

**WORKSHOP MEETING
OF THE COUNCIL OF THE
CITY OF VADNAIS HEIGHTS
MARCH 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 5:31 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, Fire Chief Ed Leier, Public Works Director Jesse Farrell, Finance Director Bob Sundberg, City Attorney Caroline Bell Beckman and Deputy City Clerk Peggy Aho.

Others present were: Noemi Salas-Rivera and Don Bibeau.

1. Update on VH Commons Facility 2018 Bookings and Revenue:

Assistant City Administrator Sandvik reviewed 2018 VH Commons facility operations. He noted that the facility opened in 2010 and the construction of the facility was part of the overall construction of the Fire Station. Sandvik reviewed the memo which gives details on revenues and expenditures. He said that revenues largely come from rentals and expenditures are largely for staffing the facility (Lorah Palmer and other facility management services). The contracts the City has with Palmer and vendors go through January 1, 2020.

Sandvik said that the City hosts many events every year at the Commons (i.e. PJs with Santa) but that most of the events are private events including weddings, etc. He said that there has been a decline in large event bookings recently and that most event centers throughout the metro area are experience the same decline.

Sandvik noted that there are some unique requests being made for amenities that the Commons does not offer, such as an outdoor area (pergola or slab). He said that the City also does not offer off-season pricing for rentals and that daytime events typically generate little or no revenue and most times only provide revenue a little over the hard costs for staffing, set-up and cleaning.

Sandvik said he would like to set up a framework with questions, comments or concerns that the Council has. Mayor Gunderson said that when the City does its budgeting we need to make sure that when we get more accurate numbers. She then asked if Lorah Palmer has a game plan moving forward to try to increase some the number of events. Sandvik replied that Lorah has many ideas and that she has stressed that it is her goal to increase revenue and to do that there needs to be an increase in wedding and corporate

events. Sandvik again said that the City doesn't offer off-season pricing, and that perhaps it could and perhaps would then realize more bookings.

Mayor Gunderson asked how the bookings are looking so far for 2019, and how many events are booked for the remainder of the year. Sandvik replied that the decline trend continues and that there are couple Saturday's and Friday's open during the summer months.

Council Member Johnson said that since the City opened the Commons' venue in 2010, revenue was increasing each year until 2017. He said that there has been a dramatic drop in the number of weddings and he would like to get a feeling from Lorah on how she and the City can work to increase bookings. Johnson suggested that the Committee meet with Lorah to see what her plans are to increase bookings.

Council Member Morse said that projections are an indication of sales calls. He asked if calls are kept track of. He said that the City could put projections together based on what it sees on a month-to-month basis. He asked if the City has any numbers from the past, because this may tell us what type of success we might have with off season pricing. Sandvik replied that we do track inquiries and phone calls and that he can look at the raw data. Gunderson said we need to see if this is a Commons issue or an industry wide issue. Morse said that perhaps we could look at the projections and what other events could be booked to anticipate what the future might hold.

Sandvik encouraged the Council to let staff know if they have any other questions or comments.

2. VH Commons Lighting Project:

Public Works Director Farrell handed out updated product specification sheets he received from Voss Lighting. These specs provide a little more detailed information specific to the fixture that is being proposed. They provide more detailed information specific to the fixtures they are proposing be installed. The lights will be the warmest color available. This upgrade should reduce maintenance costs the City has been incurring for replacing the ballasts on the existing fixtures which have been failing on a regular basis. He noted that the City has spent about \$7,000 in 2017 and 2018 on material and electrician costs and this would likely increase this year.

Assistant City Administrator Sandvik noted that there have been a number of complaints from renters that the current lighting system does not dim. Farrell said that the new fixtures will go down to 0 and that energy savings will be about half of what the City currently spends on electricity each year. Farrell noted that one of the primary benefits of installing new fixtures and LED bulbs will be less to fix and they will provide a better user experience. Farrell recommended that the City award the project to Voss Lighting.

