

CITY OF WACONIA
September 16, 2019

Pursuant to due call and notice thereof, the regular meeting of the Waconia City Council was called to order by Mayor Kent Bloudek at 6:00 p.m. The following members were present: Kent Bloudek, Charles Erickson, Marc Carrier, Nicole Waldron, Peter Leo.

Staff Present: Susan Arntz, Lane Braaten, Nicole Meyer, Craig Eldred, Ethan Nelson, Jackie Schwerm, Mike Melchert.

Visitors: Tina Barylak, Steve Hebeison, Terry Hartman, Ken Plocher, Joe Pogatchnik III, Gerald Hartman, Larry Plocher, Jacki Plocher, Al Lohman, Dean Hilgers.

Pledge of Allegiance was led by Mayor Bloudek.

ADOPT AGENDA:

Motion by Erickson, seconded by Leo to adopt the agenda. All present voted aye. **MOTION CARRIED.**

VISITORS PRESENTATIONS, PETITION, AND CORRESPONDENCE:

None

ADOPT CONSENT AGENDA:

- 1) September 3, 2019 City Council Meeting Minutes
- 2) Payment of September 16, 2019 Expenditures
- 3) Rink Management Services Corporation Expenditures for Waconia Ice Arena Incurred in August 2019
- 4) Rink Management Services Corporation Expenditures for Safari Island Community Center Incurred in August 2019
- 5) Pay Estimate No. 3 to Geislinger and Sons, Inc
- 6) Resolution No. 2019-189, Cash Donation for Adaptive Playground Equipment
- 7) Resolution No. 2019-190, Appointment of Finance Clerk
- 8) Resolution No. 2019-191, Recruitment for Office Assistant – Flex (PT)
- 9) Resolution No. 2019-192, Minor Subdivision – 1 Micro
- 10) Resolution No. 2019-193, Survey & Design Work for Slope Fill
- 11) Request for Use of Streets for Waconia's Oktoberfest 5K Fun Walk/Run

Motion by Waldron, seconded by Carrier to adopt the consent agenda. All present voted aye. **MOTION CARRIED.**

COUNCIL BUSINESS:

Resolution 2019-194 Budget and Preliminary Levy

Nicole Meyer, Finance Director presented on the 2020 preliminary levy, which she explained is the first official step in 2020 budget process. Meyer reminded the Council that what is set tonight can only be decreased, not increased. She covered the budget timeline, discussing the budget work sessions that have happened over the past few months, as well as the timeline moving forward and the funds that will be discussed in future work sessions. Meyer discussed how we are still waiting on a few numbers, with the largest being the City's health insurance costs for 2020. The Council will have a work session in early November focused on the General Fund again, once we receive these numbers. Meyer mentioned that the

Public Information meeting on the 2020 budget will be December 2, and final levy approval is scheduled for December 16.

This year, we are seeing an overall taxable market value increasing over 11.14% from 2019. Subsequent tax capacity increased 12.85%. Carver County reported the average valued home increased about 11% as well. The preliminary levy includes a \$400,000 increase to the general operating levy, which is a 7.2% increase. This would result in a total levy of \$5,971,502. The increase is recommended with a high focus on interfund transfers to capital project funds to help fund future projects and capital equipment going forward.

For the City's special debt levy, we did see a significant decrease of 7.1% due to the refinancing of the City Hall Construction Bonds. This bond was initially issued years ago, and refunded in 2010, and again this year. This resulted in some significant interest cost savings.

Overall, the net levy to taxpayers is preliminarily increasing 1.35 percentage, with a decrease in the tax rate from 52.5% to 47.14%. The average home will only see a 1.15% increase in the City's tax bill, while though the average valued home is increasing over 11%.

Bloudek asked where residents can find this detailed information, and Meyer mentioned that it can be found on page 45 of the packet.

Meyer called for any questions.

Council Member Marc Carrier mentioned the importance of preserving the 40% fund balance and that he feels comfortable with that number. He appreciates the work to get the preliminary budget done. Meyer emphasized that she feels positive on the estimates. Carrier asked if there was anything concerning or worrisome in related to estimates. Meyer emphasized there are no major worries for the estimates we have and that we feel confident in our numbers and have a good idea for 2020.

