

DRAFT



Approved: May 23, 2022

**CITY OF ARDEN HILLS, MINNESOTA
REGULAR CITY COUNCIL MEETING
MAY 9, 2022
7:00 P.M. - ARDEN HILLS CITY COUNCIL CHAMBERS**

CALL TO ORDER/ROLL CALL

Pursuant to due call and notice thereof, Mayor David Grant called to order the regular City Council meeting at 7:00 p.m.

Present: Mayor David Grant, Councilmembers Brenda Holden, Fran Holmes, David Radziej, and Steve Scott

Absent: None

Also present: City Administrator Dave Perrault; Public Works Director/City Engineer Dave Swearingen; City Planner Jessica Jagoe; and City Attorney Joel Jamnik

PLEDGE OF ALLEGIANCE

1. APPROVAL OF AGENDA

Mayor Grant requested two items be added to the agenda, the first being Item 2A a Proclamation for National Police Week and the second item was Item 9B a Terms Sheet for Rice Creek Commons.

MOTION: Councilmember Holden moved and Councilmember Radziej seconded a motion to approve the meeting agenda as amended. The motion carried (5-0).

2. PUBLIC INQUIRIES/INFORMATIONAL

Christy Jacob, 1492 Arden Place West, reported she is the mother to seven kids who have or will be attending Mounds View High School. She explained she is a psychologist and has a private practice in Arden Hills. She noted she has lived in Arden Hills for the past 19 years and over the past two years she has participated in One and All Arden Hills, which is a group that is working to create a more welcoming, just and inclusive community. She discussed the work this group was doing to address affordable housing in Arden Hills. She reported the City of Arden Hills had received a score of 10 out of 100 from the Met Council, based on its affordable housing efforts in 2021. She noted this score represents Arden Hills' efforts for the past 10 years. She indicated the City's efforts have been deficient because only four units have been built in the past 10 years. She

believed this score meant the City lacked ordinances and policies that would promote and support affordable housing. She indicated Shoreview scored a 90, Fridley an 89 and New Brighton scored a 71. She encouraged the Council to consider how it will accomplish its affordable housing goals as identified within the 2040 Comprehensive Plan, which called for 373 additional units and suggested more affordable housing be considered within the Rice Creek Commons development.

Chris Hughes, 3515 Snelling Avenue North, stated he is a member of One and All Arden Hills. He invited the City Council to check out this group's website. He explained at a previous meeting he requested the Council to provide him with a plan for achieving the City's affordable housing targets as outlined within the comprehensive plan. He discussed the response he received from staff noting the City continues to work with developers on affordable housing options in Arden Hills. He encouraged the Council to provide the public with a plan on how it will achieve 373 affordable housing units stating it was his understanding TCAAP would only have 146 affordable units. He explained Arden Hills had great schools, a strong business climate, and safe neighborhoods thanks to the leadership of the City Council. He believed Arden Hills should also welcome lower earning individuals into the community by providing reasonably priced housing. He recommended the Council spend time drafting an actionable plan to meet Met Council's affordable housing goals.

A. Proclamation for National Police Week

Mayor Grant read a proclamation in full for the record declaring May 11 through May 17, 2022 to be National Police Week in the City of Arden Hills.

3. **RESPONSE TO PUBLIC INQUIRIES**

None.

4. **STAFF COMMENTS**

A. Transportation Update

Public Works Director Swearingen reported work began in April on Lexington Avenue from County Road E to I-694 in Arden Hills. He commented on the detours that would be in place for 2022 and he encouraged the public to drive safely through this area and to be prepared for delays. He noted the latest information on this project could be found in Ramsey County's website.

Public Works Director Swearingen stated MNDOT's median cable barrier project on Snelling Avenue from County Road C to I-694 and traffic was restricted to one lane northbound.

Public Works Director Swearingen explained work began on the parking lot at City Hall and it was noted the parking lot would remain open to the public in designated areas Monday through Friday.

Councilmember Holden encouraged Ramsey County to provide more information to the public on Lexington Avenue project noting people were having trouble navigating through this corridor.

Councilmember Radziej discussed how the Arden Hills businesses were being adversely impacted by the County’s project. He suggested that Council and staff meet with the businesses along Snelling Avenue in order to hear their concerns and that these concerns be brought to Ramsey County.

City Administrator Perrault explained additional signage would be coming up shortly and access would be maintained at Lexington Station.

Councilmember Holden asked if the County went door to door to speak to Arden Hills businesses.

Public Works Director Swearingen stated Ramsey County went door knocking and handed out flyers to notify the businesses of the traffic changes that would occur this summer.

Mayor Grant supported staff going door to door to keep these businesses updated on the County improvement project.

5. APPROVAL OF MINUTES

None.

6. CONSENT CALENDAR

- A. Motion to Approve Consent Agenda Item - Claims and Payroll

MOTION: Councilmember Holden moved and Councilmember Radziej seconded a motion to approve the Consent Calendar as presented and to authorize execution of all necessary documents contained therein. The motion carried (5-0).

