72.5% Low Density Residential, 20% General Commercial, and 7.5 % High Density Residential. The actual percentage will be determined at the time of preliminary plat approval and may include Medium Density Residential, Light Industrial and/or Public when deemed appropriate.*

With respect to the development procedure, Berg indicated that mixed-use and single-use projects. The application procedure and applicable general requirements pertaining to planned unit developments (PUD) shall apply to the MXU district, subject to any exceptions, modifications, or additions set forth in the ordinance. Amendments to the PUD can be proposed and implemented upon City Council approval.

Berg indicated The application procedure shall include submittal and approval by the City Council of a concept plan prior to the submittal of a PUD request.

Berg stated with respect to Section 56 – Planned Unit Development (PUD):

Subsection 1. – Purpose. The purpose of a PUD is to allow flexibility and variation from conventional ordinance standards in exchange for higher standards of development design and creativity, architectural control, natural resource protection, landscaping, public parks, public and private open space protection, pedestrian access, and multi-use corridor opportunities. The PUD provisions are also intended to promote the efficient use of land and promote cost-effective public and private infrastructure systems.

Public benefit: The public benefits to the surrounding neighborhood and the City as a whole that are intended to be derived from the approval of a planned unit development include, but are not limited to:

- A. Preservation and enhancement of desirable site characteristics and open space.*
- B. A pattern of development which preserves natural vegetation, topographic and geologic features.*
- C. Preservation and enhancement of historic and natural resources that significantly contribute to the character of the City.*
- D. Use of design, landscape, or architectural features to create a pleasing environment or other special development features.*
- E. Provision of a variety of housing types in accordance with the City's housing goals.*
- F. Elimination of blighted structures or incompatible uses through redevelopment or rehabilitation.*
- G. Business and commercial development to enhance the local economy and strengthen the tax base.*
- H. To assure the development of a complex unit of associated uses is planned as a single entity and to effectuate the policies and standards of the comprehensive plan.*

Berg stated as part of the approval process, the PUD must demonstrate the public benefits to the surrounding neighborhoods and the City as a whole. Public benefit in this proposal includes, but is not limited to the following:

With respect to preservation and enhancement of desirable site characteristics and open space, Berg stated there are a vast number of wetlands/low areas on the properties. The developer will protect

and enhance the areas and create additional amenity areas such as open space/gathering areas and trails. The amenities will be accessible to the public. Once the entire development is completed/built out, trails and open spaces will be connected throughout the development as well as to the adjacent development areas.

Berg stated the pattern of development preserves natural resources that significantly contribute to the character of the City. The existing wetlands will be further enhanced to provide open space and accessible trails. Wetland impacts will be mitigated on-site. Storm water management basins will be enhanced by additional plantings and designed as wet ponds.

Berg indicated the use of design, landscape, and architectural features will create a pleasing environment or other special development features. Additional landscaping will be added throughout the site. Also, areas of the site that are wooded will be preserved wherever possible.

Berg stated the variety of housing types will be available in accordance with the City's housing goal. The development will provide a variety of Rambler, Multi-level, Split Entry and Two-Story style homes positioned between existing Rural Residential parcels and complementary to the adjacent Elevage townhome and Commercial Development.

Berg indicated development to enhance the local economy and strengthen the tax base. The preliminary plat projected plan would generate a conservative estimate of \$300,000 in annual city property tax revenues at build out in 2028. The city will also collect \$1,355,200 in City SAC and WAC fees over the life of the project (2024 -2028). This amount would pay-off approximately 70% of the principal balance of the METC Reserve Capacity Loan. In addition, the increased housing units would improve the demographics in the local market area which are needed to attract basic retail, food, and grocery services to the City.

With respect to Subsection 3 - Rules and standards, Berg stated the granting of a PUD does not alter in any manner the underlying zoning district uses. Building permits shall not be issued which are not in conformity with the approved PUD.