Bloudek again mentioned that we are right at 40.4% fund balance, so if there is anything that we aren't as confident about, we should have those conversations now.

Meyer stated that there are excellent estimates in the budget and City staff and the City Council have worked hard to identify these estimates.

Carrier Motion by Carrier, second by Erickson to adopt Resolution 2019-194, 2020 Budget and Preliminary Levy. All present voted aye. **MOTION CARRIED.**

Resolution 2019-195, Site Plan and Design Review, Variance

Resolution 2019-196, Interim Use Permit

Ethan Nelson, Assistant Planner presented on 1 Micro, 902 Pine Place South, which includes a request for an associated variance as well as an interim use permit.

The main part of this application is a 4,800 square foot expansion to their principal structure to be used as warehousing. The variance is on the exterior building materials, which the design district does not allow. The steel side would match the existing building.

There is also the consideration of an interim use permit, which is for a gravel area to the western portion of their curb lot.

Nelson explained the location of this property. All three parcels have been combined, which brings the property into conformance in terms of lot sizing. The current building is 11,171 square foot industrial, zoned I2. The zoning allows outside storage.

Nelson discussed the expansion in detail: a 60x80 warehouse onto existing structure, in addition to a trash enclosure, which will need to meet screening requirements. Nelson explained lot sizing, set back requirements, etc.

Additionally, for every 1,000 square feet there is a requirement for 1 parking space, as well as parking for the warehouse employees. Therefore, seven parking spaces are required per City Code. Some of the gravel area is used for parking, as well as the future discussed interim use permit. The conversation tonight isn't about the number of spaces they are going to use, but the number they are required to have. Upon the expiration of the IUP, parking requirements must be met.

The applicant is proposing an unsurfaced parking area that is 4,200 square feet. Nelson emphasized that there are requirements to protect the parking area. There is shrubbery proposed to enclose/block the parking. Additional trees (five) are required due to the additional square footage being added on. Several of their semi-trailers are parked in the area where the expansion is occurring, and will have to be moved. The applicant will be required to work with City Staff to ensure that parking works and is adequate.

There is an additional area of gravel that was not addressed. The applicant discussed that this area needs to be reworked. Staff will continue to work with the applicant on the landscaping plan as a condition of approval.

There are additional access concerns, in terms of accessing the parking structure. There is an area highlighted for a pedestrian sidewalk. No additional signage is requested. No exterior lighting is requested. Applicant understands that if they plan to add additional signage, they must meet City ordinance requirements.

The Public Services director met on-site with the applicant as it relates to drainage.

Nelson specified that the three-year interim use permit reason is grant funding and the applicant is looking to receive additional grant funding to ultimately finish the parking lot.

The new part of the structure is proposed to be steel siding to match the existing structure. It would be slightly taller than the existing structure, just under 24 feet tall. This meets all the height requirements. The floor plan is simple, adding one additional loading birth. Mayor Bloudek asked if the loading birth is on the south side or north side. Nelson stated that it is the north side, the image on screen was reversed.

Nelson then covered the variance review criteria. He reviewed the property in photographs from the front, south side of the property, north side of property, aerial view and the various buildings surrounding it. Showing where the expansion is proposed on the photographs.

Nelson stated there is one major item that came up in the variance itself, which has to do with the industrial design district. Currently, the district requirements states that "*All buildings shall be masonry construction, an equivalent, or better. No building exterior shall be constructed of sheet aluminum, asbestos, iron, steel, or corrugate metal.*" This is where the variance comes in, because requirements also state that "*Exterior building materials shall not be so at variance with the exterior materials of existing structures.*" This is where it creates a unique perspective, because the building itself is non-conforming because it is already steel.

Nelson then covered the requirements for an interim use permit.

An Interim Use Permit should not be approved unless the following requirements can be identified with certainty:

- A. The date or event that will terminate the use can be identified with certainty.*
- B. Permission of the use will not impose additional costs on the public if it is necessary for the public to take the property in the future.*
- C. The user agrees to any conditions the City deems appropriate for permission of the use.*

Nelson also covered the criteria the City is looking at for unsurfaced parking lots.