7. PULLED CONSENT ITEMS

None.

8. PUBLIC HEARINGS

- A. **Snelling Avenue North Street and Utility Improvements Project Draft Special Assessment Roll**

Public Works Director/City Engineer Swearingen stated on February 14, 2022, the City Council adopted Resolution 2022-005 Approving the Plans and Specifications and Ordering the Advertisement for Bids. Bids were solicited and opened on Wednesday, March 9, 2022. The initial proposed Special Assessment Hearing on April 11, 2022 was tabled due to a calculation error on the assessment rate. Notices were sent to the applicable residents and the Special Assessment Hearing was rescheduled for today, May 9, 2022. A portion of the costs for the Snelling Avenue North Street and Utility Improvement Project are proposed to be assessed against the benefitting properties according to the City’s Assessment Policy. In order to assess these costs,

the City must follow the process outlined in State Statute 429. On March 14, 2022, after the bids were opened, the City Council adopted Resolution 2022- 014 Declaring Costs to be Assessed and set today as the date for the assessment hearing. A public hearing prior to adopting the assessments is a requirement of State Statute 429.

Public Works Director/City Engineer Swearingen reported the project is proposed to be assessed consistent with the City's Assessment Policy and past practices, which states that 50% of the costs for roadway improvements will be assessed in residential areas, with the remaining portion financed by City funds. Financing for the project is consistent with City policy and past practice and is summarized in the table below. The project costs include 27% engineering and overhead costs. Also, the Council must establish the interest rate at tonight's Council Meeting. Many cities set their interest rate for assessments at two (2) percentage points over the bond interest rate. The City's assessment policy states that the interest rate used for the assessment shall be designated at the prime rate plus two (2) percentage points. For the 2021 PMP, the assessment interest rate was set at two (2) percentage points over the assumed bond interest rate which was based on current market conditions at the time, our AAA rating, plus 15 basis points. The result was an assessment interest rate of 3.15%. Our current assumed bond interest rate is 2.90% and the prime rate is 3.50%. Staff would recommend following the City's assessment policy and setting the assessment rate at 5.50%.

Public Works Director/City Engineer Swearingen explained Snelling Avenue North assessment rate of \$4,958 per unit as compared to the Feasibility Report estimate of \$4,524. The assessments related to Cummings Lane are calculated in accordance with the City's Assessment policy, is half of the street project cost for residential properties. Cummings Lane assessment rate of \$4,935 per unit as compared to the Feasibility Report estimate of \$4,071.

Public Works Director/City Engineer Swearingen stated as provided for in State Statute, no appeal may be taken as to the amount of any assessment adopted unless a written objection signed by the affected property owner is filed with the City at or prior to the assessment hearing. After the adoption of the assessment roll, property owners who have submitted an objection in writing have 30 days to serve notice of an appeal to the City, and within 10 days after serving notice to file with the District Court. Formal objections that were submitted in writing to City staff have been forwarded to Council for review. Any other written objection received prior to Monday evening will be provided to the City Council at the assessment hearing.

Brad Fisher, Bolton & Menk, commented further on the assessments for the Snelling Avenue North Street and Utility Improvement project. He explained the low bid was received from T.A. Schifsky & Sons. The cost for the project improvements was reviewed with the Council and it was noted the project would be funded by six different sources. The properties that would be assessed through this project were detailed along with the assessments rates for Cummings Lane and Snelling Avenue. He reported a newsletter was sent by T.A. Schifsky to the property owners within the project area and work has begun on the project. The manner in which assessments could be paid to the City was described and he asked for comments or questions.

Mayor Grant opened the public hearing at 7:30 p.m.

Chris Hughes, 3515 Snelling Avenue North, commented he was disappointed with the change in the assessment amount, noting his assessment went up \$1,000. He believed this was quite unfortunate for the residents. He stated he was also frustrated with the fact very few residents were being asked to pay for this stretch of roadway.

Councilmember Holden requested staff speak to how this roadway was being assessed.

Public Works Director Swearingen described how the assessments for Snelling Avenue had been calculated, noting a different equation had been used to find a rate per foot for the frontage of this roadway.

With no one coming forward to speak, Mayor Grant closed the public hearing at 7:33 p.m.

Councilmember Scott explained if the standard equation had been followed for Snelling Avenue the assessments would have been nearly \$18,000. He thanked staff for using the per foot equation because this was providing an assessment that was equivalent to the Cummings Lane project.

Mayor Grant noted it was his understanding written objections to the proposed assessments had to be received in writing at this meeting.

City Attorney Jamnik reported this was the case and stated staff had received three objections.

9. NEW BUSINESS

A. Resolution 2022-019 Adopting Special Assessment Roll – Snelling Avenue North Street and Utility Improvement Project

Public Works Director/City Engineer Swearingen stated this item was introduced under Item 8A.

Councilmember Holden commented on the appeals that were received from the public and noted she supported the assessment for the property at 3529 Snelling Avenue. She explained staff made a mistake originally when calculating the assessments and the number had been corrected.