With respect to Subsection 4 - Development standards, Berg noted the development standards for a PUD shall be guided by the underlying zoning district and established with PUD approval with the exception of the following standards:

- A. Minimum area for a PUD. The minimum total area required for a PUD shall be three acres of contiguous upland (excluding wetlands). Tracts of land less than three acres may qualify only if the applicant can show that the minimum lot area requirement should be waived because a PUD is in the public interest and that one or both of the following conditions exist:
 - 1) Unusual physical features of the property itself or of the surrounding neighborhood are such that development under the standard provisions of the normal district would not be appropriate in order to conserve a physical or terrain feature of importance to the neighborhood or community.
 - 2) The property is adjacent to or across the street from property that has been developed under the provisions of this section and will contribute to the amenities of the neighborhood.
- B. Commercial and industrial sites. All commercial and/or industrial sites shall at a minimum have two principal buildings or two principal uses on site to qualify as a PUD. All commercial and/or industrial sites that have two or more principal buildings must be processed as a PUD.
- C. Open space. A primary function for a PUD is to encourage development that preserves and enhances the natural characteristics and valuable natural resources of a site and not force intense developments that use all portions of a given site to arrive at the maximum intensity or density allowed. In evaluating each individual proposal, the recognition of this objective will be a basic

consideration in granting approval or denial. All open space shall be labeled as such and as to its intent or designed functions.

- D. Relationship to adjacent areas. The design of a PUD shall take into account the relationship of the site to the surrounding areas. The perimeter of the PUD shall be so designed to minimize any undesirable impact of the development on adjacent properties and, conversely, to minimize any undesirable impact of adjacent land use and development characteristics on the PUD.

Berg stated staff have determined that the proposal, with the approval of a Homeowners Association, is in compliance with 2040 comprehensive plan, zoning ordinance, and official zoning map. Additionally the proposed Preliminary Plat and PUD meets the intent of the criteria for granting a PUD based on ordinance Section 56. Planned Unit Development.

Berg indicated as part of the preliminary plat and PUD review, staff offer the following additional review and comments on Preliminary Plat design:

Chapter 62 - STREETS, SIDEWALKS, AND OTHER PUBLIC PLACES - DIVISION 2. - CONSTRUCTION OF STREETS

Sec. 62-69. - Review and approvals. – The City Engineer appointed by the City Council, and at the City Council's direction, shall take charge of the review and approval of final plans and specifications for any or all streets, roadways, and drainage facilities improvements within the City. The City Maintenance Supervisor may do a cursory review of the plans and specifications and direct his comments to the City Engineer.

(1) Review and approval shall be stated in a written report prepared and signed by the City Engineer.

(2) Review and approval shall be conditioned by the satisfactory compliance with this division and other City ordinances and policies as described herein.

Berg stated the Developer, City Engineer, Public Works Manager, and City staff have met with and are working in conjunction with the Anoka County Highway Department to evaluate and address the overall traffic considerations of the area.

Berg indicated additionally, the independent contracted traffic study results have been presented to the City Council and Staff.

- Access – Ingress and egress to the development will be accessible from two locations, Sandhill Parkway NE, and Viking Blvd. NE. The original proposal contained a potential connection at 189th Avenue NE, however, after public comments and discussion, City Staff requested this to be configured only as an emergency access point.
- Open Space - A primary function for a PUD is to encourage development that preserves and enhances the natural characteristics and valuable natural resources of a site and not force intense developments that use all portions of a given site to arrive at the maximum intensity or density allowed. Capstone has proposed over 60 acres of open green space which includes over 10 acres of community park and recreation space with walking trails and unique landscaped buffers.
- Streets – Streets and cul-de-sacs, along with utilities should be constructed in compliance with City Code Section 66 – 164 which requires that streets shall provide for future connections to adjoining un-subdivided land. Staff recommends that the streets be City-maintained public streets throughout the development.

