

CITY OF ST. CLOUD CITY COUNCIL PROCEEDINGS
Monday, March 12, 2018
6:00 pm
City Council Chambers

1. **PLEDGE OF ALLEGIANCE**
2. **MOMENT OF SILENCE FOR OUR MEN AND WOMEN SERVING IN THE ARMED FORCES**
3. **ROLL CALL: Councilmembers Present: Carol Lewis, Steve Laraway, George Hontos, John Libert, Dave Masters, Jeff Goerger, Jeff Johnson**

SPECIAL RECOGNITION:

4. **MAYOR KLEIS' PRESENTATION OF MARCH'S NEIGHBOR OF THE MONTH**
March's neighbors of the month not able to attend tonight's meeting. Presentation and proclamation in honor of the anniversary of the Girl Scouts.

CONSENT AGENDA:

5. **APPROVAL OF AGENDA**
ACTION TAKEN: MASTERS/GOERGER/APPROVED 7-0
6. **APPROVAL OF THE FEBRUARY 12, 2018 COUNCIL MEETING MINUTES.**
ACTION TAKEN: LARAWAY/MASTERS/APPROVED 7-0
Inquired on date of minutes. Kauffman confirmed the date discrepancy has been corrected.
7. **APPLICATION FOR A TEMPORARY ON-SALE INTOXICATING LIQUOR LICENSE FOR THE CITY OF ST. CLOUD TO BE USED IN CONJUNCTION WITH A JUNE 23RD CITY FESTIVAL SINGING COMPETITION. EVENT TO BE HELD IN FRONT OF THE OUTDOOR STAGE AREA AT LAKE GEORGE.**
ACTION TAKEN: MASTERS/GOERGER/APPROVED 7-0
8. **APPLICATION FOR A TEMPORARY ON-SALE INTOXICATING LIQUOR LICENSE FOR THE SCSU FOUNDATION FOR A PRESIDENT'S CLUB RECEPTION ON APRIL 18TH AT THE PERFORMING ARTS CENTER ON CAMPUS.**
ACTION TAKEN: MASTERS/GOERGER/APPROVED 7-0
9. **APPLICATION FOR TEMPORARY ON-SALE INTOXICATING LIQUOR LICENSE FOR ST. ELIZABETH ANN SETON SCHOOL FOR USE IN CONJUNCTION WITH A 1K/5K FUNDRAISING EVENT SCHEDULED FOR MAY 4, 2018, AT THE SCHOOL (1615 11TH AVE S).**
ACTION TAKEN: MASTERS/GOERGER/APPROVED 7-0
10. **APPLICATION FOR A TEMPORARY ON-SALE INTOXICATING LIQUOR LICENSE FOR CATHEDRAL HIGH SCHOOL FOR A FUNDRAISING BEAN-BAG TOURNAMENT EVENT TO BE HELD ON MARCY 24TH AT THE SCHOOL GYMNASIUM.**
ACTION TAKEN: MASTERS/GOERGER/APPROVED 7-0

11. RESOLUTION GRANTING AN INCREASE IN THE CHANGE FUND FOR THE RIVER'S EDGE CONVENTION CENTER.

ACTION TAKEN: LARAWAY/MASTERS/APPROVED 7-0
RESOLUTION ADOPTED AND ASSIGNED 2018-3-30

Councilmember Laraway would like to look at the job function of the Council. Does not believe that it is the Council's duty to approve functions that should be allocated to Administration. Mayor Kleis indicated that Administration will look at the charter and make adjustments.

12. NUTRIENT RECOVERY AND REUSE PROJECT – CHANGE ORDER #2.

ACTION TAKEN: MASTERS/GOERGER/APPROVED 7-0

13. RIVER'S EDGE CONVENTION CENTER ELEVATOR PROJECT – APPROVAL OF CHANGE ORDER #1 AND CHANGE ORDER #2.

ACTION TAKEN: MASTERS/GOERGER/APPROVED 7-0

14. RESOLUTION AUTHORIZING MAYOR AND CITY CLERK TO EXECUTE DOCUMENTS NECESSARY FOR THE SALE OF LOT 1, BLOCK 1, WATER TOWER ADDITION.

