

# EAST BETHEL CITY COUNCIL MEETING

January 22, 2024

The East Bethel City Council met on January 22, 2024, 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

## 1.0 Call to Order

The January 22, 2024, 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 with the addition of the supplemental payment summary to the bills list and item F to the Consent Agenda regarding Inspection Services Agreement. 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 Presentations and Public Hearings

### 4.0 A Housing Study presented by Karen Skepper, Anoka County Director of Community and Governmental Relations

Look welcomed Karen Skepper, Anoka County Director of Community and Governmental Relations, to the meeting.

Ms. Skepper presented the results of the Anoka County Housing Study report, noting the robust growth in the entire Twin Cities area including Anoka County. She explained they also found that there are still labor shortages and a very tight rental market which means there is not enough housing for people. She reviewed details related to housing demand as well as senior housing demand. She explained that Anoka County is a 'jobs exporter' which means that more of their residents leave the County in order to go to work than stay. She noted that the County has many 'cost burden renters' which means they pay more than 30% of their income in rent. She explained that on average, the County's renter households make less than \$35,000 /year which equates to about 82% of those individuals being cost burdened and 60% of them severely cost burdened because they are paying more than half of their income for rent. She reviewed details related to cost burdened homeowners and explained that 18% if all homeowners are cost burdened and 6% are severely cost burdened. She reviewed affordable housing production in the County and explained that an additional 1,935 units were needed in order to meet 2030 demands. She noted that the County has an aging 'Baby Boomer' generation which substantially impacts growth and also shifts the demand for products other than single family housing.

Ms. Skepper shared details from home sales in the County including that the median resale value in the Twin Cities was \$416,870 which is an increase in 46% since 2018. She outlined the household growth expectations which are expected to be over 10% over the next decade with an anticipated population growth of 8.7%. She explained that the average household size in the County, as of 2020, was 2.8 people and is expected to remain stable to 2030. She shared some statistics associated with household mobility and noted that she found it interesting that 89% of households did not move in 2021 and of the people that moved, 5.4% of them moved out of the County, but stayed in Minnesota and 4.1% moved to another County location.

Ms. Skepper presented various demographic and employment trends that were revealed in the study. She explained what they found specifically for East Bethel is that the new market rate rental housing and senior housing have been well received. They believe there will be a need to increase lot supply over the next 2 years in order to meet the demand for owned housing and suggested that cluster housing on smaller lots could target entry level home buyers.

Ms. Skepper stated with rental housing in the City, there is demand for 83 units and she would encourage additional products for low and medium density. She noted that the demand for senior housing is 159 units for active adult, 70 units for service enriched, and would recommend a focus on active adult ownership or rental possibilities. She expects the final version of this report will be available to the City in about 60 days and explained that they strongly encourage the City to review the information included in their report, especially the recommendations.

DeRoche asked if subsidized housing meant just Section 8 type housing. Ms. Skepper clarified that was not the case and explained that there were a lot of ways to subsidize housing. She noted that Section 8 and public housing were the two oldest forms of subsidized housing, which were created by the Federal government. She shared examples of other types of subsidized housing, such as student housing for a college student, or a local church helping to pay area rents.

DeRoche asked for an explanation of income restricted housing. Ms. Skepper explained that income restricted housing would be a case where their income was looked at one time in order to qualify.

Miller asked if the County had one market rate or if it changed from city to city. Ms. Skepper stated that their 4 buildings each have different rental rates which are based on the community, when it was built, and interest rates, because they want their buildings to cash flow.

DeRoche noted that Ms. Skepper had made a statement during her presentation that Anoka County workers could not afford housing and asked what she felt the answer to that problem may be. Ms. Skepper stated she felt there were multiple ways to address this issue, for example, getting a roommate, side jobs, or renting out a room in your home in order to afford living here. She explained that statistically, based on the primary source of income versus housing costs, it is really a challenge, especially if it is new construction.

DeRoche asked whether the County would kick someone out if they did some of the things she mentioned, like take a side job as an Uber driver, because they were making more money. Ms. Skepper explained she presented statistics that were pulled from the general labor market. She noted that in the County's 3 senior buildings, they check their income one time, but noted that if it was a deep subsidy, they would most likely have to certify income on an annual basis and would have to report all their different sources of income, but noted that there was very little of that type of affordable housing in this area.

DeRoche asked the name of the company who had completed this report for the County. Ms. Skepper answered that it was Maxfield Research.

Lewis thanked Ms. Skepper for her presentation and noted he found it very informative and a bit alarming in some instances, for example the prices people are paying.

Ms. Skepper agreed that some of the numbers were alarming but explained that this is the type of information that developers, both commercial and residential, want to see and she believed that this study will be a good tool for the City.

**Informational; no action required.**

#### **4.0 B ACSO Monthly Report**

Lieutenant Derek Peters presented the December 2023, Sheriff's Report, stating the Sheriff's Department responded to a total of 314 calls for service which was the lowest total for the year. Deputies responded to 1 burglary, 1 theft report, and 1 assault. There were 17 total arrests made in East Bethel and Deputies' traffic enforcement efforts resulted in the issuance of 43 traffic citations on City roads, which was our highest monthly total in 2023. He gave a brief overview of some of their notable calls in the month of December. He stated that the total calls for 2023 were 4,797 which was well below the total calls for 2022 of 5,077, but noted that theft, assault, and alcohol related driving calls were slightly above past years but traffic crashes were significantly lower.

