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, Public Works Director Mike Goebel, City Engineer Layne Otteson, Police Chief Joel Scharf, City Clerk Gina Wolbeck, City Planner Michael Healy, and Liquor Store Manager Greg Zurbey.

4. **OPEN FORUM**

Mayor Wallen opened the Open Forum at 6:01 p.m. No one came forward. Mayor Wallen closed the Open Forum at 6:02 p.m.

5. **PROPOSED AGENDA**

Council Member Knier motioned to adopt the proposed Agenda as presented. Seconded by Council Member Johnson, 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 Joint Powers Board Meeting Minutes of August 14, 2019, 6B. Approve Council Workshop Minutes of August 14, 2019, 6C. Approve Regular Council Meeting Minutes of August 14, 2019, 6D. Approve Resolution No. 2019-56 Designating Funding Sources for the 2019 Wastewater Treatment Facility Improvement Project, 6E. Approve JPB
Resolution No. 2019-04 amending the Joint Powers Agreement for the Big Lake Industrial Park East, 6F. Approve Amendments to the City of Big Lake Personnel Policy, 6G. Approve Temporary Liquor License for Mary of the Visitations September 22, 2019 Fundraiser, 6H. Approve Year End Meeting Date Changes and Cancellations, 6I. Approve MN Computer Systems, Inc. Agreement for Copy/Scanning Equipment at the Big Lake Police Department, 6J. Approve the Planning Services Agreement with Landform, and 6K. Approve Resolution No. 2019-57 Ordering the Preliminary Engineering Report for the 2020 Street Improvement Project.

7. BUSINESS

7A. Minnco Credit Union Development Application – Site Plan Review, Conditional Use Permit, and Variance

Michael Healy reviewed the Planners Report for the Development Application submitted on behalf of Minnco Credit Union for the vacant property located on Lot 1, Block 1 of the Lake Shopping Center Third Addition Plat. The 13,260 square foot site is located adjacent to Rose Drive in the Lake Shopping Center’s parking lot and is currently paved over, and functions as an extension of that parking lot. The lot was created in 2006 as part of a Re-Plat and Conditional Use Permit for a PUD that was processed alongside an overhaul of the shopping center. The property is zoned B-3 General Business District which allows for banks, credit unions and other financial institutions as a permitted use. The lot does not meet size standards for the district, but its creation was allowed through the PUD approval in 2006. Healy noted that the property is also located in the Downtown Design Standards Transition Zone Overlay District where properties are encouraged to follow the general intent of the Downtown Design Standards, but are not required to 100% adhere to the standards. The standards are treated as design guidelines and supersede the B-3 zoning rules in any situation where there is a contradiction. Healy noted that overall, the Applicant’s site and building plans appear to be consistent with the goals of the Downtown Design District Transition Zone, but that the Applicant’s proposed canopy design requires a Variance due to height restrictions in the B-3 zoning district. Healy reviewed the Applicant’s drive-through lane design noting that they will be required to obtain written permission from the Lake Shopping Center Association allowing the Applicant use of the common element parking lot area as an additional required stacking area. Healy also discussed the Lake Shopping Malls private water line that runs underneath the Applicant’s site and noted that there is no easement in place for the water line. The Applicant is proposing to relocate the water line as part of the project. The line would be relocated so that it lies to the west of the Minnco property line, and potentially a Permanent Easement may be required if deemed necessary by the City Attorney for placement of the new water line. The City Attorney has advised that the current water line issue be addressed by requiring a Temporary Easement over the existing water line before the property is sold, which could be set up to expire as soon as the new water line is installed and is operational and tested. The City Attorney further recommended that the City approve the site plan with the condition that the
Applicant is required to place a Temporary Easement over the existing water line and that no building permits shall be issued until the Temporary Easement is in place. Healy discussed the Conditional Use Permit that is required for the 65 foot monument signage that will include an 18 square foot changeable copy electronic sign. Healy noted that the Planning Commission held public hearings on June 19th and August 7th where no public comment was taken. The Planning Commission unanimously recommended approval of the development application.

Mayor Wallen questioned if there is an agreement between the Applicant and Association. Greg Zurbey stressed that the Lake Shopping Center Association is not standing in their way, and noted that the Applicant has not yet contacted the Association to discuss the required authorization.

Council Member Knier asked if water use to the other buildings will be impacted. Healy noted that the water line placement will be covered by the Temporary Easement requirement, which is listed as a requirement in the Resolution.

