

CITY OF ST. CLOUD CITY COUNCIL PROCEEDINGS
Monday, July 23, 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, John Libert, Dave Masters, Jeff Johnson, Steve Laraway, Jeff Goerger and George Hontos

SPECIAL RECOGNITION:

4. **MAYOR DAVE KLEIS PRESENTS JULY'S NEIGHBOR OF THE MONTH**

CONSENT AGENDA:

5. **APPROVAL OF AGENDA**
ACTION TAKEN: MASTERS/JOHNSON/APPROVED 7-0
6. **SET PUBLIC HEARING ON PROPOSED BALLOT QUESTIONS REGARDING HOSPITALITY TAXES**
ACTION TAKEN: LARAWAY/LIBERT/APPROVED 7-0
PUBLIC HEARING SET FOR AUGUST 20, 2018

Councilmember Laraway pulled this item for further discussion. It was moved by Councilmember Laraway, seconded by Councilmember Libert to approve. Councilmember Laraway requested a brief overview on what this will involve. City Administrator Matthew Staehling briefly discussed. Improvements at the MAC and adjoining fields. Need to raise revenue. 1% increase to lodging tax and ½% increase to food/beverage tax.

Council President Lewis inquired on if the tax increase is not increased, would the state legislature be willing to provide bonding for the project. Mayor Kleis responded that the legislature already gave approval but Governor Dayton vetoed. This is the voters' decision. Naming rights are also being considered.

Councilmember Hontos commented that once the council has a public hearing, it will not be allowed to be tabled. Has to be placed on the ballot on August 24th. Ample time to review will not be available.

Motion unanimously passed. Public hearing set for August 20, 2018.

7. **APPLICATION FOR THE TRANSFER OF AN ON-SALE INTOXICATING AND SPECIAL SUNDAY LIQUOR LICENSES FROM 22 ROCK CORPORATION DBA THE VERANDA LOUNGE, TO TBA ENTERTAINMENT, LLC DBA THE VERANDA LOUNGE, 22 5TH AVE SOUTH.**
ACTION TAKEN: MASTERS/JOHNSON/APPROVED 7-0

8. **RESOLUTIONS ADOPTING THE STIPULATIONS BETWEEN THE CITY OF ST. CLOUD AND VARIOUS TOBACCO LICENSE ESTABLISHMENTS REGARDING TOBACCO VIOLATIONS OF SECTION 424 OF THE 2007 ST. CLOUD CODE OF ORDINANCES.**
ACTION TAKEN: MASTERS/JOHNSON/APPROVED 7-0
RESOLUTIONS ADOPTED AND ASSIGNED 2018-7-102, 2018-7-103, 2018-7-104
9. **RESOLUTION APPROVING A REGIONAL TRAIL LEGACY GRANT APPLICATION TO THE GREATER MINNESOTA REGIONAL PARKS & TRAILS COMMISSION AND MINNESOTA DEPARTMENT OF NATURAL RESOURCES FOR THE BEAVER ISLAND REGIONAL TRAIL PHASE 8 CONSTRUCTION PROJECT AND BEAVER ISLAND REGIONAL TRAIL RESTORATION PROJECT.**
ACTION TAKEN: MASTERS/JOHNSON/APPROVED 7-0
RESOLUTION ADOPTED AND ASSIGNED 2018-7-105
10. **RESOLUTION ESTABLISHING THE POLICY FOR GRANTING CREDITS AGAINST SPECIAL ASSESSMENTS TO LOW INCOME PROPERTY OWNERS FOR 2019 IMPROVEMENTS.**
ACTION TAKEN: MASTERS/GOERGER/APPROVED 7-0
RESOLUTION ADOPTED AND ASSIGNED 2018-7-106
11. **A. RESOLUTION AMENDING THE SUN VILLA ESTATES PLANNED UNIT DEVELOPMENT TO ALLOW SEVEN SINGLE FAMILY DETACHED HOME LOTS AND ONE DUPLEX. (LOCATION: 2317 THRU 2355 40TH AVENUE SOUTH AND 3997 THRU 4003 24TH STREET SOUTH) (DPA-2018-06); B. ORDINANCE VACATING THE ENTIRE DRAINAGE AND UTILITY EASEMENT LOCATED ON LOT 1, BLOCK 1, SUN VILLA ESTATES TWO. (VAC-2018-07); AND C. FINAL PLAT OF SUN VILLA ESTATES FIVE (PLAT-2018-14)**
ACTION TAKEN: MASTERS/JOHNSON/APPROVED 7-0
PUBLIC HEARING SET FOR AUGUST 6, 2018