DeRoche asked if Lt. Peters felt the traffic crash numbers being lower was due to the lack of snow. Lt. Peters confirmed that he believed that the lack of snow affected those numbers.

Lewis asked about the theft calls and if they were from cars or residences. Lt. Peters answered that the one they handled last month was from a residence or structure and explained that if it had been from a car, it would have been labeled with motor vehicle in the description.

Smith asked how many calls there had been to Nexus since they have opened. Lt. Peters stated that he knows there have been several but would do some digging and bring back specific details for the City. Smith requested that he send this information via e-mail.

**Informational; no action required.**

#### **4.0 C Fire Department Monthly Report**

Fire Chief Sanow presented the December 2023 report and noted that they responded 76 calls, of which 61 were medicals, 1 crash, 5 alarms, 5 burning/smoke, 1 other, 0 fires, and 3 mutual aid. Chief Sanow stated that in 2023, the Department responded to 962 calls, which was slightly above the 923 calls that they had in 2022. He explained that of the 962 calls, 730 were medicals, 61 accidents, 58 alarms, 38 burning/smoke, 20 fires, and 16 mutual aid calls. He noted that of these, 114 were duty officer calls and, on average, they had 4.5 firefighters respond per call. The average firefighter responded to 134 calls for the year which equates to 2.5 calls/week. He explained that the average firefighter responded to 44% of their calls when they are only required to respond to 30%.

Fire Chief Sanow reviewed that yearly training requirements for the firefighters and EMTs. Staffing for the Department is currently at 2 full-time individuals, 29 paid on-call staff which have years of service anywhere between 42 years to 22 days. He noted that there are 5 members of the Department that have over 20 years of service to the Department. He stated that about 22% of the Department is female of 7 individuals, which is far above the State and National average. He reminded the Council of the upcoming breakfast at Station #1 on Saturday, January 27<sup>th</sup> from 8:00 a.m. to 11:00 a.m. and the cost would be \$8/adult and \$4/children (12 and under). He stated that depending on the weather, they may or may not be able to have the fire trucks out and a helicopter landing.

DeRoche asked what type of calls were depicted in the 'other' column. Chief Sanow explained that those would be calls that were not classified. Deroche requested that for future reports the purple highlighter not be used because it is difficult to read.

**Informational; no action required.**

## 5.0 Public Forum

No one spoke in the Public Forum.

## 6.0 Consent Agenda

Item A: Approve Bills

Item B: Approve Meeting Minutes January 8, 2024 City Council Meeting

Item C: Res. 2024-07, Appoint Election Judges for 2024 Presidential Nomination Primary

Item D: Res. 2024-08, Designating Data Practices Responsible Authority

Item E: Res. 2024-10, Arbor Day Declaration April 26, 2024

Item F: Inspection Services Agreement

**DeRoche stated I'll make a motion to approve Consent Agenda as amended with supplemental payment summary to the bills list and item F, Inspection Services Agreement. 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 New Business. Commission, Association, and Task Force Reports

### 7.0 A Planning Commission

#### 7.0 A.1 Preliminary Plat: 1788 Viking Blvd NE – Capstone Homes, Inc.

Berg stated presented the request of Capstone Homes, Inc for a Preliminary Plat/Planned Unit Development (PUD) for 1788 Viking Blvd. He noted on November 28, 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. Berg presented the following details:

- 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. Only one (1) property owner spoke and was in support of the Preliminary Plat.
- At the January 4, 2024 meeting between the City Staff and the Anoka County Highway Department resulted in an Addendum to the Traffic Impact Study to focus on the intersection of Viking Blvd and Sandhill Parkway.

Berg noted the addendum results reported: "In summary, we assumed no signal (existing conditions) at TH 65/187th with 98% of the background traffic going north on Sandhill to Viking to access TH 65. 2028 Build traffic operations are acceptable but westbound right turn queuing does increase at TH 65/Viking. Operations at the TH 65/187th Lane RCI are acceptable with the reduction of traffic. This information is included in tonight's agenda packet.

Berg stated Mn/DOT was provided the Addendum Results along with the Modeling information used. Although not a formal comment letter, a Mn/DOT Metro North Traffic Safety Area Manager representative advised that the addendum will likely no longer require an Intersection Control Evaluation (ICE) as was identified in their initial January 8, 2024 review of the Traffic Impact Study. This information is included in tonight's agenda packet.

Berg stated a Fiscal Impact Study was requested by the Mayor. City Staff in combination with the Mayor compiled the potential forecasted impacts. This information is included in tonight's agenda packet.

Berg stated staff have determined that the proposal, with the approval of a Home Owners 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.

Berg stated the developer, City Engineer, Public Works Manager, and City staff have met with and are continuing to work in conjunction with the Anoka County Highway Department to evaluate and address the overall traffic considerations of the area. The independent contracted traffic study results have been presented to the City Council and Staff. 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, right-of-way (ROW) Access Permit and County Ditch Review.

Berg explained that after the additional reviews of subsequent information along with the original request, City Council may consider the Planning Commission's formal recommendation, and consider approval of the Preliminary Plat and PUD as presented.

