



Approved: November 8, 2021

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**CITY OF ARDEN HILLS, MINNESOTA  
REGULAR CITY COUNCIL MEETING  
OCTOBER 11, 2021  
7:00 P.M. - ARDEN HILLS CITY COUNCIL CHAMBERS**

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**CALL TO ORDER/ROLL CALL**

Mayor Grant declared October 11, 2021 a non-holiday for the City Council to conduct business.

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, and Steve Scott

**Absent:** Councilmember Dave McClung (excused)

**Also present:** City Administrator Dave Perrault; Public Works Director David Swearingen; Senior Planner Jessica Jagoe; Finance Director Gayle Bauman; City Attorney Joel Jamnik; and City Clerk Julie Hanson

**PLEDGE OF ALLEGIANCE**

**1. APPROVAL OF AGENDA**

**MOTION:** Councilmember Holden moved and Councilmember Holmes seconded a motion to approve the meeting agenda as amended. The motion carried (4-0).

**2. PUBLIC INQUIRIES/INFORMATIONAL**

**Gregg Larson**, 3377 North Snelling Avenue, thanked the Council for considering his comments about how the City Council takes comments at public meetings. He believed this was a good change and he hoped the Council felt the same way. He then discussed Rice Creek Commons and asked the Council their position on the project's density and affordable housing. He also discussed other projects in the area.

**3. RESPONSE TO PUBLIC INQUIRIES**

None.

**4. STAFF COMMENTS**

- A. Transportation Update

**Public Works Director Swearingen** reported the 2021 PMP project was nearing completion. He noted the final section of pavement would be completed this week.

**5. APPROVAL OF MINUTES**

- A. September 13, 2021, Regular City Council  
B. September 20, 2021, City Council Work Session  
C. September 27, 2021, Regular City Council

**Councilmember Holmes** reported she spoke with staff regarding a minor change she would like made to the September 20, 2021 City Council Work Session minutes.

**MOTION:** Councilmember Holden moved and Councilmember Holmes seconded a motion to approve the September 13, 2021, Regular City Council meeting minutes as presented, the September 20, 2021, City Council Work Session meeting minutes as amended; and the September 27, 2021, Regular City Council meeting minutes as presented. The motion carried (4-0).

**6. CONSENT CALENDAR**

- A. Motion to Approve Consent Agenda Item - Claims and Payroll  
B. Motion to Approve Additional Comp Time Hours for Union Employees  
C. Motion to Approve 2021 PMP Street and Utility Improvements – Payment No. 4  
D. Motion to Approve Proposal for Performing the Warranty Repair Inspection on the North Tower  
E. Motion to Approve MVHS PUD Agreement for Planning Case #21-017

**MOTION:** Councilmember Holden moved and Councilmember Holmes seconded a motion to approve the Consent Calendar as presented and to authorize execution of all necessary documents contained therein. The motion carried (4-0).

**7. PULLED CONSENT ITEMS**

None.

**8. PUBLIC HEARINGS**

- A. **Planning Case 21-019 Preliminary Plat, Final Plat, Master Planned Unit Development and Site Plan Review – 3737 Lexington Avenue North and 1133 Grey Fox Road – Launch Properties (Aldi)**

**Senior Planner Jagoe** stated Launch Properties (“The Applicant”), on behalf of Aldi, is requesting a Preliminary Plat, Final Plat, Master Planned Unit Development, and Site Plan

Review for a proposed project on 3737 Lexington Avenue North. (“Subject Property”) and 1133 Grey Fox Road. The Property is currently owned by STORE Master Funding III, LLC. The site is currently developed as a vacant industrial building with an associated parking lot. The proposal includes a lot reconfiguration that would adjust the existing lot line to the east. The Applicant is proposing to demolish the existing building and redevelop the site with a new +/- 19,480 square foot Aldi grocery store and an associated pad site with an +/- 5,300 square foot building purposed for a national dental tenant and Bank of America.

**Senior Planner Jagoe** reviewed the Plan Evaluation in detail, commented on the flexibility the Applicant was requesting and recommended the Council hold a public hearing.

**Councilmember Holmes** asked where the second entrance point would be for this site. She feared it would be difficult for semi-trucks to access this site.

**Senior Planner Jagoe** reviewed a map of the site with the Council and noted the two access points. She reported the City Engineer and Fire Marshal reviewed the site plan and have approved the plans, stating truck traffic will use the two-way access off of Grey Fox Road.

