1. **CALL TO ORDER**

Mayor Wallen called the meeting to order at 5:00 p.m.

2. **ROLL CALL**

Council Members present: Dick Backlund, Seth Hansen, Rose Johnson, Paul Knier, and Mike Wallen. Also present: City Administrator Clay Wilfahrt, Finance Director Deb Wegeleben, City Clerk Gina Wolbeck, Community Development Director Hanna Klimmek, Public Works Director Mike Goebel, City Planner Michael Healy, and Liquor Store Manager Greg Zurbey.

3. **PROPOSED AGENDA**

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

4. **BUSINESS**

4A. **Lake Café SAC/WAC 429 Assessment Agreement Review**

Hanna Klimmek reviewed the 429 Assessment requested by Tim and Tami Cox to cover the Sewer and Water Access Charges (SAC/WAC) in the amount of $8,910 for their expansion project at the Lake Café. Mr. Cox has indicated that the expansion will bring eight additional jobs in addition to the increase in valuation at the commercial establishment. Klimmek noted that the Big Lake Economic Development Authority reviewed the application and unanimously agreed that the application does qualify for the incentive, and formally recommended a 5-year term with a 6% rate. Klimmek informed Council that the applicant has countered the interest rate asking for a 4% interest rate. Klimmek reviewed the City’s Special Assessment Policy explaining that interest rates charged on assessments should be set at 1.5% greater than the net interest rate of the last bond issued which was at 3%. Klimmek noted that the last special assessments that were levied in 2018 were set at a 4.5% interest rate, which was in line with the City’s Assessment Policy.

Council directed that the Lake Café 429 Assessment Agreement be forwarded to the regular meeting agenda with an assessment rate per the City’s Assessment Policy.

4B. **Discuss Changing Date of 2nd Council Meeting in June Due to LMC Annual Conference**

Clay Wilfahrt discussed the upcoming League of MN Cities Annual Conference that starts on the same date at the 2nd Meeting in June. Wilfahrt noted that historically, the Council has opted to
move the meeting up one day as elected officials and some department heads will be absent due to the conference.

Council directed staff to proceed with changing the 2nd Council Meeting date in June to Tuesday, June 25, 2019 due to the League of MN Cities Annual Conference and to bring forward to the next Council Meeting for consideration.

4C. Water Meter Read Agreement Discussion

Clay Wilfahrt reviewed the City’s efforts to negotiate an agreement for water meter reading services. Three vendors were contacted and the lowest price submitted so far has been from RMR Services, who is the City’s current provider. Wilfahrt reviewed the terms of the quote noting that the City has worked with RMR Services for a number of years and has been generally satisfied with their performance.

Council directed that staff continue to investigate purchasing AMI or radio read meters, and noted that this water meter read agreement would fill the gap during the interim. Council Member Johnson inquired if it would make more sense to extend the contract to 24 months to ensure that we have enough time to convert to the purchased meters.

Council directed staff to bring a negotiated 24-month RMR Meter Read Agreement to the next Council Meeting for consideration.

4D. Continued Discussion on Allowing Chickens on Residential Lots

Michael Healy reviewed past discussions on backyard chicken-keeping. At the March 27, 2019 Workshop, Council directed staff to research the keeping of chickens and bees on residential lots and draft regulations for additional discussion. Healy noted that backyard beekeeping regulations are much more complicated than expected and recommended separating the two regulations and revisit beekeeping at a later date. Healy reviewed the different levels of regulation the City can consider adopting regarding the keeping of chickens. Healy also reviewed staff capacity in the Community Development Department, noting that the City does not have a year-round code enforcement officer or animal control officer, which is typically a prerequisite for a City attempting strong, or very strong regulations regarding chickens. Healy noted that the City Code already requires a zoning permit for all accessory structures, something that automatically would include chicken coops unless Council amends the zoning code to exempt them. Healy referenced the medium regulation approach taken by the City of Ramsey that appears to line up with Big Lake’s staff capacity and the City Code’s existing rules for accessory structures.

