

**BIG LAKE CITY COUNCIL
REGULAR MEETING MINUTES**

APRIL 22, 2020

1. CALL TO ORDER

Mayor Mike Wallen called the meeting to order at 6:00 p.m.

2. PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was recited.

3. ROLL CALL

Council Members present: Seth Hansen, Rose Johnson, Paul Knier, Mike Wallen, and Scott Zettervall. Also present: City Administrator Clay Wilfahrt, Finance Director Deb Wegeleben, Community Development Director Hanna Klimmek, City Engineer Layne Otteson, Police Chief Joel Scharf, City Clerk Gina Wolbeck, City Planner Amy Barthel, Liquor Store Manager Greg Zurbey, Street/Parks Superintendent Nick Abel, and Consultant City Planner Kevin Shay from Landform.

4. OPEN FORUM

Mayor Wallen opened the Open Forum at 6:01 p.m.

Brandon Backes, 1371 Powell Street North – Discussed the need for the City to complete the planned street improvements on Powell Street North. Backes stressed that these improvements have been pushed back for a number of years, and he felt the need to facilitate a petition that had 90% of affected property owners in favor of these improvements. Backes stressed the need to complete the improvements and encouraged the City to continue with completion of the project in full as previously discussed, which included curb/gutter and sidewalk improvements.

Bettina Potter, 120 Edgewater Place – Reviewed the Lakeside Park parking issue that was discussed at the Workshop. Potter noted that parking use at the park is already high, and

feels that the Park will continue to have higher than normal use with other public beaches and parks closed. Potter stressed that we need to think about our residents who pay for that Park through their taxes, and feels we need to limit who can buy passes to only people who reside in the 55309 area code. Potter also encouraged Council not to wait to react until after Memorial Day.

Mayor Wallen closed the Open Forum at 6:07 p.m.

5. PROPOSED AGENDA

Council Member Knier motioned to adopt the proposed Agenda as presented. Seconded by Council Member Zettervall, unanimous ayes, Agenda adopted.

6. CONSENT AGENDA

Council Member Johnson motioned to approve the Consent Agenda as presented. Seconded by Council Member Hansen, unanimous ayes, Consent Agenda approved. The Consent Agenda consists of: 6A. Approve List of Claims, 6B. Approve Council Workshop Minutes of April 8, 2020, 6C. Approve Regular Council Meeting Minutes of April 8, 2020, 6D. Approve SCORE Grant Agreement for the City Compost Site, 6E. Approve Resolution No. 2020-35 approving the Detachment of Parcel No. 65-026-2015, 6F. Approve Appointment of John Johansen to the Seasonal Full-Time Code Enforcement Position, and 6G. Approve Appointment of Lenny Rutledge to the Full-Time Building Official Position.

7. BUSINESS

7A. PRESENTATION – 2019 Audit Report (BerganKDV)

Caroline Stutsman from BerganKDV presented the 2019 management letter and the audited financial statements.

Mayor Wallen reviewed the Council's efforts to reduce the City's debt, noting the retired \$6.6M in debt obligations. Stutsman reviewed that the debt reduction has also improved the City's tax capacity rate as well.

Council Member Knier motioned to approve the 2019 Audit report as presented. Seconded by Council Member Zettervall, unanimous ayes, motion carried.

7B. PUBLIC HEARING – Bionote USA, Inc. Sign Variance

Amy Barthel presented the planners report for the Bionote USA, Inc. Variance request for the property located at 19922 Industrial Drive NW. Bionote is requesting to vary from the

City's Sign Ordinance by proposing to locate a wall sign on a multi-tenant building that is not uniform with the other existing wall signage. Barthel noted that the Applicant submitted a building permit for the wall sign, and Staff notified the Applicant that the sign is not in conformance with City Ordinance Section 1300.07. The Applicant expressed that the timeline would be too long to meet FDA approval for making COVID test kits, explaining that one of the FDA approval requirements is proper signage on the building. Their goal of obtaining FDA approval is time sensitive, therefore they have requested the City to carry out a variance request for their signage. The City has made the determination to apply on behalf of the business to process the Variance request as soon as possible. Barthel also noted that Big Lake Township has given their approval to bypass the normal review by the Joint Powers Board. The 4.14 acre property is a multi-tenant Industrial lot zoned as I-1, in which signage is considered an accessory use. The Applicant is proposing to place their sign on the east side of the building and remove the cabinet sign on the south side. The only signage the business will have on the Highway 10 frontage wall will be a 3 square-foot sign on the front door. The Applicant has indicated that the property owner has approved the sign design and placement of all signage for Bionote. Barthel reviewed the criteria for granting a variance noting that the Subject property will have the wall sign on a different building elevation than the existing blue cabinet signage, so no other signage will be adjacent to the Applicants sign. The proposed sign will not be illuminated, and is relative in size to the existing signs. The sign ordinance creates a certain hardship for the tenants on the property and the sign will not be detrimental to the surrounding properties. Barthel stated that Staff recommends approval of the Variance request as presented.