- Housing - The amended plan consists of 242 new single-family homes on a combination of 55', 70', and 80' lots.
- Commercial – The plan includes a 15-acre Commercial Outlot, at the intersection of Highway 65 and Viking Blvd. NE, identified for future commercial space.
- City Services - The plan indicates the new single-family homes will each be connected to the City sewer and water as the entire development is within the Metropolitan Urban Service Area (MUSA).
- Density - The plan consist of an overall density for the proposed developable land that is under 3 units per acres, which is the Citywide density standard based on the 2040 Comprehensive Plan for all properties in the MUSA.
- Environmental – Specific environmental assessment questions, as required by the City Engineer, have been researched and the results from Kjolhaug Environmental Services Company, Inc. have been submitted for review.
- Parks Commission – On November 14, 2023 the developer presented the Preliminary Plat Parks Plan to the Parks Commission. The Parks Commission was agreeable to the \$1,500 fee per lot and 10.95 acres of upland and recreation space with the Park Dedication Fees being directed back to the Viking Meadows public park improvements. A reduction in per lot fee shall be included in the PUD agreement.
- HOA – The plan proposes the entire community of Viking Meadows will be included in a Homeowners Association. It is our goal of the HOA to assist the City with architectural control and standards for residents while providing improved common areas fully irrigated and maintained for all to enjoy. The Homeowners Association, which will be responsible for common areas, landscaping along the entrances of Sandhill Parkway and Viking Blvd. NE, as well as the proposed .7-acre park.
- Design Standards - The plan calls for a minor deviations from design standards however a PUD provides the City flexibility in allowing for exceptions. Exceptions must be defined and approved in PUD/ Developers Agreement. The single-family home construction and architectural design will be required to be in substantial conformity to the architectural plans as submitted.

Berg stated all comments from the City Engineer must be satisfied prior to the application of a Final Plat. Any and all ACHD Engineering comments must be satisfied prior to application of a Final Plat, including but not limited to a Plan Review, ROW Access Permit and County Ditch Review.

Berg indicated the Planning Commission held a Public Hearing at its November 28, 2023 meeting. Only one property owner spoke and was in support of the Preliminary Plat. After review and discussion the Planning Commission, by a 5-1 vote, recommended approval of Preliminary Plat and PUD to the City Council.

Berg recommended the City Council should review the request, consider the Planning Commission's formal recommendation of approval, and consider approval of the Preliminary Plat and PUD as presented in Resolution 2023-85 (Preliminary Plat) and 2023-86 (PUD).

Lewis thanked Berg for his presentation.

Miller stated he was concerned about the road that the City put in for \$3 million dollars. He remembered that being proposed as a road that was going to be used for commercial such as a

collective road like former Mayor Voss had spoken about. He asked what would happen if no commercial went in there and the City residents would have to foot the \$3 million. He noted if that was broken down to the 12,000 residents in the City, that would be around \$250 that each resident would have paid for the road. He asked what would the residents be told now that they had been informed it would be for commercial use. Berg pointed out on the map the five-acre parcel outlot that was designed for commercial use and what was commercial presently including the Kwik Trip and a daycare that was proposed to come in.

Miller stated Kwik Trip was supposed to also have a diesel fuel for semi-trucks which they opted out of because of the expense to build on that piece of land next to them. Berg noted when Kwik Trip had their plans approved, they submitted a revised plan approximately the week before which removed the diesel island. He indicted he did not know why Kwik Trip removed the diesel island or the car wash.

DeRoche stated if they do not put commercial on the road, they were not going to recoup anything on the taxes from a commercial standpoint. Berg noted the City would get property taxes from the 242 homes that would be built adjacent to that which were going to primarily use that road.

Lewis stated he had been told by somebody in the room that unless homes were \$450,000 or more, they were actually a loser compared to commercial properties and they would actually consume more City services than they would pay for. Look noted that was a Senate fiscal study done 15 years ago.

Lewis wondered what were the current numbers. Berg believed MnDOT paid for some of Sandhill Parkway.

Lewis stated he was not sure if the grant was specifically for Sandhill, or it could have been used on anything else. Mundle stated it was for Sandhill and this was fully funded from MnDOT Cares Act, MSA Street Funds, which was money they get from the State. He believed there was one other source also, so it did not actually come from the tax coffers.

Lewis stated for the folks watching, when they hear people throw around SAC/WAC that was basically the sewer and water access charge. He indicated there was a one-time fee when you hook up to them and there was an ongoing cost of using them.

