

**WORKSHOP MEETING
OF THE COUNCIL OF THE
CITY OF VADNAIS HEIGHTS
FEBRUARY 20, 2018**

The workshop meeting of the Council of the City of Vadnais Heights was held on the above date and called to order by Acting Mayor Johnson at 5:33 p.m.

The following members were present: Councilmembers: Terry Nyblom, Craig Johnson, Heidi Gunderson and Greg Urban. Mayor Bob Fletcher arrived at 5:40 p.m. The following members were absent: none.

Also present were: Assistant City Administrator Kathy Keefe, City Engineer Mark Graham, Planning/Community Development Director Nolan Wall, Finance Director Bob Sundberg, Fire Chief Ed Leier, City Attorney Erich Hartmann and Deputy City Administrator Peggy Aho.

1. Vadnais Heights Commons Discussion

Assistant City Administrator Keefe noted that she, Watson, Councilmember Gunderson and Councilmember Johnson met to continue discussion of the proposals received for the RFP for the Sales/Marketing/Event Consultant at the Vadnais Heights Commons, following direction of the Council. Acting Mayor Johnson noted that three business plans were discussed: 1) continue the review of the three proposals previously received and conduct second interviews for further discussion and clarification on the pricing of the proposals; 2) consider the position to be staffed in-house and included with the responsibilities of the Recreation Supervisor with the possibility of a part-time staff person(s) on weekends; or 3) go out for a new RFP with the City being the landlord and relinquish control of the Commons to an outside vendor.

Acting Mayor Johnson and Councilmember Gunderson said they would like to pursue going out for a new RFP with the City being the landlord. Councilmember Gunderson said that this option is appealing to her because it would give the City a hands-off approach and it could be a consistent dedicated revenue stream. She said that if the Council is in favor of this as the option, the Committee will move forward with the release of a new RFP. Mayor Fletcher asked if it would be possible to bid out two concepts and do a little recruiting and see what we get. Mayor Fletcher directed that two RFPs for the two concepts be prepared and once responses come in the Council can evaluate which concept they would go with. Mayor Fletcher said that he would like the stipulation that there is no conflict of interest, which would mean that the vendor could not be involved in any other venue. Keefe noted she will need to check with the City Attorney to see if this stipulation could be in the RFP. Keefe said that the City Attorney, Ms. Beckman, had previously said that this language could not be in a contract with a consultant.

Keefe said that the landlord tenant concept is not a quick fix. Staff would need help from a consultant or attorney to help write the RFP. Councilmember Nyblom asked if there are any other cities that have this type of concept in place that could offer some insight. Keefe replied that they have done research and there just aren't any out there that we are aware of. Those that she has talked with said don't give away control of a city building. She said that they could possibly look at counties and see if they have any experience with this.

Mayor Fletcher asked if there is a scenario where we could have a community partner run the place, for example, could VHEDC be the controlling entity. That's the Jimmy's concept, have a local partner. Ling Becker, Vadnais Heights Economic Development Commission (VHEDC), replied that that is what the YMCA currently does. Mayor Fletcher asked if there is a city partner concept where you wouldn't lose local control but you would still wash your hands of the direct operations and get rid of the conflicts of interest that have been troublesome. Becker noted that some of the local vendors have indicated that they are open to raising their fees.

Councilmember Urban said he doesn't think that by renting out the building the City would have increased revenue and would only be giving away control of the building. He said that the revenues would have to be 10 – 20% greater for him to agree to renting it out. He said that this concept would probably be looked at as a real estate deal.

After further discussion, Mayor Fletcher recommended that Assistant City Administrator Keefe have a discussion with Lorah Palmer to talk about her succession planning, additional marketing requirements and see if she would agree to a conflict of interest/non-compete clause being added to her contract. Councilmember Gunderson said that she will go back to the Committee with this recommendation and explore continuing to contract with Lorah Palmer for sales/marketing/event planning services.