**Mayor Grant** opened the public hearing at 7:39 p.m.

**Gregg Larson**, 3377 North Snelling Avenue, commented this was a PUD which meant it was a negotiation between the applicant and the City. He reported the applicant has requested a great deal of flexibility to depart from City Code requirements. He encouraged the Council to look to the applicant for demonstrating some flexibility on their part as well. He believed this request was a repetition of everything that has been done wrong on Lexington Avenue from an urban design standpoint. He indicated this building turns its back to the street. He suggested the building be reconsidered in order to make a more attractive entrance from Lexington Avenue.

With no one coming forward to speak, Mayor Grant closed the public hearing at 7:41 p.m.

## 9. NEW BUSINESS

### A. Planning Case 21-019 Preliminary Plat, Final Plat, Master Planned Unit Development and Site Plan Review – 3737 Lexington Avenue North and 1133 Grey Fox Road – Launch Properties (Aldi)

#### B.

**Senior Planner Jagoe** stated Launch Properties (“The Applicant”), on behalf of Aldi, is requesting a Preliminary Plat, Final Plat, Master PUD, and Site Plan Review for a proposed project on 3737 Lexington Avenue N (“Subject Property”) and 1133 Grey Fox Road. The subject property is currently two lots with one building developed over both lots. The proposal includes a lot reconfiguration that would adjust the existing lot line to the east. This development includes the demolition of the existing vacant industrial building and redevelop the parcels with two separate one-story buildings, one 19,480 square foot grocery store and one 5,350 square foot dental/office building. Staff commented further on the request and offered the following Findings of Fact:

1. The properties located at 3737 Lexington Avenue and 1133 Grey Fox Road are designated for Commercial uses on the 2040 Comprehensive Plan.
2. New building construction or site modification identified requires the submittal of a Site Plan Review application prior to construction.
3. For building construction or site modifications not included on the Master Plan, a PUD Amendment is required.
4. The PUD process allows for flexibility within the City's regulations through a negotiated process with a Developer.
5. The Applicant has proposed a Master Plan Planned Unit Development in order to develop the property with shared access, parking, and maintenance between the two parcels.
6. The Master Planned Unit Development generally conforms to the requirements of the City Zoning Code and design standards.
7. Where the plan is not in conformance with the City Code, flexibility has been requested by the Applicant.
8. Flexibility through the PUD process has been requested in the following areas: landscaping, setbacks, building positioning, building façade, building materials, pedestrian and bicycle circulation, and signage.
9. A public hearing for a Preliminary Plat, Final Plat, and Master Planned Unit Development request is required before the request can be brought before the City Council.
10. The Planning Commission conducted a public hearing on September 8, 2021.

**Senior Planner Jagoe** reported the Planning Commission recommended approval of Planning Case 21-019 for a Preliminary Plat, Final Plat, Master Planned Unit Development, and Site Plan Review at 3737 Lexington Avenue and 1133 Grey Fox Road, based on the findings of fact and the submitted plans, as amended by the conditions in the October 11, 2021 Report to the City Council:

1. The project shall be completed in accordance with the submitted plans as amended by the conditions of approval. Any significant changes to these plans, as determined by the City Planner, shall require review and approval by the Planning Commission and City Council.
2. The Master Planned Unit Development approval shall expire one year from the date of City Council approval unless a building permit has been requested or a time extension has been granted by the City Council. The City Council may extend the expiration date of such approval upon written application by the person to whom the approval was granted.
3. A violation of any condition set forth in the permit shall be a violation of this Code, and shall be cause for revocation of the permit.
4. A Master PUD Development Agreement shall be prepared by the City Attorney and subject to City Council approval. The Master PUD Development Agreement shall be fully executed prior to the issuance of building permits.
5. The applicant shall file the Final Plat with Ramsey County within 180 days of the approval from the City.
6. Prior to the issuance of a building permit, a landscape financial security equal to 125% of the cost of the landscaping to be installed on the site shall be submitted. The Applicant must submit a detailed cost estimate for the landscaping so staff can determine the final amount. Landscape financial security shall be held for two full growing seasons. For any landscaping that is not in accordance with the approved landscaping plan at the end of two growing seasons, the Developer shall replace the material to the satisfaction of the City