ACTION TAKEN: LARAWAY/GOERGER/APPROVED 5-2 WITH COUNCILMEMBERS HONTOS AND COUNCILMEMBER JOHNSON OPPOSED.
RESOLUTION ADOPTED AND ASSIGNED 2018-3-31

Councilmember Laraway inquired on process. Community Development Director Matt Glaesman responded, indicating that the city purchased the property for purpose on constructing a water tower. Residual property available. City has been actively promoting the site to sell. Proposal today will construct an office building on the site. Sale will be above market rate. Councilmember Laraway inquired on what will happen with the site if the purchasers decide not to move forward with construction. Glaesman indicated that there is a reverter in the purchase agreement to have the property returned to the city for failure to act. Buyer's intention to move forward this year. Councilmember Hontos wondered why this is under consent agenda. It should be under new business. Sale of assets should be under new business. Inquired on transparency and the what the market value is on this land. No documentation attached to this item regarding valuation of property. Glaesman responded, stating that the property has come before council several times in the last two years, addressing various steps in the process. City purchased property two years prior at above market value. Purchasers will pay what city payed. Step opinion and City Assessor that this is market rate of the property. Hontos inquired on why information is not provided in the packet indicating this. Hontos inquired on why Administration bring this to council if no information is provided. Councilmember Johnson contends that any real estate transaction that is not routine in nature and should not be on the consent agenda. Very little information presented to make a decision. Mayor Kleis corrected quote Councilmember Hontos referenced that Mayor said regarding the city never selling land below market value – this is incorrect. He has never said that the city cannot sell the property below market value. In fact, the city did that with the land to Anna Marie's. And, that was well below market value. Mayor Kleis indicated that the council has the choice to pull and table the item if more information is needed. Councilmember Hontos' point is that he does not believe the council should have to

pull it. This is new business and should be considered such. This is new business. Hontos clarified the rest of his comment regarding Mayor Kleis selling land below market value. He finished his statement – ‘you cannot sell land below market value unless we go a different route and it becomes a subsidy, then we go a different route.’ Councilmember Johnson moved to table to next meeting to allow staff to provide documents. Councilmember Hontos seconded the motion. Motion failed 2-5 with Councilmember Johnson and Hontos in favor. Councilmember Masters recommended that councilmembers may contact staff for additional information when packet is received. Council has time to provide input. Councilmember Johnson commented on public needing adequate time to review as well.

PUBLIC HEARINGS:

15. A) ORDINANCE VACATING THE 10' WIDE DRAINAGE AND UTILITY EASEMENTS CENTERED ON THE COMMON LOT LINES BETWEEN LOTS 15 THRU 19, BLOCK 1, COYOTE CREEK. (LOCATION: 1535, 1543, 1551, 1559, AND 1567 39TH STREET SOUTH)

ACTION TAKEN: HONTOS/MASTERS/APPROVED 7-0
ORDINANCE ADOPTED AND ASSIGNED 2746

B) FINAL PLAT APPROVAL OF COYOTE CREEK PLAT 2.

ACTION TAKEN: MASTERS/LARAWAY/APPROVED 7-0

Item introduced by Community Development Director Matt Glaesman. Lots being replatted into three larger parcels. Planning Commission recommends approval.

Council President Lewis opened the Public Hearing.

Ann Klein – owner of home adjacent to north side of property. Concern regarding 30-foot tree protection. It is not acknowledged by builder and would like it acknowledged on record.

Council President Lewis closed the Public Hearing.

Glaesman confirmed Ms. Klein's comment that there is a tree preservation easement on the north 30 feet of the lots. Done in an attempt to push buildings as far south as possible to maintain tree buffer. On plat record and condition is noted on staff record. Making all attempts to ensure the new builder honors the 30-foot easement that is required. Councilmember Hontos moved to approve Item A. Councilmember Masters seconded the motion. Councilmember Hontos commented that in packet there is a memo that addresses the 30-foot easement. Councilmember Masters moved to approve Item B. Councilmember Laraway seconded the motion. No discussion on Item B.

16. ORDINANCE REZONING PROPERTIES LOCATED AT 2547, 2581, AND 2583 COUNTY ROAD 74 FROM I1, LIGHT INDUSTRIAL DISTRICT TO C5, HIGHWAY COMMERCIAL DISTRICT. (LOCATION: 2547, 2581, AND 2583 COUNTY ROAD 74)

ACTION TAKEN: GOERGER/JOHNSON/APPROVED 7-0
ORDINANCE ADOPTED AND ASSIGNED 2747

Community Development Director Matt Glaesman introduced this item. Property was brought into city limits from township with industrial zone. More appropriate to be commercial.

Council President Lewis opened the Public Hearing. Dean Wick, Architect on Project is present for questions. Council President Lewis closed the Public Hearing. No discussion.

OPEN DISCUSSION:

Councilmember Hontos discussed letter from Charlotte Stevens relating to Heritage Park sale. Council should consider Stevens' idea, a conservation easement for parks. This is a valid discussion topic that council should consider discussion. Recommended placing it on study session. It was moved by Councilmember Hontos to add to next Study Session. Councilmember Masters requested clarification on what study session Hontos is referring to. Mayor Kleis indicated that the Airport is on next Study Session and consultant will be in town for next Study Session. Councilmember Lewis seconded the motion. Mayor Kleis agrees with Councilmember Hontos that a discussion should occur on land trusts. Councilmember Masters in favor of having it at a study session and would like to be present at meeting to discuss. Councilmember Hontos requested a joint meeting with Park & Rec Committee, Planning Commission, and Council. Councilmember Masters commented that Council representatives are on each of these boards and Council could bring the information forward to each committee. Councilmember Laraway in favor of discussing and in favor of a joint group. He would like to keep coming Monday allocated to the Airport. Councilmember Libert suggested that Council asks the staff to gather information within next 90 days and prepare. Mayor Kleis commented that this is a good idea. Suggested a broader discussion. Approved 7-0.