Healy also explained that the Council is discussing an ordinance that would revise the Animal Licensing section of the Code and can be amended by the Council at their discretion and does not by law require review by the Planning Commission, or for a public hearing to be held prior to adoption. Healy reviewed zoning code rules that could potentially affect the keeping of backyard chickens such as general accessory structure rules, permit fees, the maximum number of accessory structures allowed per residential property, exterior siding requirements, setback and impervious surface requirements, and property square footage requirements. Healy presented
Council Member Backlund stated that he likes the City of Ramsey’s approach. Council Member Hansen stated that he is in favor the ordinance as presented. Council Member Knier stated that he likes the language presented, but would like to structure the new language with as light of regulation as possible. Knier recognized that it would require a public hearing to amend the accessory structure language, and stated that he understands the need to restrict placement of accessory structures. Knier also stated that he would like to see the maximum number of chickens allowed to be increased from six to eight chickens. Council Member Johnson discussed that the cities that have “light” regulations are tied to allowing a very small number of chickens. Any more than three chickens in these communities would require a Council approved permit. Johnson discussed the possibility of tying the number of chickens allowed to lot size. Staff discussed that communities that have a large fluctuation of lot size do regulate according to lot size, but that Big Lake has less fluctuation in lot size, and an analysis would need to be done on each request which would require a permit. Council discussed the potential option to set an overall minimum lot size to allow chickens, and discussed that sometimes it’s not clear what the backyard is on a property. Healy reviewed the City Code’s definition of front and back yards, noting that a property would need to have a true backyard to be able to keep chickens. Johnson discussed her concern that enforcement would be only on a complaint basis. Mayor Wallen stated the need for the City to require an administrative permit, noting that people will push the limits in regards to property lines and easements. Wallen also stated that we shouldn’t complicate the process any more than what is necessary, and that he likes the ordinance as proposed.

Council directed staff to proceed with finalizing the medium regulation ordinance language similar to the City of Ramsey, and to bring back to Council for consideration with no public hearing being set.

4E. Discussion on Zoning Issues in the Big Lake Industrial Park East

Michael Healy discussed the history of the Big Lake Industrial Park East (BLIPE) that is owned jointly by both the City and Big Lake Township. The original 50 acre Industrial Park was platted in 2000 and was built out by 2006. The City and Township developed an additional 45 acre phase II site in 2007. The recession began almost immediately after the roads were installed for the phase II site and it is still completely vacant. Healy noted that a majority of buildings in the Park are single-occupied or two-occupant buildings inhabited by industrial manufacturing companies. There are two buildings in the Park that are set up as multi-tenant buildings and broken up into a number of rental suites of various shapes and sizes. The two buildings are the Paragon Plaza located at 19950 177th Street NW, and the Big Lake Business Center located at 19922 Industrial Drive NW. The owners of the two multi-tenant buildings have not followed the City’s zoning code when screening tenants for their buildings. As a result, both buildings now contain numerous businesses that are not allowed in the I-1 Industrial Park Zoning District. A majority of these businesses are commercial-retail type businesses that are only allowed in the City’s commercial zoning districts. Healy noted that most of the unauthorized businesses in the
BLIPE have been operating for upwards of five years and were already in the industrial park when the current generation of zoning staff came on board. There was a presumption that these businesses were “grandfathered” in some way, but with further review of property files, it does not appear that any of these businesses were ever given permission to operate in the BLIPE. They all appear to be in the Park illegally and in violation of the current zoning code. The fault primarily lies with the building owners who either misunderstood, or disregarded the zoning rules and misrepresented the buildings’ zoning to tenants. Healy reviewed specific businesses in each of the two tenant buildings who do not meet zoning code, noting that the most recent is a retail mattress store who relocated to the Paragon building in late 2018 and has repeatedly misrepresented his business to City Staff. The owner claims to be a wholesaler who uses the suite as a whole showroom and warehouse. His website and advertisements make it very clear that he is conducting retail mattress sales to the general public. Healy stressed that when staff has attempted to enforce the zoning ordinance on the retail mattress store, the owner has repeatedly questioned why the City is cracking down on his business while allowing four other unauthorized businesses to continue to operate in violation of the zoning code. Healy reviewed financial considerations the Council should be aware of. The Park was initially developed using a large amount of public money with the intent that the Park would provide good paying jobs for the community, and the high value of tip-up concrete buildings that would provide a good property tax base. Discussion was held on higher salaries that industrial jobs provide versus commercial-retail positions, and the age of the Park and whether it is time to be more open in regards to what types of businesses and jobs should be allowed in this part of the Park. Staff also discussed the potential for abandonment of tenant buildings if the owners aren’t allowed to rent to commercial users, the possibility of poaching commercial businesses from commercial areas, traffic conflicts with mixing commercial and industrial users, and potential noise and odor conflicts with allowing the mixed uses. Healy reviewed options for addressing zoning conflicts in the Park, noting that any official action would require a joint meeting with Big Lake Township. Healy reviewed the three options available to Council including enforcement of the zoning code as is, lawfully grandfathering the existing five businesses, or creation of a new mixed use zoning district or overlay and place it over the two buildings.