Mayor Wallen opened the public hearing at 6:33 p.m. No one came forward. Mayor Wallen closed the public hearing at 6:33 p.m.

Council Member Hansen motioned to approve Resolution No. 2020-36 approving a Sign Variance for Bionote USA, Inc. for the property located at 19922 Industrial Drive Northwest. Seconded by Council Member Johnson, unanimous ayes, motion carried.

7C. Marketplace Crossing I & II Development Application – PUD Concept Plan Review

Kevin Shay informed Council that the Applicant has requested this item be removed, as they would like additional time to re-evaluate recommendations made by the Planning Commission.

7D. Sandhill Villas Development Application – Development Stage PUD, Preliminary Plat, and Site/Building Plan Review

Kevin Shay reviewed the planners report for the Sandhill Villa's Development Application. The Applicant, Modern Construction of Minnesota is requesting Preliminary Plat approval,

a Development Stage Planned Unit Development (PUD), and a rezone to PUD based on the standards of the R-2 zoning district. Shay noted that the Planning Commission and City Council reviewed the concept plan in late 2019 for the detached townhome development which was positively received by both Boards. Shay reviewed the proposed development that would be known as Sandhill Villas which is proposed to include 12 detached townhomes on a 2.5 acre parcel. The Applicant is proposing to subdivide the parcel to create 12 lots, which would each be developed as part of the overall plan into villa style detached townhomes. Shay reviewed the layout of the Preliminary Plat, the proposed site plan, setbacks, building height, sidewalk placement, parking requirements, landscaping, utilities, stormwater management requirements, building design standards, neighborhood configuration and design standards, and development fees. Shay reviewed PUD flexibility which include reduced lot area and width minimums, and setback minimum flexibility. The Planning Commission held a public hearing on April 1, 2020 and numerous comments were submitted in opposition to the project stating concerns with density, the potential for a negative effect on neighboring property values, impervious surface issues, accesses to the property, and that the City would be responsible for maintaining/plowing the streets and driveways. The Planning Commission unanimously recommended approval of the application with revisions.

Council Member Zettervall asked for feedback from the City Planner and the City Engineer on a number of concerns raised at Planning Commission. Shay confirmed that the Resolution being presented to Council is for a 30 foot setback from the north building line. Otteson discussed the 30 foot setback along 205th Avenue, identifying that there is a trail and storm sewer retention area along this section of the project, but stated that he feels there would not be an impact on the street. Otteson stressed that there will be screening requirements to mitigate resident concerns. Otteson also reviewed the proposed walking path that will be placed as far back as possible and shouldn't be affected by a turn lane. Zettervall asked if there are concerns with the proposed cul-de-sac being owned by the City. Otteson reviewed that the size of the cul-de-sac was enlarged and a sidewalk added to accommodate snow removal. Otteson also noted that there is always a concern with snow removal when you have a more dense project. Otteson also noted that drainage and water retention issues were addressed by incorporating swales and an emergency overflow.

Council Member Johnson discussed concerns raised at Planning Commission with density, traffic, setbacks, safety with the walking path, and compatibility with the Comprehensive Plan. Discussion was also held on connectivity of walking paths in this area.

Council Member Zettervall motioned to approve Resolution No. 2020-37 approving a Preliminary Plat, Site and Building Plan, and Development Stage Planned Unit Development for the Sandhill Villa's Development. Seconded by Council Member Hansen, unanimous ayes, motion carried.

7E. 301 Crescent Street Development Application – Conditional Use Permit and Variance

Kevin Shay reviewed the planners report for the 301 Crescent Street Development Application. The Applicants, Kathleen and Richard Anderson are requesting approval of a Conditional Use Permit and Variance to construct a new 3,186 square foot home with an attached garage on a .17 acre parcel located within the shoreland overlay district. The request for a Conditional Use Permit (CUP) would allow an increase in impervious surface coverage, and a Variance to allow a 5-foot reduced front yard setback from 20 feet to 15 feet. Shay noted that the required 10-foot setback between buildings can be reduced with approval from the Building Official and may require submittal of a plan showing a proposed firewall or other mitigation measures. The City's Building Official has commented that the proposed building setback on the eastern lot line is acceptable if the adjacent wall is fire rated for 1 hour. The Planning Commission held a public hearing at their April 1, 2020 meeting, and three written comments were submitted. Comments included a request to restrict construction work times after 8:00 a.m., and another was in opposition of the project due to neighborhood issues with the Applicants. Another comment requested shoreline restoration measures be taken at the property. The Planning Commission unanimously recommended approval of the application.