Councilmember Goerger commented on the editorial in the times. He believes that it is in violation of the policy for code of conduct for city council. No issue with what was in the editorial, but would like to address code of conduct. Walked through Rule 1, Rule 2, Rule 5, Rule 6, Rule 8, and Rule 10, with comments. Councilmember Masters commented, stating that he too took offense to the editorial. A code of conduct needs to be followed. Councilmember Hontos commented that it was a very accurate opinion, and factual. He should have a right to voice his opinion with facts – the Council dropped the ball and its responsibility as a Council. There was nothing misleading in the article. Discussion between Councilmember Hontos and Councilmember Goerger regarding Hontos' comment on 'giving the land away.' Councilmember Masters commented that Council must abide by council rules and requested Councilmember Hontos needs to respect the Council's votes. Councilmember Hontos commented on his editorial. Councilmember Johnson commented on the transaction and Council Rules. Councilmember Goerger requested Council stick to one issue at a time. Councilmember Johnson commented on average wage Costco pays – he believes it is much lower than indicated. Councilmember Masters commented on rezoning. Vote was unanimous. Voting was for rezoning for Costco. Requested Councilmember Hontos comment on the project that was going to be brought forward that would yield a higher

purchase price. City did not receive market rate. Value of property is \$5 million. At the time of rezoning, we did not know what the city would receive for the land. In favor of land being developed for commercial usage. Councilmember Goerger returned to Rules of Conduct. Rehashing Costco deal is a done deal. Further discussions between Councilmember Hontos and Councilmember Goerger.

Mayor Kleis commented on discussion. This process from day one was very transparent. Believes all decisions made should be done in Council Chambers. This is public information. Giving away for \$3.5 million is not giving away. There is an in-kind transaction as well for \$1 million. Appraisal was obtained as instructed. Assessor prepared an assessment as well. She concluded the value to be \$3.4 million. Sold land for \$3.52 million cash. That is not giving away, that is not below market value. In addition, road improvements and a parking lot will be constructed for \$1 million. The land was not for sale. The city was approached by Costco. Mayor had a discussion on the price back in August, including a discussion with Councilmember Hontos. Decision was made with all information. Explained that the offer was done with a letter of intent, which did not allow him to discuss other offers. Believe in the short term, and the long term, that it is good for the city. It is up to the council to make the decision. Mayor is not a member of Costco, has never been to a Costco, does not know any executives from Costco, does not have anything other than the interest of St. Cloud both short term and long term. And, that is what was brought forward. Representatives of the city must have discussion only in the chambers. Not behind closed doors. Retail is the area in St. Cloud that has the lowest wages. This is an important aspect of this proposal and is significant because it will help increase these wages. The question of integrity is more important than anything else. It is a fair deal, good for the taxpayers, short and term long. Councilmember Laraway commented that everyone must be respected. This is a done deal. Requested that personal opinions should be respected and move forward. Requested that the Council move on to the next item. Councilmember Hontos commented on his comment about "giving away" and the actual sales price. No one gave the \$6.5 million offer a chance. He calls the \$3.5 million sale a giveaway. Councilmember Masters moved to close debate. Councilmember Goerger seconded the motion. Motion passed unanimously.

Councilmember Johnson commented that it is never a done deal. There is always litigation. Commented on the Liberty Glen PUD. Taxpayers will be paying for this for years to come. This is not a good financial deal. Council President Lewis commented that this is conduit financing. Councilmember Goerger requested that Councilmember Johnson provide clarification about what he would like done since the deal is done. Councilmember Johnson just "wanted to say his peace." Councilmember Johnson also discussed Brian Severson's assessment concerns. He believes that the Council has a role. Believes there are unresolved issues.

Mayor Kleis commented on the upcoming Open House on the future of Tech High School which will be held April 4, 2018 at Tech High School.

OPEN FORUM:

Maureen McCarter, 1931 17th St S, St. Cloud, MN 56301 – requested clarification on Skatepark and neighborhood parks budget

Peter Joseph Wilson, 1108 Celebration Dr, Sartell, MN 56377 – discussed refugee resettlement

ADJOURNMENT:

It was moved by Councilmember Masters, seconded by Councilmember Libert to adjourn. Motion passed unanimously. Meeting adjourned at 7:48 PM.



Carol Lewis, Council President



Seth Kauffman, Recording Secretary