- A. Alternatives to dust control subject to City Engineer review, shall be submitted and approved*
- B. The unsurfaced parking are shall provide a bumper or fence along the edge of the lot to ensure no vehicle encroaches into landscaped yard areas*
- C. The parking area must be properly identified as such*
- D. The City engineer shall review the site and/or plan to determine adequate drainage capabilities.*

Nelson showed the area that is considered the “bumper” area and the unsurfaced parking area. The applicant is looking for a three-year interim use permit to secure grant funding. Applicant is aware if they don’t receive grant funding, they will still be required to surface area and meet all criteria that come with surfacing a parking lot. Nelson pointed out the overall gravel area of their property and emphasized that the gravel areas of UFC Farm Supply and the applicant blend in to each other. The applicant has a total of 9,700 square feet total of unsurfaced area and they will ultimately be required to fix all of these issues.

Nelson stated the Planning Commission took one written public comment and took a vote. Planning Commission recommended approval 5-0. The applicant was unable to make it to the meeting tonight.

Bloudek asked how an interim use permit is enforced. Nelson stated that if the lot is not surfaced, it becomes a code-enforcement issue and the City would follow up with the standard zoning violation.

Bloudek asked if lighting is required. Nelson stated there is not a requirement to have lighting on the outside. If they were to install lighting, the City would be required to review a lighting plan as part of their building permit. Nelson stated he did ask the applicant about lighting, and they emphasized they don’t have any plans.

Bloudek asked about exterior use/storage, stated that access to that point is difficult and asked about appropriate storage items. Nelson stated that it’s clear there is a lot of material stored. Nelson stated the applicant is allowed to have storage incidental to the use of the property. He discussed they are going to use a lot of the new warehousing to move things inside the building. Nelson asked the applicant how they are going to use their current exterior storage following the expansion, and didn’t get a clear answer. He did state it is within the Council’s discretion to deem the current plan as “unworkable.” Bloudek stated he is confident that as long as the applicant is working with staff to accomplish this, he is fine with it. Nelson stated this would have to be rectified prior to getting a permit.

Waldron asked if there are requirements for screening of outdoor storage in the I2 district. Nelson said that the I2 district doesn’t prohibit it. Waldron stated that the storage is becoming vehicles and is not looking attractive. Are there requirements or can the City Council recommend screening of the vehicles? Nelson stated that the current view doesn’t completely screen everything, there is some screening proposed in the plan.

Carrier asked if the applicant addressed any questions that came up in the public comment, specifically about vehicles that seem to be left abandoned. Nelson stated the applicant did not address it formally, but

did say they would address some of those issues. Nelson stated that from his perspective, there is some incidental screening in some of the areas, but not everywhere is screened.

City Administrator Susan Arntz added that the applicant is allowed to have exterior storage as related to the business, but a lot of the storage doesn't seem to be related to the business. Arntz stated that Ethan can follow up on those items as code enforcement issues with the property owner now.

Erickson motion, seconded by Leo to adopt Resolution 2019-195 Approving Site Plan, Design Review, and Variance Application. All present voted aye. **MOTION CARRIED.**

Erickson motion, seconded by Leo to adopt Resolution 2019-196 Approving Interim Use Application. All present voted aye. **MOTION CARRIED.**

Resolution 2019-197, Section 900.06, Subd. 8 – Tree Preservation Regulations

Community Development Director Lane Braaten mentioned that tonight trees will be the focus of discussion, after several work sessions with the City Council and public hearing at the Planning Commission level. Braaten brought up that the Woodland Creek Development was the reason this was brought to their attention. The first work session focused on an information session, the second was focused on what other solutions are out there, and then the third work sessions was draft regulations based on the discussion.

The Planning Commission heard the Public Hearing on September 5, 2019. We've received significant feedback from this issue. The Planning Commission discussed the issue for a long amount of time.