Mayor Gunderson said that she likes the idea of warm lights, and asked if the lighting will be good for a meeting as well. Farrell responded yes, these provide a lot of light per fixture and they are working closely with the Fire Department code enforcement staff on the emergency lighting system. Gunderson asked what the turnaround time would be for them to complete the installation. Farrell responded that once the Council approves the purchase and installation, he will reach out to Voss Lighting to place the order. He said that it will probably be 6 weeks before it gets installed and will take about a week to do the work. Council Member Johnson asked if we were getting any feedback on Facebook regarding the lighting issues at the Commons. Don Bibeau, Commons Building Maintenance, said that there are times when lights blink on and off, and there have been a number of complaints from renters about other lighting issues.

Johnson asked what the expected life was for the current light fixtures. Farrell noted that while the current fixtures last long the bulbs and ballasts need to be replaced frequently and the cost have been adding up. The new LED lights will have a five year warranty.

Council Member Morse asked if the City has an estimate for a break even number. Farrell replied that just taking into consideration the electricity cost savings it would take 30 years but this improvement is more about improving user experience and lowering ongoing maintenance costs.

Council Member Youker thanked Farrell for his work on this. Gunderson says that she supports the purchase.

3. **Highway 96/McMeneny Street:**

Planning/Community Development Director Wall noted that the property (approximately 13 acres, 11 of which is developable) to the west of IC System is for sale. There has been interest from potential developers for uses that are not allowed under the current zoning which is office business. Wall said that the interest from the development community has been mostly for uses that are not allowed in this office building zoning district and they would require a rezoning and a reguiding in the Comprehensive Plan. In order to provide constructive feedback to the people that are interested in the property, staff wanted to have an informal discussion with the Council centered on potential uses for this property so that staff can inform interested buyers how the Council might react to certain uses. In general, high density residential, medium density residential or neighborhood commercial, are all things that are inconsistent with current zoning but are options developers are looking at. Wall said that staff won't know what the potential use might be until someone is under contract for the property and comes forward with an application for proposed changes to zoning code. Wall asked for the Council's thoughts on reguiding the Comp Plan or rezoning the property.

City Administrator Watson said that staff have also talked about the operation of the businesses neighboring the property. He said that some of them operate 24 hours and

have multiple shifts. Council Member Urban asked if there has been any interest for industrial development on the site said that he thinks that corner should stay a commercial corner. Watson said that retail commercial would not be allowed under the current zoning. Urban said that he thinks retail would be fine if someone was thinking that way.

Council Member Johnson said that this item is just before the Council for discussion and that IC Systems has not asked for any zoning changes. He said that he thinks that the residents in the area would not want a high density development. He said that if it were to be a residential scenario he would prefer a medium density residential with high-end homes. Mayor Gunderson said that she thinks she could see a senior coop on that property and that she would like to see the highest use of the land. Council Member Youker thinks that new market housing for a senior coops sounds like a good idea. Council Member Morse said that he also would like to see the highest use of the land.

City Administrator Watson said that the contractor is interested in finding out if the City would be open to residential units on that property. Wall said that the City has an opportunity to guide some of the thinking and vision as that property gets developed. He said that he is not looking for an answer at this time, just an informal discussion to inform decision making.

The Council agreed that any potential use for the property has to fit in with the current land use around it and that it should be thoughtful on how it is put together and if it were a residential scenario it should be unique and creative.

Wall said that the City doesn't have a Comprehensive Plan to amend at this time because the current draft is out for Metropolitan Council review. He said that he has been very upfront with people that any change in rezoning might take some time because the Comp Plan may not be completed until May or June.