Council Member Johnson stated that she feels the proposed improvements will be a nice improvement to the lot.

Council Member Zettervall advised the Applicant to respect property line boundaries.

Mayor Wallen discussed the benefits of repurposing these small R-5 zoned lots.

Council Member Zettervall motioned to approve Resolution No. 2020-38 approving a Conditional Use Permit and Variance for the property located at 301 Crescent Street. Seconded by Council Member Knier, unanimous ayes, motion carried.

7F. Big Lake Station Development– PUD Concept Plan Review

Kevin Shay reviewed the planners report for the Big Lake Station Development PUD Concept Plan Review. The Applicant, AEON is proposing to construct 74 senior housing units and 110 multi-family housing units on a 6.14 acre parcel located at the corner of Station Street NW and Forest Road near the Big Lake Train Station. The property was created as part of the Station Street Acres East Plat in 2017. The lot is currently zoned Transit Oriented Development (TOD) and is in the Midway Zone of the TOD District. The lot is guided by the Comprehensive Plan for Transit-Oriented Development. Shay reviewed the project indicating that the senior units will be contained within one building and will

require at least one occupant in a residence to be 55+ years of age and with an income below 50% of the Area Median Income (AMI). The multi-family units will be split between two buildings and will mirror each other on the site. The multi-family units will be targeted for families with incomes ranging from 30% AMI to 60% AMI or \$30,000 to \$60,000 for a family of four. The Applicant will be requesting a rezoning from TOD to Planned Unit Development (PUD) in order to receive flexibility on a number of items required by the Zoning and Subdivision Ordinances. Shay reviewed lot standards, setbacks, parking, landscaping, utilities, building design standards, recreation areas, stormwater management, signage, and park dedication requirements. The Planning Commission held a public hearing on April 1, 2020 and no comments were submitted. The Planning Commission was generally supportive of the project, and indicated some concerns with off-street parking and accessibility concerns with the flow between the two buildings. The Planning Commission was accepting of the flexibility for the building height and setbacks.

Council Member Zettervall discussed comments from the Planning Commission expressing concerns with off-street surface parking and handicap parking availability, noting that he is trusting that the developer will make right choices moving forward with their plans.

Council Member Johnson asked if there are any potential concerns from the Fire Department due to the height of the building. Seth Hansen reviewed needs of the Department and the use of their ladder truck if needed.

7G. Big Lake Car Condo's Second Addition Development Application – PUD Amendment, CUP Amendment, and Preliminary Plat

Kevin Shay reviewed the planners report for the Big Lake Car Condo's Second Addition Development Application. The Applicant, Richard Hinrichs has requested approval on a Conditional Use Permit (CUP) Amendment, Preliminary Plat approval, and a Development Stage Planned Unit Development (PUD) approval consisting of an amendment to the previous PUD. Shay noted that the Planning Commission and City Council approved the first phase of the Applicant's garage condo project in November of 2019, which included a single eight-unit building. The Applicant is now seeking to construct the five remaining car condo buildings and the public clubhouse building. Each storage unit would be large enough to be converted into a recreational storage/hangout area. Each storage unit would be individually owned as a condo unit and the entire community will be governed by the Homeowner's Association (HOA). Shay noted that HOA documents were reviewed and approved by the City during the first phase of the development. Shay reviewed the project indicating that the first phase platted eight townhome lots in the single constructed building. The five remaining car condo buildings and public clubhouse building remained as outlots, which are unbuildable until they are platted as lots. During the phase I application, the Applicant was approved for a CUP to allow a single luxury garage building. An amendment to the approved CUP is required to include the five additional luxury garage buildings and