Council Member Zettervall motioned to approve Resolution No. 2019-58 approving the Downtown Design Standards Site and Building Plan Review, Variance, and Conditional Use Permit for Minnco Credit Union. Seconded by Council Member Knier, unanimous ayes, motion carried.

7B. Caribou Coffee Development Application – Preliminary and Final Plats, Conditional Use Permits, and Variances

Michael Healy reviewed the Planners Report for the Development Application submitted on behalf of Caribou Coffee at the southeast corner of the intersection of US Highway 10 and Eagle Lake Road South. Healy noted that the Planning Commission and City Council reviewed a Concept Plan earlier this summer and was generally supportive of the application. Since Concept Plan review, the Applicant has revised the site plan to show only one access point, and the inclusion of an infiltration area on the east side of the lot to accommodate stormwater runoff. With the addition of the infiltration area, the building, parking area and drive through lane were shifted to the north and west. Due to this shift, the drive through and parking area do not meet setback requirements. As three property lines front public streets, all three property lines are considered front yards. Due to the reduced setbacks, a landscape plan was provided that buffers this area from the sidewalk on the west side of the property adjacent to Eagle Lake Road South to the west, Highway 10 to the north, and Humboldt Drive to the south. The structure is proposed to be 584 square feet in size with an outdoor dining area and walk-up window in addition to the drive-thru window.
The 32,125 square foot property consists of two existing parcels that have not been previously platted. As part of the platting process, part of these properties will be dedicated for right-of-way and the size of the parcels will be reduced to 12,967 square feet. Healy noted that the property is currently owned by the City and a purchase agreement would need to be executed for the sale of the property. Healy reviewed approvals required on this Application including Preliminary and Final Plat that will be known as Opatz Corner, Site Plan Review, Conditional Use Permits, and a large number of Variances, most of which are due to the size and location of the site. Healy noted that the Planning Commission held a public hearing on August 7, and the Planning Commission unanimously voted to recommend approval with conditions to allow for the construction of a drive-through/walk-up Caribou Coffee. Healy also noted that the City Attorney has recommended approval of the Preliminary Plat and Final Plat with the additional condition that before the plat is signed or recorded by the City, the owner must execute a Temporary Easement for the UTV line indicated on the ALTA survey.

Mayor Wallen noted that the City knew at the onset that a number of Variances would be needed to get any project completed on this site. The Applicant’s representative, John Fanning commended the efforts of City Staff, the Planning Commission, and the City Council for facilitating an easier application process. Fanning noted that they have not had this kind of response in other communities, and recognized the City of Big Lake for being open to creative development concepts.

Council Member Johnson motioned to approve Resolution No. 2019-59 approving the Preliminary Plat and Final Plat of Opatz Corner with the additional condition that before the Plat is signed or recorded by the City, the owner must execute a Temporary Easement for the UTV line indicated on the ALTA survey, approve Resolution No. 2019-60 approving the Site Plan and Conditional Use Permits for Caribou Coffee, and approve Resolution No. 2019-61 approving Variances for Caribou Coffee. Seconded by Council Member Hansen, unanimous ayes, motion carried.

7C. Donations – Big Lake Police Department

Joel Scharf reviewed recent donations made to the Police Department. Donations included $1,500 in cash donations provided by the Big Lake American Legion and Legion Auxiliary Organization towards the Canine Program, the donation of a microchip reader from Big Lake Area Veterinary Hospital, a $400 cash donation from the Running For Justice Program to be used towards the purchase of unbudgeted needs of the Department, the donation of 10 CPR kits from the Eddy Family Foundation valued at $1,200 for each unit, the donation of two 2012 Polaris Sportsman 850 four wheelers valued at $18,000 total procured through the U.S. Military Return to Duty Program, and a $5,500 cash donation from the Big Lake Spud Fest Organization towards the Department’s UAV Program. Council thanked all organizations and businesses for their generous donations.
Council Member Zettervall motioned to approve Resolution No. 2019-62 accepting donations towards the Big Lake Police Department as presented. Seconded by Council Member Knier, unanimous ayes, motion carried.

Scharf also updated Council on the apprehension of an Elk River resident who confessed to throwing sheetrock screws on roadways in the Big Lake area.