The ordinance itself begins with a definition of the phrase "Wooded Parcel." A wooded parcel is "*a parcel one acre or greater platted for residential development, exceeding 75% summer tree canopy, on which 20% is retained for natural preserve. Wetlands are exempt from this calculation.*"

The second part of the update states that "*for a wooded parcel, the reforestation requirement shall be limited to eight (8) tree per platted lot within the wooded parcel, in addition to those required by Section 900.07, Subd. 2, of the City Code. Cash restitution in lieu of planning shall to apply when using the wooded lot designation.*"

Braaten stated that the existing ordinance for residential lots has a replacement rate – restitution can be paid or all trees can be replanted. Currently, our ordinance would allow you to remove all the trees, as long as restitution is paid.

Braaten walked through an example, an east parcel and a west parcel. If we look at a 100 acre parcel for example, 10 acres of wetland, would leave us with 90 acres. Then we look at the unwooded areas of 2.5 acres. About 87.5 acres would be wooded, which is 97% wooded.

In the second example (eastern parcel) Braaten provided, you'd remove 10 acres for wetland. Then there are 31 acres of unwooded/without tree canopy. This leaves us with 59 acres or 65% wooded. This would not meet the standard of a 75% wooded lot.

From a natural preserve area, it would be up to the Council to determine what would be retained in natural preserve area. The maximum that would be required for replacement in those areas, would be 8 trees per lot.

Planning Commission recommended denial of ordinance via a 3-2 vote, with the findings included in the staff report. In consultation with the City Attorney, this ordinance would only require a 3/5 vote for approval, whereas specific zoning ordinance would require a 4/5 vote.

Mayor Kent Bloudek stated that this is an ordinance of the City, versus an application, it is not for a specific developer/applicant, but knows there is a developer who has interest in this ordinance.

Council Member Charles Erickson asked a question regarding the diagram, if the 10 acre wetland is removed in a wooded parcel but it isn't taken out as part of the 20% natural reserve? Arntz stated that wetlands are exempt from the natural reserve calculation and would have to be adjusted slightly.

Carrier discussed the cash restitution in lieu of planting component. Carrier clarified this section means that there is not an option to pay, and the plantings have to happen. This prevents the option of clearing out an entire lot and paying. Braaten clarified that the wording was intentional.

Erickson brought up about some of the concerns that were stated at planning commission, including the age of trees. Erickson also mentioned that the species of trees was brought up, specifically, what happens if just one type of tree was replanted? Erickson also said that it was brought up that we should try to keep the same number or greater number of trees in the community, not have less than we currently have.

Erickson also brought up that some speakers in favor of the ordinance change mentioned that this does not apply to the township, and that an owner could clear-cut a lot prior to applying for annexation. Excess trees were also brought up – too much coverage can impact the quality of the trees. Finally, it was mentioned that restitution was not meant to be a separate revenue source of the City and has designated use.

Council Member Nicole Waldron states that she understands the concerns, but if looked at in comparison to previous neighborhoods we've dealt with, many would not qualify for this. She feels this is a significant number of trees to be replaced. These lots will have more trees than they would if they did not change the ordinance.

Braaten stated the Planning Commission was in favor of the disease mitigation for tree restitution funds.

Bloudek asked about the Tree City USA issue that was brought up in the Planning Commission. Braaten explained that Tree City USA has several components, and that the City would continue to meet the requirements under the proposed ordinance. The Planning Commission wrestled with tabling the issue until the questions on Tree City USA could be answered.

Bloudek stated that the wooded parcel is a good option for the future of development within Waconia and thinks it is a good way to go for the future growth of Waconia, especially as we expand and grow. Bloudek sees this as a positive change in the City's ordinance.

Bloudek called Tina Barylak to the stand. Tina thanks the City Council for the opportunity. Tina mentioned she wrote and rewrote this speech and she thinks it doesn't matter what she says here. She thinks the idea of changing this ordinance is a bad idea. Tina said once the door is open, there is no coming back from this. This isn't forcing anyone to think about what they're doing. The restitution is to prevent the demolition of the trees, not to collect money for the City. Not every property is going to fall under the unique circumstances of today. Tina said the changes should impact every property. Tina asked if these changes are needed or are we doing something unnecessary.