the shared clubhouse. The Applicant is also proposing to subdivide Outlots B, C, D, F, and G to create buildable lots for the townhome-style car condo community. He is also proposing to plat Outlot E as a buildable lot for the clubhouse. Shay noted that the proposed plat will keep the existing 3.9 acre Outlot A which covers all the long-term open space which includes all the areas that will eventually be covered by the parking lot and landscaped areas. This land will be owned directly by the Association that manages the car condo community. Outlots B, C, F, and G will consist of 8 separate townhome lots and Outlot D will consist of 7 separate townhome lots. They will range in size between 1,600 square feet to 3,180 square feet. Outlot E will be the shared clubhouse. The Applicant is proposing to construct the remaining portions of the development in three phases. Phase 2 will include Outlots D and E, Phase 3 will include Outlots B and F, and the final phase will include Outlots C and G. PUD flexibility was granted with the first phase approvals and would be applied to these phases as well. Flexibility included allowing the buildings to be constructed as wood-framed buildings, allowing air conditioning units on the street side of the buildings, and to allow parking lot surfaces that are closer than 10-feet to internal property lines. Shay reviewed design standards, Homeowner's Association covenants, and development fees. The Planning Commission held a public hearing on April 1, 2020 and no comments were submitted. The Planning Commission unanimously recommended approval.

Council Member Knier motioned to approve Resolution No. 2020-39 approving the Preliminary Plat, Conditional Use Permit Amendment, and Development Stage PUD for the Big Lake Car Condos Second Addition. Seconded by Council Member Johnson, unanimous ayes, motion carried.

7H. Wastewater Treatment Facility Development Application – PUD Rezoning, and Preliminary/Final Plat

Kevin Shay reviewed the planners report for the Wastewater Treatment Facility Development Application. The Applicant, the City of Big Lake is requesting Preliminary Plat and Final Plat approval, as well as Development Stage PUD, rezoning to PUD, and Final Planned Unit Development approval. The application is for the expansion of an existing wastewater treatment facility that requires flexibility through the PUD. The Applicant has indicated that the treatment facility is necessary for the growth of the City and will address State of Minnesota regulatory requirements. Most of the work will be internal and external improvements to the principal structure and equipment, as well as the addition of a third oxidation ditch. The 53.89 acre property is mostly vacant agricultural land, but also contains the current wastewater treatment facility, buildings related to the treatment facility, clarifying ponds and a communications tower. The Applicant is proposing to take the existing parcels totaling 53.89 acres and combine them into a single lot that would be platted as the "Big Lake Wastewater Treatment Facility". A plat is necessary for the lot combination because PUD's are only allowed on platted lots. Shay reviewed the site plan,

setbacks, building height, parking, landscaping, utilities, stormwater management, and lighting requirements. Shay also noted that the Applicant is seeking PUD flexibility on parking requirements, common open space requirements, and waiving the requirement of a Development Agreement. The Planning Commission held a public hearing on April 1, 2020 and no comments were submitted. The Planning Commission unanimously recommended approval of the application.

Council Member Johnson motioned to approve Resolution No. 2020-40 approving the Preliminary Plat, Final Plat, Development Stage Planned Unit Development and Final Planned Unit Development for the City of Big Lake Wastewater Treatment Facility. Seconded by Council Member Knier, unanimous ayes, motion carried.

Council Member Johnson motioned to approve Ordinance No. 2020-10 approving the Rezoning from A - Agricultural to PUD – Planned Unit Development for the City of Big Lake Wastewater Treatment Facility, and approve Summary Publication Resolution No. 2020-41. Seconded by Council Member Knier, unanimous ayes, motion carried.

7I. Liquor Store Wage Increase Extension

Greg Zurbey reviewed the on-going major impact the COVID-19 Pandemic continues to have on the operations and Staff of the Municipal Liquor Store. Zurbey reviewed current staffing at the store, the substantial increase in sales and the increased number of customers Liquor Store Staff are in direct contact with. Staff recommended Council approve an extension of the temporary hourly increase of \$4.00 per hour for all Non-Exempt Liquor Store Staff effective through May 13, 2020.

Council Member Zettervall commented that payroll continues to be stable with the \$4.00 increase and stands behind the continuation of a \$4.00 wage increase until the pandemic is over. Zettervall stated that the Liquor Store continues to be a huge asset to the City of Big Lake and they are experiencing record profits.

Council Member Knier stated that he stands behind his comments from the last meeting and that he feels a \$2.00 increase is fair to the employees as well as to taxpayers. Knier also expressed that he respects other Council Members comments on this matter, but that he continues to stand by a \$2.00 increase.

Council Member Zettervall motioned to approve an extension of the temporary pay increase of \$4.00 per hour for all Non-Exempt Liquor Store Staff effective through May 13, 2020. Seconded by Council Member Johnson, motion passed with a 4 to 1 vote with Council Members Hansen, Johnson, Wallen, and Zettervall voting aye and Council Member Knier voting nay, motion carried.