2. Garceau Hardware Building Re-Use Scenario and TIF Analysis

Planning/Community Development Director Wall reviewed the memo which explains the work done by Ling Becker, VHEDC, and other community partners. They have been looking at a potential scenario to reuse the hardware building. Wall said that staff need to know where the Council stands on making a financial commitment for a short interim use of the building. Wall said that the commitment could be between \$100,000 - \$250,000, to get the building up to code, and viable for an interim use and that they need to weigh the risks versus the benefits. He stated that if the Council does not want to make a financial commitment that would allow bringing the building up to code, staff could work to create a task force that would decide what to do next with the Garceau property and bring back to the Council a recommendation.

Mayor Fletcher said that the Council needs to decide which option to pursue. Councilmember Gunderson said that she appreciates the work Ling has done on this and

said that the structure appears to be in amazingly good shape, but this is more money than she believes the City should put in. Councilmember Gunderson said that she would recommend no interim use plan, but would agree that the building should be cleaned up. Councilmember Johnson said that he would consider spending some money to make it useable, because he doesn't see anything in our current codes that anyone would be moving in there in the next 10 years or so. Councilmember Nyblom asked if there has been damage to the inside of the building. Wall replied yes, the copper piping has been removed, and it would need to be fixed. Councilmember Urban noted that he also viewed the building with Ling. He said that he doesn't have a large appetite to put a lot of money into the building, but would be okay with \$25,000 to \$50,000.

Mayor Fletcher asked if there are any other interim options that we would want to explore. He asked if we could put a replacement for the Vadnais Inn there with charitable gambling that might generate enough money to offset the City's investment. He noted that the Lion's Club is looking for a place to have charitable gambling. Mayor Fletcher said that he likes the concept of a place that would include charitable gambling, bingo, or a family-type burger place.

Ling said that her idea was to create a meeting space and make it a community showcase of local business goods. Mayor Fletcher said that he liked that concept, but he doesn't think it will generate enough revenue and that if the Council is okay with it, he thinks he would like to look at a revenue based concept with some charitable gambling. He said that perhaps Merrick could operate it during the day and have bingo in the evening and the Lion's Club could do the pull tabs. Mayor Fletcher asked if we can keep this alive a little longer and look into the charitable gambling concept.

Wall said that when they talk about reusing the building for community functions, it gets dangerous with TIF regulations because TIF funds were used to purchase that property. There are pretty significant restraints on the uses.

Mayor Fletcher asked if there is a consensus that Ling's idea will not work. Councilmember Gunderson said it's too much money and that she would like to explore something that would need less money. Councilmember Nyblom asked if current codes allow the Vadnais Inn to go in there. Wall said that the property is currently zoned C1, and that we have changed the coding for a number of different projects, so it would not be a barrier. Councilmember Nyblom agreed with exploring the idea of a charitable gambling use as a temporary use.

- 3. 2040 Comprehensive Plan Update- Parks/Trails Element and Future Land Use Map**
Planning/Community Development Director Wall gave an overview of the memo in the Council packet regarding the 2040 Comprehensive Plan Update – Parks/Trails Element and Future Land Use Map. This information being brought back is what the Council initially discussed about future trails. He noted that staff are asking for the Council's

comments on the DRAFT Parks and Trails Element and Future Land Use Map. Wall noted that staff would like to move forward with this draft as the Draft 2040 Comprehensive Plan to present it to the public. Wall noted that they have changed some designation of County Road D properties to high density and Rice Street/Vadnais properties designated to mixed use.

Councilmember Nyblom offered some comments on various properties. Wall noted that this Plan needs to be completed by the end of the year. He asked that staff look into the original agreement with HB Fuller as it relates to their property and public access.

4. Public Works CIP Purchases

Held over until the next Workshop.

5. Industrial/Office Zoning District Review

Held over until the next Workshop.

The meeting adjourned at 7:08 p.m.