Mayor Grant agreed the proposed assessments should stand with the recalculated numbers.

Councilmember Holmes and **Councilmember Radziej** concurred.

MOTION: Councilmember Holden moved and Councilmember Holmes seconded a motion to adopt Resolution 2022-019 – Adopting Special Assessment Roll – Snelling Avenue North Street and Utility Improvement Project. The motion carried (5-0).

B. Terms Sheet for Rice Creek Commons

Mayor Grant provided the public with a recap and history on TCAAP/Rice Creek Commons. He indicated this item was added to the agenda because it was not available at the time the packet was

printed. He noted this development was extremely large and the City has been working since August of 2021 on the Terms Sheet with Alatus. He reported the City and the developer have come to an agreement on a Terms Sheet. He then reviewed the main points within the Terms Sheet and provided a definition for an evergreen fund. He explained TCAAP would have 326 affordable units. The district parking solution was discussed and it was noted TIF would be used to assist with the expense. He then invited Bob Lux with Alatus to speak to the Council.

Bob Lux, President and CEO of Alatus, commented on the process that had been followed to select Alatus as the master developer for TCAAP back in 2016. He stated he was disappointed when this project came to a screeching halt, but commented on how the project has improved in the past three years. He indicated he looked forward to working on this project with the City of Arden Hills. He discussed the affordable housing that would be constructed within this project and commended the City for doing this in a thoughtful and responsible manner. He believed the project was sound and only minor modifications would be required. It was his hope that the County would approve the plans and ground breaking would occur yet this year. He complimented the City again for all of their assistance during the negotiations of the Terms Sheet and noted the Council had been very fiscally responsible on behalf of their citizens.

Mayor Grant stated he was looking forward to the County reviewing and approving this Terms Sheet in order to move this project forward. He thanked Councilmember Holden for her assistance on this project over the years. He was of the opinion the proposed Terms Sheet was very balanced and should move forward.

MOTION: **Councilmember Holden moved and Mayor Grant seconded a motion to approve the Terms Sheet for Rice Creek Commons.**

Councilmember Holden discussed the history of this project. She appreciated how the Terms Sheet addressed the financials for this project. She thanked the developer for taking on the risk in order to move this project forward.

Councilmember Radziej stated he appreciated all of the Council's efforts on the Terms Sheet.

Mayor Grant explained the County sent a letter to the City, encouraging the City to meet with Alatus in order to draft a Terms Sheet and agreement. He believed the City had come up with a great solution that will work for all parties involved.

Councilmember Holmes thanked Bob Lux for being in attendance and for working with the City over the past eight months on the Terms Sheet. She believed the Terms Sheet was a significant step forward in the path to developing Rice Creek Commons. She explained the City Council continues to put the interests of the Arden Hills residents first. She reported the goal was to complete a sustainable development that would enhance the City. She then commented on the affordable housing that would be included within the TCAAP development.

Councilmember Scott stated this was a proud moment for all taxpayers within Ramsey County. He reported this agreement would not have happened without the commitment from Alatus and the City Council. He indicated this project was in a much better place than it was several years ago. He thanked Bob Lux and stated he was looking forward to this project getting started.

Mayor Grant thanked Alatus for all of their efforts and for working things through with the City. He thanked Alatus for committing to build quality housing products within the development.

A roll call was taken. The motion to approve the Rice Creek Commons Terms Sheet was adopted and passed with a 5-0 vote.

10. UNFINISHED BUSINESS

None.

11. COUNCIL COMMENTS

Councilmember Radziej stated he had a great visit with International Paper and requested staff speak with representatives from International Paper.

Councilmember Scott reported Tuesday, May 10 would be the last day to register for the Scoops for Troops event and receive a free t-shirt (registration is still open after May 10 but a t-shirt is not guaranteed). He reported the run would be held on Sunday, May 22 at 10:00 a.m.

Councilmember Scott explained the City is sponsoring a Touch a Truck event to be held at Perry Park on Saturday, May 21 at 10:00 a.m.

Councilmember Holmes stated she would be attending a ribbon cutting ceremony for the St. Paul Waterworks new facility on Tuesday, May 10.

Councilmember Holmes indicated she received a letter from Representative Betty McCollum regarding the 12 projects that would be completed in the area, noting several of the projects would be investments made in youth programming.

Councilmember Holden stated the Minnesota Department of Housing Authority was starting a home improvement program for manufactured home communities. She noted funding would be available for improvements and encouraged staff to reach out to representatives from this organization to see if there was funding available.

Mayor Grant discussed the trailers that were being parked near International Paper and encouraged staff to reach out to representatives within this organization to address these concerns.

ADJOURN

MOTION: Councilmember Holden moved and Councilmember Holmes seconded a motion to adjourn. The motion carried (5-0).

Mayor Grant adjourned the Regular City Council Meeting at 8:19 p.m.

Julie Hanson
City Clerk

David Grant
Mayor