**Mundle stated I'll make a motion to adopt Resolution 2024-04, Approving Preliminary Plat Viking Meadows. Lewis stated I'll second.** Lewis asked any discussion?

Mundle asked if there had been any more conversations about having commercial along Sandhill. Lewis noted that when he met with Administrator Look, Community Development Director Berg, and Public Works Manager Ayshford, they did look at the 15.66 acres on the southeast corner of Viking Boulevard and Highway 65. He stated that they wanted to know current information on how useable it is for commercial property.

Lewis noted when they met with Capstone, they mentioned Mr. Voss' concern about the development encroaching right up to Sandhill Parkway and wondered if it was possible to lop off the one cul-de-sac and preserve 10-15 acres. Lewis stated he believes he would be correct in saying that they were pretty adamant that they would have to make up for the loss of those homes somewhere, such as the 30 acres that was previously part of this that was outside of the Metropolitan Urban Service Area (MUSA), but explained that the City had viewed expansion of the MUSA as more egregious than the loss of that potential commercial property that abuts Sandhill Parkway, especially in light of the precedent of Elevage, which he had opposed, and had used a considerable amount of the available commercial property. Lewis clarified that of the two choices, they felt that would be the poorer choice.

Miller stated that he was all about what Capstone was trying to do in this location and explained that he liked both the concept plans and the development plans and had voted for them in the past; however, he was seeing something that he did not feel good about. Miller explained that the Council was tasked with making important decisions that affect the wellbeing and the future of the City. The decisions the Council makes are based on Ordinances which are in place to ensure safety and prosperity for the community. However, in recent times, they have been faced with the challenge of a concept plan presented by the builders that tend to push the boundaries and maximize profits while selling 'their' vision to the City rather than what he would consider 'ours'.

Miller stated he understands that growth and development are crucial for the success of their City. He also has to consider the plans and how they align with the best interests of the community, as a whole. Miller asked if all the concerns and potential issues were thoroughly addressed in the concept plans or if there were still unanswered questions. Miller stated if there were still unanswered questions, he would ask if it was fair to proceed without proper clarity, noting he had been elected to the Council by residents who trusted him to make the proper decisions.

Miller explained that he did not think the responsibility was just about making the right decisions and is also about ensuring that the public is informed and aware of the decisions being made. He felt that they had been adamant through this whole process and was also why the Council had tabled some things, because they needed answers. Miller asked if the residents who had elected him would be comfortable with the choices that are being made if they didn't have all the answers and didn't know things like who was responsible for the HOA, grass clippings, keeping the trails nice, and snow removal. He stated that realistically, the 'open spaces' in this plan are ponds that have a trail around them and are not truly what he would consider open spaces. Miller explained that when he sees open spaces in other communities, he sees things like park benches, swing sets, and places for families to gather and what he sees in this plan is a holding pond for storm run-off that has a trail around it.

Miller stated that he did not want to make a hasty decision without thoroughly considering all the aspects and wished there had been more input from the City because as he has gone around talking to people, he has gotten various comments that vary between loving it and hating it. Miller stated East Bethel needs development, but they are also looking into the face of criticism on social media and giving preliminary approvals without the full picture is insufficient. He believes the Council must act and be steadfast when they act in the best interest of the City. Miller noted he understood that in some cases time is of the essence, but sacrificing the well-being and the quality of life in the City is not an option.

Miller explained that this decision is not an easy one because there will always be opposing views and criticism, but, at the end of the day, it is the City itself that is what truly matters. Miller noted his job as a member of the City Council is for this plan or criticizes it, they are all on the same page because they hope for and want what is best for the City. Miller stated to achieve this goal, every decision the Council makes should contribute to the progress and betterment of the City.

Miller reiterated that fast action without all the answers equates to poor leadership and explained that he refused to have that be a label associated with this name. Miller stated he had questions that he wants answered about this development but clarified that did not necessarily mean he wanted to throw it all out of the window. Miller gave the example of calling something an open space and if they do that, it should truly be an open space.

Miller explained that if the City has rules and Ordinances that they go by, he thinks they need to examine some of the cul-de-sacs because he believes that 7 or 8 houses is too much and is shoving

too many houses in. Miller reiterated that he did not want this plan to walk away but does want the developer to pick up their eraser and change a few things. Miller stated that there were a lot of things that the Council was saying okay to and there will be more approvals coming in the future but noted that he would love to see it keep going in the right direction because he wants to be part of Capstone, and believes that the City felt the same way. Miller reiterated that the plans, in his opinion, as presented, are not quite there yet.

DeRoche asked if the City had gotten all the responses that MnDOT and the County had asked for or if they were still waiting for information. Berg explained he had received preliminary information but was still awaiting a formal document from MnDOT. Berg explained that Viking Boulevard is a County road and Sandhill Parkway is a City street, noting MnDOT's preliminary approval has made him feel a bit more comfortable that they aren't putting as much stock in it because they are not tying up 187<sup>th</sup> and Highway 65 like what was examined in the first study. Berg reiterated that with the preliminary approval with MnDOT saying that they likely would not require that additional study at 187<sup>th</sup> and Highway 65, he felt more comfortable moving forward.

DeRoche stated that his understanding is that Capstone will put the roads in and then the City will take them over. Berg agreed that it would be handled like any other development in the City. DeRoche asked if that meant the roadways would all have curb and gutter. Berg confirmed that the roads would have curb and gutter. DeRoche stated that the homes will all be pretty close to each other and he believes that in the City you cannot park on the lawn, nor can you park overnight on the roads. Ayshford clarified that from November 1st to March 31st you cannot park overnight on the roadways.