7D. Building Permit Fee Update

Clay Wilfahrt discussed a recent report released from the Builders Association of the Twin Cities that indicates cities are profiting from building permits. They claim that the Municipal Construction and Development Fee Revenue and Expenses Annual Report supports this claim.

Wilfahrt noted that Staff reviewed the report and the claims, and found different results. The Builders Association was not using an inclusive calculation which involves the Building Division time along with Administration/Finance, Planning, Engineering, Community Development, and general overhead. Upon Staff review, it was determined that the following costs should be included in the calculation of costs of processing building permits: 100% of the Building Department, 10% of Administration and Finance for the overall oversight of the Building Department and overarching expenses like printers and other universally used equipment, 35% of Planning for review of building permits for setbacks, impervious surface and other planning and zoning requirements, 7.3% of Engineering for review of drainage, elevations, storm water management and other engineering concerns, 12.5% of EDA/Community Development to offset the cost of the Community Development Director's time dedicated to the Building Division, and Depreciation in the amount of $3,000 annually for the depreciation of various capital items associated with the Building Division.

Wilfahrt noted that in review of results after adjusting for real costs, it shows that Big Lake’s building permit expenses compared to revenue generated from building permits reflect an overall 1% deficit annually, and that the City’s building permit fees are an accurate representation of the costs of processing building permits. Wilfahrt noted that Staff has reached out to our State Congressional Representatives to explain the findings in the report.

7E. Monthly Department Reports

Deb Wegeleben provided a year-to-date financial update on unaudited revenues, expenditures, Capital Improvement Plan Fund, and Enterprise Funds. Wegeleben also reviewed the City’s outstanding debt, and provided a proposed budget timeline showing the Preliminary Budget/Levy being adopted on September 11, the Public Input Hearing being scheduled for November 25, and final Budget/Levy adoption projected for December 11.
Greg Zurbey provided a liquor store year-to-date review including financial information, discussed in-store tastings, discussed the weekly sales flyer, and noted that the Big Lake Fire Department sold dance tickets at the store. Zurbey also discussed the $500 donation the store made from proceeds from the “Spud Fest” beer sales, discussed the Anheiser Busch “Folds of Honor” Collection, the MMBA Annual Shelter Collection, and reviewed YTD store transfers that helped fund the 2019 Street Rehabilitation Project and improvements to the McDowall Trail. Zurbey also discussed the store’s efforts in coordinating the 1st annual MMBA Fire Department fundraiser.

Hanna Klimmek provided an update on activities in the Community Development Department. Klimmek reviewed housing/commercial development statistics/projects, and redevelopment projects. Klimmek also discussed a recent media release regarding the new Caribou drive-through/walk-up design that will be opening in Big Lake, reviewed BLEDA activities including the sale of the Phase II land in the BLIPE to the City and Township, and reviewed Planning Commission activities including filling the vacancy on the Board and development applications that Staff has been working on. Council Member Knier asked for more information on Staff’s efforts in modernizing parking requirements. Klimmek noted that Staff has been researching the benefits of relaxing parking standards and offering businesses flexibility with justifiable reasons.

8. **LIST OF CLAIMS**

Council Member Hansen motioned to approve the List of Claims dated 08/08/19 through 08/21/19 and payroll no. 17. Seconded by Council Member Johnson, unanimous ayes, motion carried.

9. **ADMINISTRATOR’S REPORT**

Clay Wilfahrt discussed a conversation he had with a new business owner who recently relocated to Big Lake. The business owner wanted the City to know that part of the reason he chose to relocate to Big Lake was due to the positive working relationship between their development team and City Staff who worked collaboratively to overcome obstacles. Wilfahrt recognized that City Staff has been open and creative when reviewing and processing development applications.

10. **MAYOR & COUNCIL REPORTS and QUESTIONS/COMMENTS**

*Mayor Wallen:* Reviewed recent Fire Board Meetings. Wallen also discussed recent real-life scenario trainings the Police Department held.

*Council Member Johnson:* Discussed recent Fire Board Meetings.
Council Member Knier: Discussed the Big Lake Beyond the Yellow Ribbon organization and their efforts to address Veteran needs. Knier also noted that he met with the Senior Citizen group this week.

11. **OTHER** No other.

12. **ADJOURN**

Council Member Knier motioned to adjourn at 7:09 p.m. Seconded by Council Member Hansen, unanimous ayes, motion carried.

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Gina Wolbeck
Clerk

Date Approved By Council _____ 09/11/19 _____