4. Garceau Corner Task Force Facilitator Services:

Planner/Community Development Director Wall noted that he thinks the City should hire a facilitator to work with the Task Force. He said that working with a facilitator provides opportunity for the City to provide a more transparent process and not put staff in difficult situations. Staff want the best possible process that delivers a consensus recommendation from the group and they believe this may ensure that that happens. Wall reached out to two groups: Bennett Community Consulting and Perkins & Will. He stated that both entities are very capable of providing the facilitator services and come with different price points. He asked if the Council is interested in pursuing this, and if so, so they want more information to help distinguish between the two groups.

Council Member Johnson said to be transparent he did not request this but that he has been in situations like this before and had brought in a consultant that had a system and

worksheet for facilitating meetings such as what is planned for the Task Force. It works out well and helps the whole group to come to a consensus. He said that he is in favor of it, he would like to have some time to look into how each of them would manage the facilitation before making a decision on which to contract with.

Wall offered to set up a conference call with each. Johnson said that if we are going to do it by phone he would like them to send a slide presentation on their process. Wall said that he will work to set up a time with Council Members Youker and Johnson to meeting personally with each entity. Mayor Gunderson said it would be interesting to have more information for the Task Force members and for the Council to decide if that is the direction they want to go.

5. Other Staff Items: None.

6. Future City Council Requests:

Status of Veteran's Liberty Village

Council Member Johnson asked about the status with the Veteran's Liberty Village property on the corner of Arcade. City Administrator Watson said that he had spoken with Blake Huffman and Huffman noted that he has been removed from the leadership of the non-profit and that a new Executive Director will be named. Planning/Community Development Director Wall said that the City has documented the issues that need to be addressed and communicated them to all involved, including the mortgage company and bankers.

NYFS Request

Mayor Gunderson said she is on the NYFS Board and that she received an email from the Executive Director who is asking if NYFS can get into the Commons the day before their upcoming event at no charge. She said that he is asking if the City would consider waiving the fee for that day or part of the fee or if the City might consider being a sponsor of the event. She asked if the City sponsors other local events for nonprofits and if the City has a policy on sponsorships? City Attorney Beckman said that the City should have a policy on this so it treats all organization's the same. City Administrator Watson noted that the City does give price reduction for Commons rental to nonprofits.

Assistant City Administrator Sandvik said there is a discount for nonprofits if the organization is based in Vadnais Heights and serves the residents of the City. Sandvik said that the charges cover the costs of the building hosts, facilities management, set-up and tear-down, which are hard costs for the City, and that the City may make \$50 above its costs when a nonprofit rents the facility. Watson said that the Committee should discuss this issue. Finance Director Sundberg stated that the City pays for donations out of the gambling fund. He said he can check to see if this fund could be used for this type

of sponsorship. Gunderson asked if there is a City policy in place for sponsoring events for organizations in our City and, if not, does the City need to implement one.

Koehler Road Task Force:

Mayor Gunderson asked about the status of the Koehler Road Task Force. Assistant City Administrator Sandvik said that staff have been working with S.E.H. to determine what the Alternatives Analysis should be. He also noted that Ramsey County has expressed an interest in participating and whether they can contribute which would allow an expanded scope for the project such as widening the intersection. City Administrator Watson asked what the timeline is. Public Works Director Farrell said that he believes S.E.H. could get the City a proposal within the next couple weeks.

New Hire

Mayor Gunderson asked about the new hire for the Parks and Rec Department. She noted that she sat in on the interviews and both final candidates were very good. Assistant City Administrator Sandvik said that there were over 70 applicants. First round interviews were held with 18 applicants, second round with 6, and the final round was with 2. Sandvik said that all applicants were very highly qualified individuals.

Ramsey County Funds for a Trail

Council Member Johnson said when the City was were working on the development of the Rice Street Bridge project with the County, the City got a couple million dollars for trails around the lake. He asked when this will be worked on. City Administrator Watson replied not any time soon, but that it is on the County's CIP list for some time in 2023. He noted that Mayor Gunderson has asked the County for the County planner to come out to a City meeting and talk about the trail.

There being no further business, the meeting adjourned at 6:50 p.m.