DeRoche explained that this made him question where people would park and how the City would be able to plow the streets safely and asked if these things had been considered. Berg stated that he understood this concern, but from his perspective, the streets will be engineered to City standards, which means there are two driving lanes and two adjacent lanes for street parking and as stated, the City does have a snow ordinance that applies from November to March. Berg noted that is a City-wide ordinance that would apply to the entire City, including this development. Berg reiterated that the streets will have curb and gutter. Berg explained that just like any other urban city, the streets have been designed to hold the number of cars for an urban city standard.

DeRoche asked how the City dealt with the 'no parking' situation because any MSA road that the City has done has 'no parking' signs. DeRoche asked if it allowed for parking on one side and not on the other. Ayshford stated that he believed Councilmember DeRoche was referring to State Aid roads. These roads would not be in that category and would be an urban design similar to what they have in Whisper Aspen or Viking Preserve. Ayshford stated that means there is parking allowed on the street during the day, overnight during the summertime, with nothing allowed overnight from November 1<sup>st</sup> through March 31<sup>st</sup>.

Ayshford explained that when they do plow, which would be anytime there is a 2 inch snowfall, that would also mean no parking on the roadways for any street in the City. If they do come across a vehicle parked that causes a problem, they will call the deputies who can ticket the vehicle, and if it is blocking the street, they can tow it as well. Ayshford explained that this does not happen very often and noted they try to work with the homeowners when possible, including knocking on doors, if necessary.

DeRoche stated that initially these will not be an MSA road, but will become the City's and asked what would happen if they want to use any State funding for it. Ayshford clarified that the City would

not be able to use State funding for it and MSA funding has to be for arterial and main connection type roads that are higher volume, which would not include a residential street such as this.

Smith commended Councilmember Miller for his statement because he put a lot of thought into what he said and he also agreed with him. Smith stated that the cul-de-sacs have been an issue for him all along and noted that if there is another winter like they had last year, they will not be able to pile the snow in the middle like people say. Smith expressed concern with being able to get emergency vehicles in a cul-de-sac that has 7 or 8 homes on it and stated if there was snow, he did not think it would be possible.

Lewis asked if this issue had been addressed within the engineer's report. DeRoche stated he has read through a lot and did not think he had seen anything about that. Lewis stated that he also had not seen this addressed and noted that, at this point, it was the only concern that he had. Berg stated that he, Public Works Manager Ayshford, the City Engineer, and Capstone have gone over cul-de-sacs on multiple occasions in their weekly meetings. Berg explained that Capstone has provided them with information on cul-de-sacs that are similar in nature to what they are proposing and suggested they present this information to help alleviate some of the concerns about things like snow storage.

Lewis asked if the Fire Chief had reviewed these plans. Berg confirmed that the Fire Chief had reviewed the plans and had no comments other than creating an emergency exit at 189<sup>th</sup>.

Matt Barker, Capstone, stated that following their discussions regarding cul-de-sacs, they have gone back and reviewed those details. He and explained that cul-de-sacs are actually smaller than what they are proposing here. Also, they have more homes on them which have also gone through the last few winters, which have been pretty severe.

Barker explained there was enough placement areas as they are making the rounds with the snowplows and noted that they are all on public streets. Barker clarified that the cul-de-sacs have not caused an issue which was the information they had shared with the City and explained that they were proposed a 50 foot radius design which is a bit larger than what they had designed in most of their other developments so he was confident that there would be ample room for snow storage. Barker stated that he believed there were various snow removal techniques that were budgeted for in the City and reminded the Council that this will have an HOA, which gives them the ability to work with the City if there is a need for some snow abatement. Barker explained that last year had large snowfalls and some of their 45 foot cul-de-sac didn't even have any problems.

DeRoche asked what packet these design details were included in. Berg clarified that they were in the November 28<sup>th</sup> packet.

Barker thanked Councilmember Miller for his comments and thoughts and noted that he had jotted down a few things while he was talking. Barker stated that one of the things he heard was concern about the open spaces and referenced the last rendition that had been included in the Park plans which shows a bit in the landscaping plans. He believes that they are preserving hole #8 or hole #9 as an open space, so it will be green open space, not a pond, and the City will be getting 10 acres of green space that will be connected by trails.

Barker stated that he could try to answer any other questions the Council may have. Miller stated that he would like to know where the other cul-de-sacs were located that Capstone has referenced because he would like to drive through and look at them. Barker stated he can send him that information and listed off Andover, Ramsey, and Cottage Grove.

Lewis asked if he was correct in understanding that the Fire Chief, City Engineer, Public Works Manager Ayshford, and City staff had reviewed the cul-de-sac layout, as proposed, and did not see any problems with snow removal or access of emergency vehicles. Berg stated that was correct and explained the only concern that has surfaced in their conversations with the City Engineer were related to the radius of the curve on this street in relation to the City Code because they would need to make an exception in the PUD language for its radius. But this was not related to the cul-de-sacs.

