

**WORKSHOP MEETING
OF THE COUNCIL OF THE
CITY OF VADNAIS HEIGHTS
MARCH 15, 2017**

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

The following members were present: Mayor Bob Fletcher, Councilmembers: Terry Nyblom, Craig Johnson, and Heidi Gunderson.

The following members were absent: Councilmember Greg Urban.

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

1. SEH Presentation on Potential Design Build for White Bear Lake Augmentation

- Graham stressed that this is very early on in the process with no cost estimates and no certainty that augmentation will happen.
- Fletcher explained that the state legislature passed a bill that allocated \$150,000 and allowed for three companies to design a potential augmentation system to get a better idea of how much a system would cost. SEH was the only company that will be submitting a proposal to the state.
- Nyblom added that the previous City Council also approved a contract with a lobbyist to help protect Vadnais Heights' interests during this process.
- Chris Larson, Engineer with SEH, reiterated that currently there is no funding for this project and no environmental reviews have been done.
- The proposed filter building would be about 3,500 sq. feet.
- Intake and pumps into the building would come from Vadnais Lake in a pipe that would run under Vadnais Boulevard.
- Mr. Larson noted that the filter building would likely require city water and city sewer.
- The pipeline would exit the building and extend northeast along Vadnais Boulevard to Centerville Road.
- SEH's assumption is that the pipe would be buried underneath the road and that the entire road would be rebuilt. The single pipe would be buried 8 feet deep.
- At Edgerton Street and Centerville Road a new walking path would be put in along the east side of the road. It would run along Centerville Road to County Road E.
- Mr. Larson noted that the route would then tunnel underneath County Road E to not disrupt traffic.
- The pipeline would then continue to run north and east underneath Centerville Road and would then tunnel underneath the railroad tracks south of Goose Lake Road and would also tunnel underneath I-35E.
- Johnson asked if the pipeline would be on the railroad property or MnDOT's property when it runs underneath I-35E. Mr. Larson responded that it is unknown at this time.
- Fletcher asked if there is any possibility of laying the entire pipe along the railroad right-of-way. Mr. Larson responded that it has been looked at, but that the railroad may be difficult to deal with. They would likely require the pipe to be run entirely in casing.
- Mr. Larson detailed the route of the pipeline once it exits Vadnais Heights.
- There was discussion of the filter system. It would filter two billion gallons of water per eight months.

- Nyblom noted that what is filtered out would be backwashed into Vadnais Lake.
- Fletcher asked if the filters will filter out phosphates. Mr. Larson responded in the negative. He added that phosphorus removal would likely make the project unfeasible.
- Mr. Larson stated that the likely next step in this process would be a more detailed water quality study.
- Johnson asked how accurate a \$20 million cost estimate is. Mr. Larson believed the estimate was fairly accurate, but could not confirm it, because this is not a true design-build proposal, they will not publish a guaranteed maximum cost. The project is still dependent upon several environmental factors.
- Nyblom asked about the noise level that would come from the pump house. Mr. Larson responded that it would be next to none as the pumps are all inside.
- Fletcher asked how long would it take to bring the lake up one foot. Mr. Larson stated that one billion gallons is about one foot of water. But, because the lake is connected to an aquifer, the more water in the lake, the faster it will go into the aquifer.
- Johnson asked about winter plans for the building. Mr. Larson responded that it hasn't been decided yet but they may heat the building enough so that nothing would freeze.
- Nyblom stated that if this is going to happen, he would like the augmentation pipe from Vadnais Lake to White Bear Lake to run along the railroad tracks so that it will not disrupt the city's roads or yards of residents.

2. Discussion of Credit Card Fee Policy

- Sundberg stated the city approved the acceptance of credit card payments about 7 years ago.
- Based on the experience, staff is proposing a couple tweaks to the policy.
- The proposal would waive the credit card fee for residents to pay their utility bill online. There is currently a fee of three dollars to pay online.
- The other proposed change would be to expand credit card acceptance for more city services. Staff is proposing to charge the 3.49% credit card fee for services such as building permits or Vadnais Heights Commons rentals. This is the rate that is charged to the city by the credit card company.
- Sundberg noted currently the amount collected online for utility payments is just over \$1,000.
- Keefe added that there was a huge savings when park and recreation registration payments added a pay online option.
- Fletcher asked why the added fee was 3.49%. Sundberg explained that the software company the city uses charges the 3.49% to the city. The company also provides free Park and Recreation software to the city, which saves the city a lot of money each year.
- Fletcher asked about the possibility of using another vendor. Sundberg will look into.
- Johnson, Gunderson, and Nyblom were in support of the changes.
- Nyblom had a concern about if someone had a bad experience at the Vadnais Heights Commons and wanted to contest the charge, that would cost the staff additional time spent working on that. Keefe responded that has happened one time, it is a very rare occurrence.
- Staff was directed to bring this item for approval at the next City Council meeting.

3. Garceau Corner Discussion

- Watson stated that the city has made an application to amend the comprehensive plan regarding the Garceau Corner designation.
- Residents came to the Public Hearing that was held at the February Planning Commission meeting and were very opposed to the potential project. Changing the character of the neighborhood was a main concern.

- Watson noted that in order to move forward with a comprehensive plan amendment, four city council members need to vote in favor. He added that if there are currently two city council members opposed, the city should withdraw its application.
- The site has many flaws. To make it buildable, there needs to be about one million dollars of cleanup work.
- The city purchased the site for about \$800,000. If getting the money back that the city spent to acquire these properties is a priority, the project needs to be of high enough value to recoup those costs. A low-density development or small commercial building may not be adequate.
- The city has received about \$950,000 in grants to help clean up the site. The grants must be started by December of 2017 or the city will lose the funds.
- The grants assume that a high-density senior housing project will be built on the site. Watson believes they will also consider a high-density luxury apartment to be acceptable. The grants that have been received would not be eligible for a low-density project.
- The site will continue to fall into disrepair if nothing is done. If the buildings were demolished without a potential project, the city would lose its ability to use TIF as a redevelopment district.
- Watson asked if Council had any interest in holding an open house to discuss the site.
- Wall added that approval of the comprehensive plan amendment does not bind the city to approving any future zoning changes or this potential luxury apartment project.
- Gunderson asked for clarification on whether the grants would transfer from a senior housing project to the high-density market rate apartment. Watson believes the grants are very likely to transfer.
- Wall added that two of the grants are for Tax Base Revitalization and that either project would meet the qualifications. The Met Council is waiting for a project to begin moving forward before giving an answer.
- Gunderson asked what was included in the notice to residents about the Planning Commission Public Hearing. Wall explained that the notice stated there would be a hearing on the Comprehensive Plan.
- Johnson supported moving forward with the comprehensive plan amendment. He believes this is the highest and best use for the site and would like to get the city's money back.
- Fletcher stated that he will be voting against the project and will not attend an open house.
- Nyblom asked if a two-story building would still be considered high-density. Watson stated staff could explore the option but it is likely that the project would need to be three-stories in order for the Beard Group to recoup their costs. Wall added that they need the units to make the project feasible.
- Nyblom would like to wait until the April 5 City Council meeting to make a decision.
- Nyblom added that he is concerned about the TIF money tied up in this property that is not able to be used for future road repairs.
- Gunderson was undecided and would like to wait until April 5. She was interested in holding an open house to hear more from the public.
- Staff will hold an open house between the March 28, 2017 Planning Commission meeting and the April 5, 2017 City Council meeting.

Adjourned at 6:59 p.m.

Prepared for and approved by:

Attest:

Kevin Watson, City Administrator

Bob Fletcher, Mayor