- before the guarantee is released. Where this is not done, the City, at its sole discretion, may use the proceeds of the performance guarantee to accomplish performance.
7. A Grading and Erosion permit shall be obtained from the city's Engineering Division prior to commencing any grading, land disturbance or utility activities. The Applicant shall be responsible for obtaining any permits necessary from other agencies, including but not limited to, MPCA, Rice Creek Watershed District, MnDOT and Ramsey County prior to the start of any site activities.
  8. Prior to the issuance of a grading permit, the City Engineer item identified in the October 11th Report to the City Council and the September 1, 2021 Engineering Division memo shall be addressed. All comments shall be adopted herein by reference.
  9. The final plans shall be subject to approval by the City Engineer, Building Official, and Fire Marshal prior to the issuance of a grading and erosion control permit.
  10. Final grading, drainage, utility, and site plans shall be subject to approval by the Public Works Director, City Engineer, and City Planner prior to the issuance of a grading and erosion control permit or other development permits.
  11. Upon completion of grading and utility work on the site, a grading as-built and utility as-built shall be provided to the City for review.
  12. Heavy duty silt fence and adequate erosion control around the entire construction site shall be required and maintained by the Developer during construction to ensure that sediment and storm water does not leave the project site.
  13. The Applicant shall be responsible for protecting the proposed on-site storm sewer infrastructure and components and any existing storm sewer from exposure to any and all stormwater runoff, sediments and debris during all construction activities. Temporary stormwater facilities shall be installed to protect the quality aspect of the proposed and existing stormwater facilities prior to and during construction activities. Maintenance of any and all temporary stormwater facilities shall be the responsibility of the Applicant.
  14. A right-of-way permit shall be required for work performed within the City right-of-way.
  15. All light poles, including base, shall be a maximum of 25 feet in height and shall be shoebox style, downward directed, with high-pressure sodium lamps or LED and flush lenses.
  16. All rooftop or ground mounted mechanical equipment shall be hidden from view with the same materials used on the building in accordance with City Code requirements.
  17. A separate sign permit shall be required for all signs on the site.
  18. The sign copy area for the freestanding monument sign shall be reduced from 108 square feet to 100 square feet as allowed in Sign District 5. Wall signage shall be approved as requested by the Applicant. A separate sign permit is required for all proposed signage.
  19. Any future trash enclosures shall utilize wooden gates and be constructed on three sides using the same materials and patterns used on the building. Locations shall be approved by the Planning Department.
  20. The Applicant shall be financially responsible for all applicable water and sanitary charges. Rates applied shall be memorialized in the Development Agreement.
  21. All disturbed boulevards shall be restored with sod. All areas of the site, where practical, shall be sodded or seeded and maintained. The property owner shall mow and maintain all site boulevards to the curb line of the public streets.

22. The Applicant shall provide an agreement for shared management and maintenance of the site access, parking areas, landscaping, snow removal and common areas for the City Attorney to review and for the City Council's approval prior to the approval of the Master PUD Development Agreement.
23. The proposed structures shall conform to all other regulations in the City Code.
24. The Applicant shall provide a copy of the Stormwater Management Report and verification of Rice Creek Watershed approval prior to the approval of Development Agreement.
25. The Property Owner shall provide evidence of or obtain an ingress/egress easement for use of the western access located on 3728 Dunlap Street.
26. The sidewalk width along Grey Fox Road shall be increased from five feet to six feet.
27. The Applicant shall reconfigure the site layout between the number of off-street parking spaces and ratio of landscaping.
28. The Applicant shall meet transparency requirements for the outparcel building on the Lexington Avenue elevation.

**Councilmember Holden** reported the applicant has three pages of flexibility requests for the Council to consider for this project. She explained she could not support this project unless there were some major changes. She discussed the landscaping standards that were in place and expressed concern with how large this building was for the site.

**Councilmember Holmes** indicated she was also concerned with the number of the variances that were being requested. She reported the Aldi building was not the concern. She stated she was having trouble with the two tenant building. She commented at this time she would have a hard time supporting this request.

**Councilmember Scott** explained the PUD process allows the City to effectively negotiate with the applicant these flexibility requests. He stated the City has had similar requests from other developments in the community. He asked if the proposed building materials were the same as those used in other communities.

**Ryan Anderson**, ISG and Aldi representative, reported this was the case.

**Councilmember Holmes** noted she visited the two newest Aldi's in Roseville. She believed that the proposed building façade was different from these two buildings. She indicated the brick was different and the stand alone building on Cleveland Avenue had a lot more windows with outdoor seating.