Lewis with respect to the cul-de-sac, he had a conversation this week with a couple of people, and he will have a follow-up phone conversation with a group of people on Wednesday morning. He noted there has been this concept that Planning Commissioner Reiter discussed regarding a fiscal impact analysis or study. He noted it was very common for people to sell development projects based on where they were going to have more property tax or SAC/WAC fees. He asked why was Blaine, who had literally sold every square foot they could build on, having a 19 percent increase in their property tax levy this year. Lewis stated if that was the case, they have a lot of high-density residential, so it was not a panacea necessarily.

Lewis believed Steve Voss (and Steve Voss and him didn't agree on a whole of stuff, but he respected his opinion as a person,) had raised an interesting point, and he was part of the process by which this Comprehensive Plan was developed and was on the Planning Commission, was Mayor, City Council, etc. He believed Mr. Voss had brought up some excellent points, but in the little moment he has to influence things, he really believes sincerely that they need to use a fiscal impact analysis approach to development projects. He indicated you don't just take things like it is a business plan and you don't just count revenues and ignore expenses. He stated you had to look at the whole picture. He

acknowledged there would be SAC/WAC fees, property tax increases, and property tax, but it had to be weighted against what the demands were for services and what was the value of those services.

Lewis stated a fiscal impact analysis was like a complete feasibility study, and it was tempting in their case because of this burdensome debt load that they have due to the water and sewer system. He indicated people have said, "Why do you bring that up?" which he would respond because if they stop paying for it, he will stop talking about it. He indicated this year it's over a million bucks, over \$1,100,000 that we're going to have to cough up. He stated about 18 percent of the City's budget was debt services, and when it was gone, he would not talk about it any longer, but as long as it was 18 percent of the budget, it seemed like fair game. He indicated when you are encumbered like that, it makes you do things that may not be entirely rationale.

Lewis stated that was actually the purpose of putting people into debt slavery. It's done all over the world. China's done a lot of it in Africa. 'Oh you can't pay your loans? You can't pay your debt? Well, just give us all your minerals and we'll call it even.' It's an old, old, old tactic. It's been used by kings and people for centuries.

Lewis stated they were a small fry in that scenario but they did have this debt, and it was very tempting to want to collect fees. He indicated they would offset the reserve capacity loan and pay towards the bonds, but what they really need to keep center focused was what the residents, the current residents of East Bethel, want. He indicated at the end of the day that was all that matters because they were the ones that were going to have to live with the results of whatever development was done and how it was done.

Lewis noted he did not claim to have special insight into what everyone in the City wanted, but that was the balancing point they have to strive to find.

Lewis invited Matt Barker to the podium.

Matt Barker, Capstone, thanked everyone and indicated this has been a long journey. He stated they have been working on this for over six months trying to just listen and work with the City and the public as to the different ideas of how to ultimately improve the Viking Meadows community. He indicated it had been a good journey and he appreciated the discussion, and the opportunities to listen and to make changes.

Mr. Barker stated as they went through the process last summer from June through August, he felt they got a great response from each of the Councilmembers to get them to the point where they had an approved concept, which was what they had before them tonight.

Mr. Barker indicated this was originally presented to them in terms of total homes, 242 homes. He noted at the beginning of this there were 350 homes. He stated there actually was 30 more acres that they were asked to remove from the whole plan also.

Mr. Barker stated they were substantially down from where they started in an effort to just meet what the request was from each of the Councilmembers and the public. He indicated for the final plan, they have invested almost a quarter of a million dollars in putting together the preliminary plat before them now. He indicated they have made a substantial investment, and their hope was they could continue to move towards receiving approval for this plan.

Mr. Barker stated with respect to the commercial parcel that had been brought up a few times, Capstone was not retaining that parcel, and Ken Meadows wants to keep that. He indicated Mr. Meadows was continuing to promote the development of it.

Mr. Barker stated there is a lot of mitigation of the soils, peat, wetlands, and other things that have to be done in order to do sensible development. He noted it was their goal to preserve as much of that as possible and that was why there was almost 60 acres that were preserved within the Viking Meadows community. He stated the Viking Meadows golf course will need to make decisions as to exactly what they want to do with the 15-acre parcel. He noted they haven't seen the true soil borings and analysis of that. He stated they had heard that there was an interested party in that and it was their intent to continue to promote that for commercial growth.