Smith asked what the HOA would be responsible for within the development. Barker stated that there will be a few components to the HOA that he felt would be beneficial including one central garbage hauler, green space throughout the development, improvements to welcome people into the community such as the entrances that will be irrigated and maintained by the HOA, central mailboxes, as well as overall architectural improvements. Barker assured the Council that the possibility of the HOA going is almost none because it is very difficult.

Lewis asked if Capstone would actually be involved in the HOA or if it was something that the residents would manage themselves. Barker stated that Capstone remains involved until the last home is sold.

Lewis explained that he was very concerned about the traffic impact this development would have, especially on top of Elevage regardless of what Mr. Osborne does with his property. Lewis noted he had very closely studied the traffic study, including the technical documents and appendices that he had requested from the applicant as part of his due diligence. Lewis explained he had stated at an earlier meeting that he was an economist by trade which means he is data and analysis oriented and looks at whether the assumptions and techniques are correct because if they are, you can believe the results to the best of their ability.

Lewis stated he had originally been concerned about this development but noted that he had come around and wants to see the City have a consistent approach to development projects which means asking whether they conform with the City's Comprehensive Plan and zoning ordinances and if those reflect what the current residents of the City want in terms of development in the City. Lewis explained that you cannot do it every year, but would like to know every 5 years or so what people actually want.

Lewis noted that the second thing to look at is the traffic impact analysis which was done and had also taken an extra step. Lewis explained what had bugged him about Elevage, which was the first thing that he dealt with when he was on the City Council in November of 2022; he voted against it twice. Lewis explained that one of the reasons he voted against it was because he thought the traffic study included something at 187<sup>th</sup> and Highway 65 and noted that they ended up taking that light out and had an addendum to the traffic study done. Lewis explained that both Capstone and the City agreed to pay half of the additional costs in order to double check the traffic impacts because they were that concerned about it.

Lewis stated that he has been persuaded and noted that he had called Katie Schmidt, CEO of SSTS, who did the study and explained that he mentioned this because he feels they have really gone pillar to post in their due diligence. Lewis stated that he had directly questioned Ms. Schmidt on the study and noted that she even admitted to being surprised by the results. Lewis explained that they had also done the fiscal impact study and is the third phase of what he would like to see as a consistent method of looking at development proposals.

Lewis clarified that he would like them to look at the Comprehensive Plan and zoning ordinances; traffic impact study; and a fiscal impact study which will show that the net financial impact will be on

the City of the developments. Lewis stated that the fiscal impact study information had been included in the packet which suggests that near term, there will be a strong positive impact and depending on how many kids come in, then downstream there will be the cost of educating those children which is just part of the reality of having development in the City.

Lewis stated that with all of this, he looked at also the fact that they have worn out staff and Capstone with all of their questions. He stated he plans to vote in favor of moving forward tonight and would urge the rest of the Council to also vote in favor of it. Lewis stated that if they have any questions, the City will insist that they be answered and if there is a nagging problem, they plan to keep bugging the developer, for example, the cul-de-sac situation.

Lewis reiterated that as a data oriented person, he has been persuaded that on a net basis this will be a benefit to the City. Lewis stated that for the people who own Viking Meadows, the City does not have the right to stop legal property owners from selling their property or unnecessarily encumbering that process. Lewis clarified that the City does have the right to say, for example, that they do not want a nuclear waste facility in the City. Lewis stated that they want East Bethel to be a place that encourages business for owners and developers of properties, but on the other hand, they do not have to go to extraordinary lengths to encumber the people of East Bethel to make sure that property owners get the maximum dollars they can for the property which means that everything is a balancing act. Lewis explained that in this case, he believes it is good for the people who own the property and want to sell it after many years of owning it and will be good, on net, for the people of East Bethel.

Miller noted that moving forward, he thinks the Council will need to take a look at some zoning issues. Lewis agreed that, as a City, they will have to look at amending the Comprehensive Plan because there is a fair amount of residential that has come in and, on a fiscal impact basis, businesses pay twice the property tax rate as residents do and businesses do not come with children that need to be educated. Lewis stated that those are just the cold, hard facts and in terms of MUSA, he feels that they can certainly stand for more commercial/industrial type development in that area which will hopefully include the 15.66 acres that the owners of Viking Meadows will still have.

City Attorney Larson explained that he had been in the development area for most of his career and felt the Council questions were 'spot on' and were very helpful to him because when, and if, this is approved, one of the requirements is that the developer enter into a developer agreement with the City. So, many of the issues with respect to how it is built, constructed, used, and operated were very helpful for him. Larson explained that he was taking notes because he wants to keep them in mind when this goes to a development agreement to ensure that there are appropriate terms and conditions.

Larson explained that during the discussion he had walked over and spoken to Community Development Director Berg where he made the comment that he will repeat to the Council that most everything that was referenced tonight was very important and can, and should, be addressed within the development agreement to make sure that there are no adverse impacts. He shared examples of making sure that there was an HOA and they would take financial responsibility for operation and upkeep of the common areas.

Lewis thanked Mr. Larson for his comments and stated that he felt his development experience would serve the City well. Larson explained that he also agreed with Councilmember Miller that the City should revisit the Comprehensive Plan and zoning to make sure that there is a better alignment between the two.