Waldron asked Tina about the math, and emphasized that it is 20% plus the additional eight trees per lot. Tina said she understands the language but 100% of all the trees there now are being cut down. Tina explained the eight trees that are 2.5 inches in width are not adequate.

Council Member Peter Leo stated that Tina is not a bother giving her opinion or feedback and that the City Council wants to hear what everyone has to say.

Erickson stated that we appreciate all the comments. He stated that if we keep this as is, we are essentially signaling to any landowner currently outside the City, that if they remove the trees from their property before they annex into the City and develop, it will be more affordable to develop.

Leo also agreed with Erickson that this was something that concerned him, as well – this will prevent people trying to side-step the ordinance in the future.

Bloudek stated that 2019 -197 is a denial to the proposed amendment, and keeping the current ordinance as is. Erickson and Bloudek looked for clarification from Arntz on how to go about a vote on this matter. Arntz explained that normally, when the Council reviews ordinances, there is no resolution that adopts the ordinance. If the Council wants to deny the ordinance change, per the Planning Commission recommendation, they would adopt the resolution. If the Council wants to do something difference and consider the ordinance as written, it would be a motion to adopt Ordinance 729.

Arntz stated there is no required action as the resolution as printed. There is no resolution needed to adopt the ordinance. If the Council wants to move forward with the updated ordinance, there would be a motion to adopt the ordinance.

Carrier stated that the Council's intent is to change. If a member wants to approve the ordinance change, we would let the votes speak for itself. Arntz explained that a resolution for denial is required because findings are necessary.

Erickson moved that the City Adopt Ordinance 729 Amending Tree Preservation Ordinance. Leo seconded. All voted aye. **MOTION CARRIED.**

City Attorney Mike Melchert stated that there is not an ordinance for summary publication tonight. Arntz stated that administratively it would be simpler for someone to make a motion to authorize summary publication. Carrier stated that he thinks this would be a good time for the entire ordinance to be published.

Arntz clarified that all of 900.06 would have to be published.

Arntz stated that it is beneficial to summary publish 900.06 subdivision 8, section D (entire section of tree preservation). If we didn't do summary publication, it would take up a lot of space and would not be cost effective.

Arntz stated that a motion authorizing summary publication of 900.06 subdivision 8, section D would be the recommendation. Carrier made a motion, Waldron seconded, authorizing Summary Publication of 900.06 Subd. 8, Section D of the Tree Preservation Ordinance. All present voted aye. **MOTION CARRIED.**

ITEMS REMOVED FROM CONSENT AGENDA:

None

STAFF REPORTS:

Arntz stated that the Nickle Dickle Day booth was very well attended by the public. This year was very special with playground elements in the booth. The City did a "Pennies for the Playground" donation element to the day. \$225.06 was raised towards the playground on Nickle Dickle Day. The City Council

will accept the donation on October 7. Last Friday, there was a special surprise donation from Kwik Trip in the amount of \$10,000. We plan to use this for the We-Go-Round. Also included in the packet tonight was a Sunny Days therapy donation of the AlphaMaze panel.

BOARD REPORTS:

Councilmember Erickson –

- Reiterate what Susan said about Nickle Dickle Day and it being a very well attended event.

Councilmember Leo –

- Park Board meeting cancelled on Thursday.
- Commission on Aging meeting first speaker series on October 10th at 5:00 p.m. on Elder Abuse in the Council Chambers.
- Inclusive Playground fundraising event is next Monday, September 23, Swing for the Kids, golf tournament. There is a silent auction, live auction, and Jenn Bostic/Traveled Ground concert in the evening, beginning at 7:00 p.m.

Councilmember Waldron –

- Chamber of Commerce is focused on Nickle Dickle Day.

Councilmember Carrier –

- no report

Mayor Bloudek –

- Nickle Dickle Day was very well-attended this year, feels like it had to be close to a record. Enjoyed answering the residents questions surrounding the playground – when, where, how much? It was very fun.

ANNOUNCEMENTS:

None

ADJOURN:

Motion by Erickson, seconded by Carrier to adjourn the meeting at 7:18 p.m. All present voted aye.

Kent Bloudek, Mayor

ATTEST: _____
Jackie Schwerm, Assistant City Administrator