Mr. Barker stated when they looked at it this time and received information from the City staff, they looked at what was best suited for residential and commercial and that information was what helped them draft the plan before the Council tonight. He pointed out the various areas where commercial could go in on the map. He stated they would not have looked at the sod farm as a residential community.

Lewis asked if Mr. Barker got the irony. He stated they were talking 155 acres from a commercial use as a golf course, which was a business and putting it into residential. Mr. Barker noted they were doing their best to... Lewis stated in the context of the Comprehensive Plan, it literally moved from commercial to residential. He asked if Mr. Barker thought this was ironic. Mr. Barker stated they were looking at best use practices, but he did understand Lewis's comments.

Lewis stated he told them when they met several months ago that he voted against Elevage and it was a matter of incongruence with East Bethel, but that was just his opinion. And he wasn't speaking for anybody else. Lewis indicated it seemed "in congress to me and the nature of East Bethel," but this was...you get Steve Voss's point as he heard his letter and he is an environmental engineer. Lewis stated Mr. Voss was Mayor for a long time and he's dealt with a lot of these issues they were talking about. He is a very smart guy. Mr. Barker responded, absolutely.

Lewis indicated it was worth putting a bit of weight on what Mr. Voss said. Mr. Barker stated he could concur with that as he had read the same document that was presented earlier. He indicted one of the things that it said was there is a commercial development on Highway 65 and he understood Elevage had a great commercial access right to Highway 65. He indicated that was right from the City's Comprehensive Plan. Mr. Barker stated he believed the language was... Lewis stated of the two parcels he believed Elevage was the better for commercial development than even the western chopped off chunk of Viking Meadows. He believed it was a prime piece.

Mr. Barker stated he could not speak to that process and how that happened. He indicated their goal was to bring forward an option to the Council, which they had done over the last six months and their feedback indicated they were going in the right direction. He indicated that plan was approved and that was what they had in front of them again tonight.

Lewis stated they inherited the Comprehensive Plan, which was developed by other people and not them for the most part. He noted they were getting feedback from the community as this project became known and it was a balancing act between the Comprehensive Plan and the controlling the current situation. He stated they were not anti-development and that was not it.

Lewis stated it seemed that design was driven by the costs \$700 of lineal foot, or whatever it was for water, sewer, and everything and that was the part that seemed inconsistent with most of the methods and seemed kind of off. Mr. Barker thanked Lewis for sharing his feedback.

Miller stated he had asked about the 20 percent commercial for the third time now over the last six months. He asked why was he being told that this is how it was looked at now. He indicated nobody explained they had a big plat of acreage and so far they've used up so much and this was allotted for

this. He noted he didn't even know Capstone wasn't going to keep the 15 acres, and he thought Capstone had the 15 acres they were going to plan for future commercial buildings. Mr. Barker responded that parcel was a large parcel and that corner was included in the parcel. He indicated it is basically a 40-acre parcel, so when they plat, that gets separated and they do not have it. He stated they were not a commercial development company – they are a home builder. He indicated that was being left in the hands of the Viking Meadows Golf Course and he apologized if this was new information. He noted it was somewhat new because it was now being shown as a part of that preliminary plat and was not a part of the discussion in the past.

Mr. Barker stated the 20 percent came forward to the Planning Commission and that was a concern brought forward by one of the Planning Commissioners and he felt it was important to share a bit more about his understanding of that.

Mr. Barker indicated Berg had done a good job of helping them understand they were learning a little bit alongside of him how that 20 percent went over the entire area, and not each parcel had to have 20 percent. He noted just trying to understand that better was important and it offered opportunity for discussion.

Lewis stated at a recent Planning Commission meeting, there was a debate about lot widths and where they were measured versus setbacks. He asked what was the final disposition of that and what was the truth of the matter because he believed it was Mr. Barker that maintained that a lot width was determined at the front of the setback, not at the road. Mr. Barker explained how the lot width was determined.

Jochum stated each city has a different definition. The City of East Bethel's line is at the right-of-way, unless it's an irregular lot, and then there's some flexibility where it's measured. Lewis stated, no wonder it wasn't clear, it was not clear and sometimes that is the explanation.

