

**WORKSHOP MEETING
OF THE COUNCIL OF THE
CITY OF VADNAIS HEIGHTS
FEBRUARY 5, 2019**

The workshop meeting of the Council of the City of Vadnais Heights was held on the above date and called to order by Mayor Gunderson at 5:30 p.m.

The following members were present: Mayor Heidi Gunderson, Council Members: Craig Johnson, Greg Urban, Patricia Youker and Bob Morse. The following member was absent: None.

Also present were: City Administrator Kevin Watson, Assistant City Administrator Tim Sandvik, Planning/Community Development Director Nolan Wall, Finance Director Bob Sundberg, Fire Chief Ed Leier, Public Works Director Jesse Farrell, City Attorney Caroline Bell Beckman and Deputy City Clerk Peggy Aho.

Others present were: Ling Becker, VHEDC, and Mike Hultgren, American Engineering Testing.

1. History of Garceau Property Acquisition

Mayor Gunderson noted that staff will provide the Council a bit of history on how the City purchased the Garceau property and how it wants to move forward and then decide what direction the Council would like to move.

Planning/Community Development Director Wall gave an overview of what has occurred over the years with regards to the Garceau Property.

- In 2015, the City purchased two properties to combine both sites in an effort to have site control.
- The City has invested \$850,000 on the purchase and has completed minor site work and legal work.
- The City has looked at several options for use of redevelopment of the property.
- Staff have received estimates for cleaning up the contamination of the site, which came in close to \$1 million.
- The Council had obtained grants for a senior housing development concept plan but then the Council decided that a market rate apartment project would be a better idea for the site.
- The City would need to amend the City's Comprehensive Plan if any development wasn't for commercial use.
- Years past, the surrounding neighborhood did not like the apartment complex idea.
- In 2018, the City completed an analysis for reusing the Garceau building. Local partners looked at the engineering structural aspect of the building. The analysis determined that the main building is structurally sound and viable for reuse but that the market buildings are not.
- The level of contamination at the site is high and there are grading challenges. These issues would impact development of the property.

- Staff developed an outline detailing the background about grants and tax increment financing for the site. Redevelopment TIF and Housing TIF are the two biggest pools of money the City would have access to to assist a developer.
- The City did a TIF blight analysis, which is the first step to finding out if the City could qualify to use redevelopment TIF money. The properties are considered blighted but if we were to remove the buildings, it would no longer qualify for redevelopment TIF funds after a certain period if no redevelopment occurred.

Discussion followed:

Wall said that each TIF district has different qualifications. The Redevelopment TIF is a flexible tool but you have to have blight.

Council Member Johnson said that the goal of the Council a couple years ago was to clean up the site and tear all the buildings down. He asked how much the City would lose if it were to tear down the buildings making the site no longer blighted. Wall responded that the City would lose the option of using Redevelopment TIF funds to subsidize future development if not done within the statutory time window.

Council Member Morse asked if the buildings at the site are infested with termites would we still be able to take the building out. Mayor Gunderson noted that the City had the site checked for termites last year and there weren't any found.

Council Member Urban asked if there is any sort of structure that could be built on the site leaving the contaminated material in place. Mike Hultgren, American Engineering Testing, said that in general the MPCA would like to leave material in place as much as possible. They would take into consideration who would be in direct contact with the soil, any contamination of the drinking water and vapor intrusion to a building. Hultgren said that in this case, the only real issue would be soil gas. Urban asked if there are any types of vapor barriers that could be installed. Hultgren replied yes and that a parking structure would also serve as a vapor barrier.

Urban asked if a large scale clean-up of the site would not need to happen. Hultgren said that the MPCA would probably want to have a buffer of at least 4 feet underneath. Urban so the building could be demolished and 4 feet of material could be brought in and then the site could be built on. Hultgren it would also need an environmental covenant on the site.

Gunderson said that the City needs to engage the community when figuring out what to do with the site. Wall said that staff are recommending that the Council create a Task Force to help the City identify the best use for the site and then potentially search out a partner for development.

Council Member Johnson knows that the City won't get back the \$850,000 but he also doesn't want to spend any more on the site. He also noted that he would be okay with residential townhomes and rezoning the property R-2.

Morse asked if the City would have to clean up the petroleum site. Wall responded that it depends on where it is located. Morse said that he likes the idea of a task force. Council

Member Youker said she would like staff to also explore reuse options. Urban said he agrees with creating a task force but that he would want the task force to have a time limit and Gunderson agreed.

Gunderson suggested starting out with presenting information the City has on the history of the site to the task force. Wall agreed and said that the history of the property is a key piece and that he would also like to bring in experts from different sectors such as residential, environmental, etc. Gunderson said that she thinks the City needs to move as quickly as possible and suggested also using some type of software such as Socialpinpoint so that anyone in the community can be engaged and have the ability to comment on the issue.

Johnson said that we should ask the Press to publish the facts from the Task Force meetings to keep the public updated. Wall responded yes, we want to be very transparent during the process. Urban asked who would be on the task force, neighbors and residents from the other side of town. Wall asked if the Council would like to discuss a formal scope for the Task Force at the next Workshop. Gunderson said that she thinks that would be a good direction. Morse said he would still like a timeframe. Watson said that you should build in the ability for the task force to initiate their own ideas.

Johnson asked how long it would take to change the zoning and Comp Plan if the result of the task force is to change the property to residential. Wall replied 90 days because the City could do both at the same time.

Urban said that he would like the task force to have a 2 to 3 month timeline for the meetings and they should be more than once a month. The first meeting to hear the history of the site and explanation of what won't work. Johnson said that information to the task force should include the cost breakdown and the TIF money options. Watson said that he would also like someone with commercial expertise also talk to the Task Force. Gunderson said that she is in favor of a tight timeframe but that timeframe needs some flexibility in case the task force decides it needs more time to gather information.

2. Other Staff Items:

Public Works Director Farrell noted that at the Commons there is an LED conversion project in the works. Looks like it's going to cost over \$60,000. He said that he will send out information to the Council, prior to the packet for the next Council meeting. At that meeting, he will be asking for approval for the project. He noted that the contractors have suggested installing dimmable 3000k bulbs. He will ask the contractor for an example of the color. Farrell said that City staff will look for any rebates available.

Farrell noted that staff are in early conversations with AT&T for a small cell site at the City's fire station site. This site could generate revenue for the City. City Administrator Watson noted that the City's small cell wireless policies were developed in 2018 as necessitated by new State Laws governing certain small cell projects.

There being no further business, the meeting adjourned at 6:58 p.m.

Respectfully submitted,

Kevin Watson, City Administrator

APPROVED