Council Members identified options 2 and 3 as viable options to consider. Discussion was held on possible implications on the Phase II site. Hanna Klimmek noted that geographically, the location of the two buildings is considered positive as they are located at the entrance of the park. Klimmek also noted that staff has not fielded any complaints on this area in regard to commercial users conflicting with industrial users. Council discussed the option to grandfather in the current tenants using the Interim Use Permit process. Council also discussed the mixed use overlay concept stating their concerns that the average resident may find it hard to understand the rules.

The general consensus of the Council was to focus on option 3 as it seems to be less punitive to the businesses that are already there, and to move the discussion forward to a Joint Powers Board Meeting with Big Lake Township officials.
4F. Met Council Easement Agreement Discussion

Clay Wilfahrt reviewed the road installation at the Northstar Station site. In the mid 2000’s, the Met Council installed a private road to service the station. The original plan was to transfer the road to the City, which has been delayed due to staff turnovers. Public Works Director Mike Goebel has been through a number of iterations of these discussions, with each time momentum building, a staff or policy change forces the conversation to start over. Since the road was constructed, some adjacent property has been developed and there are other areas with plans for development. Because it is currently a private street, any development that occurs on Station Street would need to get permission from the Met Council. Wilfahrt recapped that the Met Council is designed to be a transit organization, and they are not interested or equipped to keep the road. Typically, they build these roads and then turn them over to the community. Wilfahrt noted that the City desires to see development occur in this area and has been in negotiation with the Met Council to equitably turn over the street area to the City. The Agreement itself would be an easement agreement with the Met Council retaining actual ownership of the land with the City having permanent access to the property for street and utility use. Wilfahrt reviewed the limited maintenance that has been done on and near the road since its construction due to the City not having the easement in place. There hasn’t been any crack filling, sealcoating, or restriping done, and many of the trees along the road need to be replaced. The City has asked the Met Council for $60,000 to remedy these items and this amount is included in the Agreement. Once the Agreement is in place, the City will need to maintain and repair the roadway, and the Met Council will be exempt from future assessments to the property for the maintenance or reconstruction of the street. Wilfahrt noted that the City Attorney has reviewed the Agreement and has found it satisfactory.

Council directed staff to bring the Agreement to a future meeting for consideration.

4G. T-Mobile Third Amendment to the Antenna Lease Agreement Discussion

Clay Wilfahrt reviewed the T-Mobile Antenna Lease Agreement for the site at Lakeside Park. T-Mobile has proposed to add equipment to the site. They would like to add a generator to the southwest side of the tower that would require an additional lease space of 10’ x 16’, and would also need to run a gas line to the generator. Wilfahrt summarized the lease agreement amendment that includes a $2,000 increase to the annual rental fee, T-Mobile’s access to an additional 160 feet of land on the southwest side of the water tower, and a $2,000 increase to the maximum charge for engineering fees with a 2% annual inflation rate.

Council Member Johnson asked if the improvements would need additional screening. Mike Goebel noted that the entire area is already fenced and would not require additional screening.

Council directed staff to bring the amendment to a future meeting for consideration.

4H. New Ideas Discussion

Due to limited time, no discussion was held.
5. **OTHER** – No other.

6. **ADJOURN**

Council Member Hansen motioned to adjourn at 5:55 p.m. Seconded by Council Member Johnson, unanimous ayes, motion carried.

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Gina Wolbeck 05/08/19
City Clerk Date Approved By Council