Berg noted they did have a specific section in the Ordinance that stated irregular shaped lots might not meet certain standards, but as long as the developer places the structure compatible with the standard lots around it, that was acceptable. He indicated it called for some variation and allowed for irregular shaped lots, but it did not define what an irregular shaped lot was.

Lewis stated that was as clear as mud and asked what the term 'view shed' meant. He indicated he had never heard that term before. Mr. Barker responded view shed was when one of the houses overlooking the open space that outlined a view that was "phenomenal," or a view of the park was a view shed.

Lewis stated basically it was just the view. Mr. Barker responded it was an actual term, and landscape architects used it, but they might not have heard it before.

Lewis asked what did they foresee as the buffer between the closest to Highway 65 and what was used for a noise barrier (berms, trees, etc.). Mr. Barker responded there would be trees and buffering along Meadows Drive and the school would also have more trees and buffering. He indicated the tree line on Sandhill Parkway would not be touched. He stated they also had more tree structure and buffering in the landscape plan adjacent to Elevage as well. He noted on Viking Boulevard, there were plenty of big standard trees and the trees between Viking Boulevard and the golf course where you turn in would remain. He indicated there was a lot of trees that were left and they tried to keep those beautiful view sheds.

Smith asked if Capstone was strictly a residential developer. Mr. Barker responded yes.

Smith stated the way the development was laid out there was supposed to be so much commercial in there and now Mr. Barker was saying that the northwest corner was basically going to be retained by Viking Meadows and it would be their responsibility to develop that. Mr. Barker responded it was their opportunity to develop it, correct.

Smith asked if Capstone would have nothing to do with that. Mr. Barker responded that was correct and that it would not be theirs and it will remain as a platted outlot that could be developed.

Smith stated that may never even happen. Mr. Barker responded they could not control development. Smith indicated he understood that, but they need to think about if they want the commercial to be there, then they should probably have a developer that did commercial and residential and plot the whole thing.

Smith noted after looking at the plans and the home on the cul-de-sac where they wanted 7 or 8 homes there, his concern was with snow removal and stuff like that. He asked Ayshford how many times did they have to haul snow out of Aspen North last year. Ayshford stated they were up there a couple times because last year had a lot of snow.

Smith stated this was for a safety factor and if they had to get the Fire Department vehicles in there, it was going to be very tight to do that and he would be surprised if you don't back out of your driveway into your neighbor's because it was that tight. He noted he had suggested going up there and look at it. He stated he was not in favor of that. Mr. Barker stated with respect to the cul-de-sac question, they had another development they had done recently that had a 29-foot street and a smaller radius cul-de-sac and he would be happy to share with the Council more about how they managed the snow concern with that development. He noted on that cul-de-sac, they were able to create different areas where that snow could get piled up and it worked really efficiently for that community.

Mr. Barker indicated last year they had record snowfalls and there was no snow hauled out of there due to their efficient design. He indicated with a narrower home and a narrower pad, they had the ability to show the Council how that would work and how it did work in a previous development in Andover.

Smith stated he had heard a lot of the time that they are going to pile the snow in the middle, which to him was dangerous too because kids love to build stuff out of snow piles. He indicated they had to make decisions on this stuff for safety and how much it cost the residents. Mr. Barker stated this was probably even more of a concern in a multifamily townhome complex and it had the same challenges. He indicated he had the privilege of managing a lot of those prior to her development experience and Smith was right that it was a lot of work, but it was completely manageable and could be mitigated.

Smith stated he saw that this was going to cost the City to maintain it once Capstone was done and gone, so anything efficient he would like to know about. Mr. Barker responded they had the same product on a 40-foot lot in Cottage Grove and it had three cul-de-sacs, so it was even tighter in that regard and again there was no snow removal because of the engineering methods that were used. He indicated there was also an HOA here so there is some efforts that the HOA could maybe take to help with some of those impacts that could be further researched also.

Smith asked if Capstone was creating the HOA or was the City going to be responsible for that. Mr. Barker responded the HOA would be established over the entire community and the community would be responsible to that association. He indicated eventually Capstone would step out of the development and at that time, the HOA would be turned over to the homeowners who would then enact a Board that would then take care of their community moving forward.