To the motion, all in favor say aye. **Mundle and Lewis in favor.** Lewis asked any opposed? **DeRoche, Miller, and Smith opposed.** That motion failed. **Motion failed 2-3.**

Lewis asked what the next steps would be. Mundle stated he believed the Council would not need to vote on Resolution 2024-05. Berg explained that the City will have to respond to the developer with a Findings of Fact for the reasons of denial. He explained that he would need information from those who voted against the motion so staff can draft the Findings of Fact.

Larson explained that the City will have until the end of February to respond to the developer because this is under the 1599 but alternatively, if those that voted against this would like to have this placed back on the agenda for reconsideration by that date, that would also be an appropriate motion. Lewis explained that if they chose not to make that motion, then the decision to deny the Preliminary Plat, as voted on tonight, would be final. He clarified that the Council had voted not to approve Resolution 2024-04 and the next step would be for staff to prepare the report and resolution setting forth the Findings of Fact for adoption at the next Council meeting. He explained that either now, or at that Council meeting, they could vote to reconsider the initial denial and bring it back for potential adoption.

**DeRoche stated I'll make a motion to reconsider the Preliminary Plat for Viking Meadows on or before February 26, 2024. Smith stated I'll second.** Lewis asked any discussion?

Miller stated that he was all for this development if it can be tweaked. DeRoche asked who the Council would direct their questions and concerns to about this project. Berg explained that either City Administrator Look or himself can field all of the remaining outstanding questions and work to provide the answers.

City Administrator Look explained that in terms of the vote for reconsideration, the Council can make a motion for reconsideration at the next meeting in order to bring it back up for a vote. He explained that the Council would not necessarily make that motion this evening, unless they have their questions tonight that the developer can answer.

Mundle stated that it sounds like they can just plan to put this on their next meeting agenda and do not need to make any additional motions tonight.

DeRoche questioned if his motion stands for this to be brought up at the next meeting. Larson clarified he believed that this would just be direction to staff for the City Administrator to go ahead and place it on the next meeting agenda. **Staff was directed as stated, and a vote was not taken.**

Steve Bona, Capstone, introduced himself and stated they appreciate the time and energy the City was putting into their project. Bona noted that they have provided answers for all of the questions that have been asked of Capstone that they have been made aware of and have communicated them to City staff. He did not believe they had been found to be objectionable. Bona asked if there were other specific questions other than the ones, for example raised by Councilmember Miller earlier in the meeting.

Miller stated that he does and had also planned to reformulate a few of the ones he had already asked. Miller explained that basically, to him, there is a lack of the true use of mixed use space which has to do with looking at the high density that would be going in there. Miller stated in the City's Comprehensive Plan, which they have talked about making some changes in the future, under Use of Land, the first goal the City has set forth is to not be urbanized and this plan is asking for setbacks that are 25 feet instead of 30. Miller noted he had never seen a cul-de-sac with anything more than 6 homes and cannot imagine having 7 or 8. Miller noted that people say you might like this type of

housing, but you can find this type of housing in downtown Minneapolis and this will be a big chunk that is located right in the middle of the City and once it is there, it is there, and will never go anywhere.

Miller clarified that he did not want to be misinterpreted because he appreciated the efforts with the parks and things they were trying to include in their plans, because since the sewer system, the City has been cash dry for its park systems and the residents have suffered. Miller explained that he did not want to see something get put up hastily that doesn't fit with what the City is trying to do and, in his opinion, there are only minor issues here, which is why he feels the Council saying that they can come back so this can be revisited would be perfect.

Miller noted they had received more information on the HOA tonight that they had only gotten bits and pieces of before. He stated there are most likely additional questions that they have not yet thought about and explained that when Capstone sells the last lot, they will leave and things will become the City's responsibility so he wants to make sure those are all covered. Miller noted there are a lot of 'ifs' included in the packet materials because there are a lot of people who need to give Capstone answers in order for them to give answers to the City.

Miller reiterated that he likes what Capstone is doing and thinks the City needs this, but it is a big deal and needs to be done right and is simply asking for them to take a look at some of the things they have brought up. Miller stated he thinks they can live with the different setbacks that are needed, but if he were building a house somewhere, he would have to abide by every ordinance in place, or come before the Council and ask for variances. He asked Capstone to look at how many houses in their plans would have to do that.

Miller noted they require residents to abide by the rules that have been set up and if the City doesn't help themselves by making sure Capstone follows the rules, he felt they would be setting a bad example for all the other developers coming to the City. Miller explained that he understood the desire to maximize their dollar in what Capstone is trying to do, but at the same time, they may be maximizing it too much. Miller stated that, to him, it just doesn't feel right yet.

Bona stated that part is concerning for him because they have already removed 104 lots from their plans. Bona stated that when they spoke with Mayor Lewis and City staff, they told them that they were open to retail, but would have to replace any units that they lose because at this point, they cannot drop another unit without replacing it. Bona stated if they look at where this started and where it is now, which is removal of 104 lots and \$450,000 per home on those lots, about \$45 million in revenue that has been removed.

Miller stated it was removed by taking out 30 acres that couldn't really be developed properly and 15 acres of commercial up front that is not being touched. Miller explained he understood the different things that were going on with this project, but also understands that he has a job to do for the City.

Miller questioned why Mr. Bona had to remove houses from their plans because the City had ordinances and zoning codes set up already for what developers can maximize and do on these properties. So, if that doesn't match what someone is trying to build, he questioned why they would even put together a concept plan. Miller stated that he was trying very hard to give the okay to this project and find every possible reason he can give himself to say that this is a good thing for East Bethel.