7J. Ordinance Amending Chapter 6 for the Regulation of Recreational and Specialty Vehicles

Joel Scharf reviewed the current rules the City has in place that regulate recreational vehicles. Scharf noted that these ordinances have been updated over time in portions, but never completely overhauled. Many of the references in the provisions have been changed in Minnesota State Statute, creating a lack of clear direction on our regulations. Staff has modeled revised language after model ordinances from the League of MN Cities and is recommending amendments to Section 630 regulating recreational vehicles, along with the addition of Sections 631 through 634 to regulate various specialty vehicles. Specialty vehicles are comprised of Utility Task Vehicles, All-Terrain Vehicles, Motorized Golf Carts, Mini Trucks, Personal Assistive Mobility Devices, Motorized Foot Scooters, and Medium-Speed Electric Vehicles. MN Statutes requires a City to have a permitting process in place if they permit the use of golf carts, UTV's and ATV's on their City streets. Staff would process an online application process at no cost to the applicant. In turn, the City would mail the applicant a registration sticker and registration card that would be valid for a three-year term.

Council Member Zettervall motioned to approve Ordinance No. 2020-11 amending Chapter 6 of the Big Lake City Code to regulate Recreational and Specialty Vehicles, and approve Summary Publication Resolution No. 2020-42. Seconded by Council Member Johnson, unanimous ayes, motion carried.

7K. Monthly Department Reports

Deb Wegeleben provided a year-to-date financial report, and reviewed allocated funds identified in the City's Capital Improvement Plan (CIP) Fund. Wegeleben also noted that she is in the beginning stages of planning for the 2021 budget, and discussed the first phase of the new finance software implementation. Council Member Knier discussed the City's reserve fund balance and Wegeleben explained that the unassigned fund was at 65% at the end of 2019. Wegeleben clarified that having that extra percentage in the fund at year end has allowed us to have a 48% balance even though we haven't received any of our property taxes yet. Council Member Johnson asked if something catastrophic happens, will we still have the same level of unassigned funds. Wegeleben reviewed worst case scenario cash flow projections if we only receive a portion of LGA/property tax payments, and stated she believes we would still meet the 50% unassigned fund balance requirement at year end.

Greg Zurbey provided an update on the Municipal Liquor Store operations for March. Zurbey discussed in-store tastings, building maintenance, the cooler reset project, the sale of 3.2% Malt Liquor products, and liquor sales statewide in conjunction with attached grocery store sites. Zurbey also reviewed sales figures comparing March 2019 to March 2020 noting the significant increase in liquor store sales since the start of the COVID-19

pandemic thanking Staff for their extra efforts. Zurbey also briefly reviewed April sales figures.

Hanna Klimmek provided an update on activities in the Community Development Department. Klimmek reviewed housing/commercial development statistics/projects, and redevelopment projects. Klimmek also informed Council that the Community Branding and Identity project kick-off has been postponed and the project will begin when the community is ready to engage. Klimmek also discussed how the COVID-19 pandemic is affecting area businesses and the City's efforts to get out information on resources available to the Big Lake business community. Klimmek also informed Council that the new Building Official and Seasonal Code Enforcement person will start employment mid-May. Council Member Zettervall asked Staff to include trending figures on future reports.

8. ADMINISTRATOR'S REPORT

Clay Wilfahrt discussed the 1992 Joint Annexation Agreement with Big Lake Township. Wilfahrt reviewed the need to amend the Agreement to allow for land not yet annexed into the City to be under planning/zoning control of Sherburne County. Staff will draft an amendment to the Agreement and bring to an upcoming meeting for Council and Township consideration at each of their respective meetings. Council directed Staff to move forward with drafting the amendment to the 1992 OAA.

9. MAYOR & COUNCIL REPORTS and QUESTIONS/COMMENTS

Mayor Wallen: discussed the April BLEDA Meetings, Finance Committee, and Personnel Committee Meeting.

Council Member Johnson: discussed the April BLEDA Meetings and the recent BLCLA Meeting.

Council Member Knier: reviewed the April BLBYR Meeting, and the recent Finance Committee Meeting.

10. OTHER

11. ADJOURN

Council Member Knier motioned to adjourn at 8:05 p.m. Seconded by Council Member Johnson, unanimous ayes, motion carried.

Gina Wolbeck
Clerk

05/13/2020
Date Approved By Council