Mr. Barker stated the HOA would take quite a bit of responsibility off the City because the homeowners' Board then would become responsible for some things like Code enforcement and how their association was being cared for by the homeowners. He noted there was a lot of benefit to that and they have found a lot of success with this type of a community. He indicated that was their specialty and it was something they had done for 12 different communities.

Lewis stated he could not speak for anybody else, but he was not prepared to do anything on this tonight. He indicated he needed more time to think about this and secure opinions of other people and the residents.

Mundle asked if Lewis would be interested in meeting with Capstone further... Lewis stated he did not think it was a matter of meeting with Capstone.

Mundle continued...to discuss the possibility of including any more commercial or anything like that. Lewis stated he did not think commercial was the issue, especially since they do not own that. Lewis indicated this was a lot of information to process and the one thing that was good with this City Council is they are real detail oriented and deliberative. He indicated this was a big consequential project and they want to make sure they do their due diligence and he did not feel comfortable yet making a call one way or the other.

Mr. Barker responded he appreciated the comments and indicated their goal all along has been to provide the City with information. He noted they have done their research with environmental groups and the NHS letter was another item that came forward when they did the research with the State on environmental issues. He indicated they had done a lot of other research with regard to many of the other components. He asked the Council to give them an opportunity to answer any questions or any other things that might come up.

Lewis noted they would continue to ask questions.

DeRoche asked if they had done an ecological impact statement. Mr. Barker asked what was an ecological impact statement. DeRoche stated he did not know what it was called nowadays. Mr. Barker responded they had done an environmental worksheet and they had been asked by staff to provide some responses to several important questions on that. He noted there were four questions in their packet regarding the environmental study. Berg indicated this was Attachment 9 to the Council's packet.

Mr. Barker stated there was a lot of detail about the different environmental components of the community there.

Lewis asked Look if he had any thoughts he wanted to share. Look stated he could certainly vouch for Capstone's integrity and that they build a great product. He indicated what he would say was that there was some discussion about the road coming through and the cost residents paid for that. He stated he wasn't with the City when the discussion was held about the commercial, but he noted a development like this would impact their tax capacity. He indicated the City established their budget, which was their pie and everybody got a slice of that pie (commercial, industrial, residential) and the more entities they have, the lower their tax capacity was and the more tax capacity they had. He noted the lower percentages helped to offset the cost of the investments that had been made in there thus far, but it was really a policy decision as far as it related to how this mixed-use development took shape.

Look stated as a builder, Capstone had high marks from him and they had done a great job in Ramsey. He indicated Capstone did exactly what they said they were going to do. He noted Capstone sold

homes like crazy in Ramsey, so there was definitely a market for those homes and he would expect these homes would sell well also. He indicated they might not be everybody's flavor of home, but there were some people that loved living in townhomes and some people liked living in apartments, etc. He stated this community did offer various different housing options, which were not necessarily a bad thing for lifecycle housing. He noted this development had the whole lifecycle. He indicated this was just a policy decision. Lewis thanked Look for his comments.

Miller agreed with Lewis. He stated there was a lot of information and he learned some things tonight that he did not know before. He indicated this was a very important project. He stated he would like to hear more from the residents.

Lewis stated this was not a "paralysis of analysis," and he was familiar with that syndrome – people who could never make a decision. He stated that was not them and they could make a decision. He noted a process they all do when making big decisions, big purchases, etc., and you get to a point where you are comfortable making it and until you get there, you are not comfortable making it, especially when you are doing it on behalf of 12,000 other people. That was the hard part – that they are making a decision on behalf of their fellow residents.

Berg stated Section 66-77, Subd 10 gave the Council 60 days from the date of application and approval from the Planning Commission to make a decision, so they will have approximately three meetings before they reach the 60-day limit. He noted they would need to provide a reason to the developer for an extension. He stated he wanted to give the Council this timetable now for them to keep it in mind when they were thinking about further digestion of information.