Miller stated he realizes that the numbers looks good, but he has also looked at this and feels they are asking for too many variances. He thinks about 80% of the homes would not match City code.

Bona stated that was not right and explained they will address the Council's concerns and asked that they just give them specific questions.

Miller assured Mr. Bona that he would have his questions in writing by the end of the week and reiterated that he wanted to work with Capstone the best he can.

### **7.0 A.2 Final Plat: Strandlund Farm – Carrington Development**

Berg presented the request of Carrington Development for approval of the Final Plat for Strandlund Farm, Carrington Homes, LLC. He noted that on December 3, 2023, by Resolution 2023-72 a Preliminary Plat for the proposed Strandlund Farm Rural Residential Development was approved. On January 4, 2024, the Final Plat application and accompanying materials were received by city staff.

Berg advised that the proposed Final Plat is consistent with the approved Preliminary Plat and is in conformity with the comprehensive plan and zoning ordinance. It consists of 20 buildable single-family rural residential lots on 73.90 acres. Of the proposed lots, one lot is at the minimum of 2.00 acres with the average lot size of 3.27 acres, therefore all lots meet City code requirements. Berg presented the following details:

#### Street Access

This subdivision will be accessed off of Luan Drive NE / Anoka County Highway 74 by the creation of a new section of 219<sup>th</sup> Ave NE. The new section of 219<sup>th</sup> Ave NE will be constructed to the city's minimum design standards.

#### Anoka County Transportation Division.

The Anoka County Transportation was sent the Final Plat for review. Their comments from the October 19, 2023 during the Preliminary Plat were resent as a response to the Final Plat indicating that those comments were reviewed and stand. Therefore any and all comments from the Anoka County Highway Department will need to be satisfactorily addressed prior to any site grading.

#### Public Works

The Public Works Department reviewed the Final Plat and stand by the comments sent on October 14<sup>th</sup>, 2023 in response to the Preliminary Plat.

#### City Engineer

The City Engineer was sent the Final Plat for review on January 5<sup>th</sup>, 2024 and explained that when he put together the report he had not received comments from the City Engineer, but when he arrived at City Hall this evening, there was a letter from him in his e-mail. He noted that he had made a copy of this letter and had presented to each of the Councilmembers. The Final Plat will not be released for filing until any and all comments from the City Engineer are satisfactorily addressed.

#### Park Dedication

The Parks Commission reviewed the Preliminary Plat at their November 14<sup>th</sup>, 2023 meeting and made a recommendation of park fees in lieu of land with the possible exception of providing a trail easement from the cul-de-sac to 221st Ave NE. The park dedication fee is \$2,000.00 per single family lot. Park dedication fees will need to be paid prior to the release of the Final Plat for filing with Anoka County.

Berg stated staff recommends that City Council consider adoption of Resolution 2024-09, Approval of the Final Plat for Strandlund Farm, with the conditions set forth in the resolution.

**DeRoche stated I'll make a motion to adopt Resolution 2024-09, Approval of the Final Plat for Strandlund Farm, with the conditions set forth in the Resolution. 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.**

#### **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**

##### **8.0 A.1 2024 JPA Street Maintenance Projects**

Ayshford stated the Council is being asked to consider approving the listed projects to be bid as part of the 2024 North Metro Street Maintenance Program Joint Powers Agreement (JPA) Street Maintenance Projects. Ayshford provided background, indicating the cities of Coon Rapids, Andover, Anoka, Brooklyn Center, Columbia Heights, Ham Lake, Mahtomedi, and Fridley entered into a JPA on February 1, 2005 for the purpose of collectively bidding certain street maintenance services. The North Metro Street Maintenance Program JPA allows smaller cities to achieve more economies of scale in the bidding process and potentially achieve lower bids from contractors for crack sealing, seal coating, striping and other street maintenance services. The City East Bethel joined the group in February 2008.

The City of Coon Rapids is the lead agency for this group. As the lead agency, they draft the specifications, solicit bids and provide the necessary documents for member cities to sign to participate in the program. The agreement is structured such that it permits each member city to accept or reject the bids for their portion of the proposed contract. Each city will pay the contractor directly for their share of the work and contracts will be awarded separately for the various items.

Ayshford presented details regarding the process that will be followed:

1. The City of East Bethel submits the quantities for crack sealing, seal coating and striping to the City of Coon Rapids for inclusion in the collective bid.
2. The City of Coon Rapids develops all bid specifications and solicits bids for all quantities submitted by member cities. Bid specifications follow MnDOT guideline requirements.
3. Each City may modify the quantities they have submitted to maintain budgets for these projects after the low bid has been identified.
4. Bids for these projects will be opened on March 15, 2024. The City of East Bethel is required to submit a letter of concurrence to the City of Coon Rapids by April 15, 2024 authorizing the City's level of participation in the program for 2024. The bid award date will be May 7, 2024.

Ayshford noted the City of East Bethel has realized savings of up to 20% over previous costs for these services through participation in the JPA Street Maintenance Program. He explained the 150,000 LF

of pavement markings and 100,000 LF of crack sealing projects are recommended to be bid as part of the 2024 JPA Street Maintenance program. These projects have been identified in the 2024-2028 Street Capital Improvement Plan (CIP).