**Mr. Anderson** explained from an engineering standpoint the buildings were similar. He noted the brick has multiple color schemes and indicated this was the preferred color. He reported the brick color was not a sticking point and could be modified. He stated the building in Roseville was unique and did have more windows because it was an interior facing building. He commented the Arden Hills Aldi would have an outdoor patio with seating.

**Councilmember Holmes** feared that some of the responses from Mr. Anderson were simplistic in nature. She requested Mr. Anderson provide the Council with more detail when responding to questions.

**Mr. Anderson** reported the proposed Aldi would look like the stores that have been built recently and would not look like the stores that were built 10 years ago.

**Councilmember Scott** commented on the proposed sign variance and noted he did not have a problem with this request because other businesses along Lexington Avenue have made this same request. He noted he did have a concern with the setbacks for the front tenant building. He encouraged the applicant to do whatever possible to ensure that the public did not have to look at the rear side of a building when entering this site, but rather to provide four sided architecture.

**Mayor Grant** explained there were 15 major areas with this project and 10 required variances. He requested further information on staff regarding the 60 day deadline.

**Senior Planner Jagoe** reported the City received the completed application on August 19, 2021 and the City must act on the request by October 18, 2021.

**Mayor Grant** noted he had a problem with the amount of the development on the site, which was impacting the landscaping plan, side yard setbacks and building positioning. He commented he had a large issue with the off street parking setbacks. He indicated the building façade and building materials themselves were also a concern to him. He reported the building materials could have been enhanced given there were so many other flexibility requests, but the applicant failed to do this. He stated he had an issue with the amount of wall signage and encouraged the applicant to meet the City's monument sign requirements. He believed that the developer was trying to put too much onto too small of a foot print for this development. He commented at this time he could not support this request.

**Mr. Anderson** stated he understood the number of variances being requested was a concern. He reported the minimum parking requirements required flexibility due to the shared uses on the site. He commented on the freestanding sign size and noted the Planning Commission did not have a concern with being eight feet over the 100 square foot requirement. He indicated he would be more than happy to make adjustments in order to meet the City's requirements. He clarified that 50% of the greenspace added was along the front of the building and 50% was in the rear of the building. He explained there was a massive amount of above ground and underground utilities along Grey Fox Road which requires the street trees to be in the islands.

**Mayor Grant** questioned if there were drainage basins in the areas where snow would be stored in the winter months. He asked how the water would be channeled in this area.

**Mr. Anderson** reported there were no drainage basins in this area. He reported the parking lot was graded with a 2% grade to ensure adequate drainage. He noted the site had catch basins along the parking lot along with a large underground stormwater system to meet all of the City and Rice Creek Watershed's requirements.

**MOTION:** **Councilmember Holden moved and Mayor Grant seconded a motion to deny Planning Case 21-019 for a Preliminary Plat, Final Plat, Master Planned Unit Development, and Site Plan Review at 3737 Lexington Avenue and 1133 Grey Fox Road.**

**Councilmember Holmes** stated she would support this matter being tabled versus the item being denied. She commented she would like to see only the Aldi building on this property without the second building. She explained if the item were denied altogether the applicant could not alter the plans.

**Councilmember Holden** indicated she did not support this item being tabled because the applicant has been told to not have so many buildings, to reduce the number of variances and the applicant has chosen not to do this. She commented if the item were tabled it would come back to the City Council and would not go before the Planning Commission. She believed the plans needed to be significantly altered prior to being reconsidered by the Council. She reported the same concerns that are being voiced this evening have already been voiced to the applicant and the applicant had not heeded these concerns.

**Councilmember Scott** stated he was surprised and pleased that the applicant had come back with changes. He commented on how the national coffee house had been changed to a dental/bank building. He appreciated the fact that the applicant had addressed some of the concerns, and understood there were still some concerns out there. He reported the Council has a history of accommodating and working with developers. He stated he was not in favor of denying the request, but would support tabling the matter.

**Mayor Grant** commented the concern with this PUD was the number of variances being requested. He stated he was not seeing what the applicant was bringing to the City. He noted a PUD was not a license to do away with City Code requirements. He explained he would like to see this project reconfigured.

**Councilmember Holden** discussed the flexibility that was granted for Lexington Station Phase 3. She did not believe there were any projects in the City where more than 15 flexibility variances were granted.

**Councilmember Scott** reported this site was an eyesore and he would like to see it redeveloped. He indicated he was willing to negotiate on these items.