Larson stated it has been his experience when a council is dealing with a development of this nature – preliminary plat and a PUD, especially when they both come before a Council, it was fairly standard for a Council to table for the very reasons Council had noted and there was a lot of information to assess. He indicated a motion to table this to the December 27 meeting would be appropriate based on his experience.

Miller noted this was 289 pages the Council received on Friday afternoon, so it was a lot of reading.

DeRoche stated I'll make a motion to table to the December 27, 2023 meeting. 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.**

Lewis stated the NEXUS facility that came in about six months ago was very patient with them and the Council was very deliberate. Mr. Barker stated they appreciated it.

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

None.

9.0 – Other Items

9.0 A Staff Report

Look thanked staff who were very accommodating as he was coming up to speed and diving into the budget, etc. Look indicated they had started off right away with contacting an AV company to start addressing some of the concerns and giving an analysis of what they feel might be some of the deficiencies along with some of the costs associated with it. He noted they should be receiving information back from them soon.

Look thanked Ayshford for the tour of East Bethel.

Look stated they were doing some research on public opinion options and more information would be coming on that.

Look stated he was keeping a watchful eye on the County and its position on 22 and 65. He noted from having been part of that work on Highway 10 and Highway 65 most recently, he believed the time was now to start getting before the legislature.

Look thanked staff again for their incredible work and stated the City had a great team assembled.

Lewis asked if Look had any more information about the *East Bethel Bulletin*. Look stated he had spoken to Frost today and they were in the process of evaluating some of the information to make sure it was still current before it went to publication. He indicated in his past work, he was familiar with different printers and mail houses, so one of his goals was to try and identify what the current rates were that were being paid, and if there were savings that could be achieved.

Lewis stated they needed reliability and more frequency of it. Look responded staff was working on that. Lewis stated he was not emotionally committed to it coming out six times a year instead of four, but it might be a useful thing to do. He thanked Look for the update and welcomed him aboard.

9.0 B Council Reports

Mundle wished everyone a Merry Christmas and happy holidays.

DeRoche noted the ice on Coon Lake was rather thin and a gentleman found that out last week when he went through the ice with two of his dogs. He noted two people went through last week also.

Lewis wished everyone a Merry Christmas.

Smith wished everyone a Merry Christmas.

9.0 C Other

None.

9.0 D Closed Session**9.0 D.1 Purchase or Sale of Real Property – M.S. Section 13D.0 Subd 3(c); Discussion of Sale of City Property: PIN 29-33-23-33-0002**

Larson stated thank you Mr. Mayor. For the benefit of the public, we'd note that at this time the Council's about to go into Closed Session to review the discussion of sale of City property, PIN 29-33-23-33-0002 under Section M.S. Section 13D.0 Subd (3)(c).

This Closed Session will be tape recorded as required by Statute with that tape being maintained for a period of two years. The Council will come back into Open Session after having concluded its Closed Session and announce if there are any actions taken during the course of the Closed Session. With that being said, Mr. Mayor, I recommend that a motion be made to go into Closed Session for the purposes I've indicated.

DeRoche thanked the City Engineer for showing up and answering some questions.

DeRoche stated I'll make a motion to go into Closed Session at 8:40 p.m. for the purposes that City Attorney's indicated. Miller stated I'll second. Lewis asked any discussion? All in favor say aye? **All in favor.** Lewis asked any opposed? That motion passes. **Motion passes unanimously.**

Lewis thanked them for their help on the fiscal impact thing too.

(Council moved into Closed Session.)

(Council reconvenes Open Session.)

Larson stated thank you Mr. Mayor. For the benefit of the public and for the record, we note the Council is back in Open Session after having concluded a Closed Session. The Closed Session was attended by the entire Council, City Administrator Look and himself and by consensus the Council directed staff to proceed forward with the potential sale of City property to an interested party and if able to secure a potential purchase and sale price, with the purchase agreement having the sufficient terms and conditions to the satisfaction of the Council and the agreement be brought to the Council for approval and if that occurred. With that being said, Mr. Mayor, that concludes the summary report required.

10.0 Adjourn

Miller stated I'll make a motion to adjourn. Deroche 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 10:04 PM.

Submitted by:

Kathy Altman

TimeSaver Off Site Secretarial, Inc.