Ayshford explained the estimated cost for crack sealing and striping the above listed quantities is \$65,000 to \$90,000 and \$100,000 has been budgeted in the 2024 Roads Capital Improvement Fund to cover these projects with the remaining funds to be used towards 2024 asphalt overlay projects. Bids for the work will be received in early March and presented to City Council for final consideration at the March 25, 2024 meeting.

Ayshford stated City staff recommends the City Council approve the proposed City projects for bidding as part of 2024 North Metro Street Maintenance Program JPA.

**DeRoche stated I'll make a motion to approve the proposed City projects for bidding as part of 2024 North Metro Street Maintenance Program JPA. 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.**

#### **8.0 A.2 2024 Class 5 Gravel Road Resurfacing Projects**

Ayshford explained that the Council is being asked to consider the 2024 Class 5 Gravel Road Resurfacing Projects. He provided background on this project, noting in 2006 the City began a six-year cycle of gravel road resurfacing for the 14.5 miles of unpaved roads within our system. This cycle allows up to 5 of the City's 30 gravel roads to be overlaid with new material each year of the rotation sequence.

Ayshford noted that \$40,000 was budgeted for gravel road resurfacing for 2023. The costs for these projects are for material and delivery. The Public Works Department does the grading, compaction, and finishing of this material. Ayshford explained that prior to the placement of any new Class 5 material, Public Works staff will reclaim the shoulders and reshape the existing road surface.

Ayshford stated in 2023, the City of East Bethel resurfaced the following gravel roads with Class 5: 4,950 feet of 241<sup>st</sup> Avenue and London Street; 2,000 feet of Durant Street; and 1,400 feet of Palisade Street. Ayshford stated the recommended roads for 2024 Class 5 resurfacing are as follows:

- |   |            |
|---|------------|
| 1. Xylite Street and 216 <sup>th</sup> Avenue   | 4,500 feet |
| 2. Zumbrota Street and 219 <sup>th</sup> Avenue | 3,750 feet |
| 3. Kissel Street                                | 1,250 feet |

Ayshford noted staff is also recommending an application of chloride to Klondike Drive. Based on previous years bid pricing, the estimated project costs of the chloride and Class 5 will be covered in the \$40,000 budget. Ayshford stated City staff recommends City Council approve the proposed gravel roads for Class 5 resurfacing in 2024.

**Mundle stated I'll make a motion to approve the proposed gravel roads for Class 5 resurfacing in 2024, as presented, as well as chloride application to Klondike Drive. 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.**

#### **8.0 F Fire Department**

None.

#### **8.0 G City Administrator Report**

##### **8.0 G.1 SRWMO 2025 Budget**

Look stated the Council was being asked to consider the Sunrise River Watershed Management Organization's (SRWMO) proposed 2025 Budget. He reviewed that the SRWMO is a joint powers organization consisting of Columbus, East Bethel, Ham Lake, and Linwood. The SRWMO Joint Powers Agreement provides rules and procedures for operation of the SRWMO. Membership in Watershed Management Organizations and Watershed Management Districts is mandated by the Minnesota Bureau of Soil and Water Resources (BSWR) for all municipalities in the seven county Metro area. He noted that the budget would be increasing by about \$3.00 which he felt was very reasonable for the work that they do.

**Mundle stated I'll make a motion to approve the Sunrise River Water Management Organization's 2025 budget, as presented. 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.**

## 9.0 Other Items

### 9.0 A Staff Report

Look noted the last few weeks have been rather busy and they were currently working on the end of year audit preparations alongside Abdo. He stated that they are having to report to various agencies such as the County, State, and the IRS.

Look noted they have also been working on the deferred/outstanding Code enforcement issues and trying to negotiate outcomes where everyone can be reasonably happy. He stated that he has been able to speak with Mr. Linder who had spoken at the last City Council meeting and was able to talk through some of the definitional issues between the two sides and assured the Council that they were attempting to work towards positive outcomes for these issues.

### 9.0 B Council Reports

Smith stated that in the future when the Council is talking about Capstone, he would like staff to keep the Council informed about meetings that they are having with them beforehand, if at all possible. He stated for example, when the Council had brought up the questions on the HOA tonight, he felt the representatives from Capstone seemed shocked. He noted that in the engineering report, there are a host of things that are important which got him to questioning how the City makes sure that they follow everything they are supposed to be doing. He explained that he has worked in construction for about 50 years and has learned that everyone needs to be babysat through the process. He stated that he would like to know how the City handles this to make sure that a builder doesn't just come in and do whatever they want to and reiterated he has learned that many times that you really have to be on top of it to make sure it is done right.

DeRoche stated he believes that after the debacle of the water/sewer thing when people were watching people make decisions and taking votes on things that nobody had a clue about, perhaps the pendulum has swung a bit too much. However, it may be better to be safe rather than sorry because as Councilmember Miller stated earlier in the meeting, once something is here, it is here. He stated felt that City Administrator Look has been doing a 'bang up' job on following up on things.

Mundle reminded everyone about the Fire Department breakfast on Saturday, January 27, 2024 at Station #1.

### 9.0 C Other

None.

## 10.0 Adjourn

**DeRoche stated I'll make a motion to adjourn. Mundle 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 9:05 PM.

Submitted by:

Kayla Rokosz

*TimeSaver Off Site Secretarial, Inc.*