1. **CALL TO ORDER**

Mayor Wallen called the meeting to order at 4:30 p.m.

2. **ROLL CALL**

Council Members present: Mayor Mike Wallen, Dick Backlund, Seth Hansen, Rose Johnson, and Paul Knier.

Town Board Supervisors present: Chair Bruce Aubol, Larry Alfords, Bob Hofer, and Norm Leslie.

Also present: City Administrator Clay Wilfahrt, Community Development Director Hanna Klimmek, City Engineer Layne Otteson, City Planner Michael Healy, City Clerk Gina Wolbeck, Township Treasurer Ken Warneke, Township Clerk Brenda Kimberly-Maas, and Township Deputy Clerk Jayme Swenson.

3. **ADOPT PROPOSED AGENDA**

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

4. **BUSINESS**

4A. **Big Lake Industrial Park East Zoning Discussion**

Michael Healy reviewed discussions held at the April 24, 2019 City Council Workshop relating to zoning issues with 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 three options for addressing zoning conflicts in the Park, 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.
At the Workshop, Council identified options 2 and 3 as viable options to consider. Discussion was held on possible implications on the Phase II site, with Hanna Klimmek noting 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. The general consensus at the Workshop 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.

During the Joint Powers Board Meeting, comment was taken from Board Members. Bob Hofer stated that the Industrial Park was created to be an industrial use, noting that we should remove the infractions. Norm Leslie stated that Option 3 seems like the best option to focus on, stating his concern with where businesses would move to if they had to leave. Leslie also questioned if it would only be the two identified tenant buildings that we would allow a rezone for. Larry Alfords reviewed the history of the Park, noting that we created part of the problem when we allowed the first building constructed to be a tenant space. Alfords stated that the two tenant buildings should probably have their own zoning, but would like to see the remainder of the Park continue to be zoned strictly Industrial. Bruce Aubol stated that he prefers Option 3, noting that mixed use is preferred to the buildings having no use due to zoning. Aubol stated that a rezone of the two parcels would fix the problem for the future. Aubol also stated that the remainder of the parcels in the Industrial Park function well as strictly Industrial users.

Seth Hansen stated that only the two lots are currently set up for multi-tenants, noting that the remainder of the Park needs to stay zoned Industrial. Rose Johnson noted that some of the tenant spaces don’t have docks so they aren’t really designed for industrial space. Johnson stated her concern that the buildings would be vacant if we don’t allow commercial/retail uses, and that the businesses currently located in these spaces most likely would not relocate in Big Lake. Paul Knier stated that he is not in favor of removing businesses from these two building, noting that Option 3 makes the most sense. Mike Wallen stated that we need to look to the future and stressed that the front building already looks like a strip mall. Wallen also stated that he feels the tenant buildings don’t detract from the whole park, and that the location of the two buildings is a positive in that they are located at the entrance of the Park.

Board Members continued discussion relating to the possibility of ruling out specific uses. Healy noted that the creation of a zoning district should include uses allowed in a district instead of listing prohibited uses. Healy also noted that the existing I-1 Zoning District does allow retail, but only the sale of things that are built on site. Board Members discussed the need to make sure ownership knows the rules going forward, and the possibility of requiring some type of permitting triggers for tenants. The general consensus of the Board
was to move forward with Option 3 and to hold another meeting to review draft language prior to a public hearing being set. Healy informed the Board that the creation of a new zoning district will be staff intensive, and could require the use of a consultant, which will not be costs that can be recouped. The City acknowledged that those costs will be the responsibility of the City per the Joint Powers Board Amendment that was approved in 2017. Staff was directed to meet with the building owners to determine what their needs are, and will work on proposed language and bring back to a JPB meeting.

5. **ADJOURN**

Council Member Knier motioned to adjourn at 4:57 p.m. Seconded by Town Supervisor Leslie, unanimous ayes, motion carried.

_Gina Wolbeck_
City Clerk

Approved by the Big Lake City Council on 05/22/19
Approved by the Big Lake Township Board on 05/22/19