**Mayor Grant** commented staff neglected to state this site would require additional flexibility in order to have a drive thru, which was another matter for the Council to consider. He discussed how business models were changing due to COVID and noted the number of drive thrus in the community may be on the rise. He stated he did not have a problem with the drive-thru on the site. He believed there were enough concerns with this project and that they could not be solved from the bench.

**Councilmember Holmes** indicated the building orientation was in compliance with the zoning code. She noted she had major concerns with the parking and setbacks. She did not believe the second building fit on this site. She commented on the number of variances that have been approved over the past 16 years that she has been serving on the City Council and did not recall the Council ever granting variances to allow a second structure on a property that was not part of the main business. She asked if the applicant would be willing to consider just an Aldi building on this site without the second building.

**Dan Terwilliger**, Launch Properties, stated he has looked into this and with the purchase price it does not make financial sense to have only an Aldi building. He indicated this was the reason the developer was asking for flexibility to allow the two buildings. He explained he has been working on this site for over a year and a half.

**Mayor Grant** requested a roll call vote.

**A roll call vote was taken. The motion to deny Planning Case 21-019 for a Preliminary Plat, Final Plat, Master Planned Unit Development, and Site Plan Review at 3737 Lexington Avenue and 1133 Grey Fox Road carried 3-1 (Councilmember Scott opposed).**

**City Attorney Jamnik** explained he would draft the Findings of Fact to support the denial and the Council would be asked to ratify these findings at its October 25, 2021 City Council meeting.

#### **10. UNFINISHED BUSINESS**

None.

#### **11. COUNCIL COMMENTS**

**Councilmember Scott** commended City Clerk Julie Hanson for completing her Certified Municipal Clerk designation.

**Councilmember Scott** stated the Recreation Department would be hosting a flashlight pumpkin hunt on Saturday, October 16. He noted registration for this event was available online.

**Councilmember Holmes** asked if a letter was sent to the County regarding 24 hour park hours.

**City Administrator Perrault** explained this is still in progress as the County Board meeting is not until November.

**Councilmember Holmes** reported traffic was flowing much better around the Mounds View High School, but noted she would like to discuss this item at a future worksession meeting.

**Councilmember Holmes** stated on Tuesday, October 5 she attended a meeting with Ramsey County where the Lake Johanna corridor was discussed. She noted this meeting was very well attended and she appreciated all of the feedback that was provided to the County.

**Councilmember Holmes** commented on Friday, October 8 the Ramsey County League of Local Government held a program regarding homelessness in Ramsey County.

**Mayor Grant** reported he attended the 30<sup>th</sup> Anniversary of CTV 15 with City Administrator Perrault and Councilmember Scott.

**Mayor Grant** reminded the Council there would be a groundbreaking ceremony for New Perspectives on Wednesday, October 13 at 12:00 p.m.

**Mayor Grant** stated he received an email as well as a phone call from a resident regarding park hours. He noted this was useful information that was forwarded onto the City Council.

**Mayor Grant** commented there would be two listening sessions for the Snelling Avenue project. The first session would be in person on Wednesday, October 20, and the second session would be virtual on Friday, October 15 with feedback being accepted through Sunday, October 24.

**Mayor Grant** explained the City Council could not answer questions that relate to the non-disclosure agreement with Ramsey County.

**City Attorney Jamnik** advised the Council that engaging in a discussion was not the way to maintain the integrity of the mediated settlement or the confidentiality agreement. He noted the Councilmembers were free to state what they would like to see there, but were encouraged not to make any reference to anything that the City negotiated or discussed in the mediation.

**Mayor Grant** recommended the City Attorney draft a response outlining these points for the public.

**Councilmember Holmes** recommended Arden Hills position on affordable housing be addressed along with the fact that Arden Hills had negotiated. She explained another venue for discussions and negotiation was the JDA meetings, which the County was refusing to attend.

**Mayor Grant** commented he has been watching the COVID numbers and they seem to be escalating within Ramsey County and the State of Minnesota. He stated he supported Council meetings being held at City Hall for the time being and encouraged everyone to stay safe.

#### **ADJOURN**

**MOTION:** **Councilmember Holden moved and Councilmember Holmes seconded a motion to adjourn. The motion carried (4-0).**

**Mayor Grant** adjourned the Regular City Council Meeting at 8:32 p.m.

  
Julie Hanson  
City Clerk

  
David Grant  
Mayor