PUBLIC HEARINGS:

12. **RESOLUTION AUTHORIZING THE ISSUANCE OF GENERAL OBLIGATION STREET RECONSTRUCTION BONDS AND ADOPTING A FIVE-YEAR STREET RECONSTRUCTION PLAN IN ACCORDANCE WITH MS 475.58.**
ACTION TAKEN: LARAWAY/JOHNSON/APPROVED 7-0
RESOLUTION ADOPTED AND ASSIGNED 2018-7-108

Finance Director Ruth Wipper introduced this item. This plan is specific to projects the City intends to use street improvement bonds for. There are several more projects than those listed. These bonds are utilized when special assessment matches are not available. The city is asking for authorization to issue up to \$4,760,000 for 2018.

Council President Lewis opened the Public Hearing. No one spoke. Council President Lewis closed the Public Hearing.

It was moved by Councilmember Laraway, seconded by Councilmember Johnson to approve. No discussion. Motion unanimously passed.

13. **RESOLUTION PROVIDING FINAL AUTHORIZATION FOR THE ISSUANCE OF REVENUE BONDS OR OTHER OBLIGATIONS UNDER MINNESOTA STATUTES, CHAPTER 462C, AS AMENDED, TO FINANCE THE COSTS OF A MULTIFAMILY HOUSING DEVELOPMENT (THE BLUFFS AT LIBERTY GLEN); ADOPTING A HOUSING PROGRAM; APPROVING THE FORMS OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF THE OBLIGATIONS AND RELATED DOCUMENTS; PROVIDING FOR THE SECURITY, RIGHTS, AND REMEDIES WITH RESPECT TO THE OBLIGATIONS; APPROVING ANY ADDITIONAL APPLICATION FOR ALLOCATION OF BONDING AUTHORITY; AND TAKING CERTAIN OTHER ACTIONS**
ACTION TAKEN: MASTERS/GOERGER/APPROVED 4-3 WITH COUNCILMEMBERS HONTOS, JOHNSON, AND LEWIS OPPOSED
RESOLUTION ADOPTED AND ASSIGNED 2018-7-109

Finance Director Ruth Wipper introduced this item. This item is back after preliminary approval for an amount to not exceed \$41 million. Asking for authority for up to \$23 million. MN Department of Management and Budget (MMB) and received \$21 million in bonding. The additional \$2 million is providing the city the option to apply for an additional \$2 million with MMB if needed. Using tax exempt authority to issue bonds. This is a housing bond. Property taxes will be paid. Requirement to adopt a housing program for multi-family projects.

Councilmember Hontos requested clarification on comments in letter dated 7/23/18 from Springsted which stated that a "portion of the swelling units will be subject to occupancy limits imposed by federal income tax law and regulations..." Nick Anderson with Dominion indicated that the letter refers to the federal requirement, must meet minimum requirement that at least 40% are affordable at 60% area median income. This is a minimum requirement. All units will be affordable. Councilmember Hontos inquired if the project has been awarded for the tax credits. The approval tonight is a requirement for the application. Councilmember Hontos requested clarification on the comment in the letter regarding the City's Housing Program. He was not aware of a housing program. This is the Housing Program prepared for council and included in the packet. Argues that this does not meet the needs of low and moderate-income families in the City.

Council President Lewis opened the Public Hearing.

Nick Anderson, Dominion, Project Manager – provided overview of the project and financial impact to city

Peter Joseph Wilson, Sartell, MN – inquired on if this would even be built if it wasn't for the anomaly of the rate differences in north and south Sherburne County

Kay Steiner, Sartell, MN – commented that the program should be understood prior to moving forward. Councilmember Hontos has a good question.

Council President Lewis closed the Public Hearing

It was moved by Councilmember Masters, seconded by Councilmember Goerger to approved. Councilmember Laraway requested clarification on type of bonds used for various projects and bond rating.

Councilmember Goerger commented that he did some research on the project and affordability. Reality is it is affordable. It is not the cheapest in the area. 60 units will meet the requirement of HRA housing. Councilmember Masters commented on affordability. It does meet the affordable guidelines for Sherburne County. Community Development Director Matt Glaesman commented to the affordability issues. Councilmember Johnson commented on affordability. Rate is too high in SE St. Cloud. Council President Lewis inquired on conduit financing and if taxpayers responsible if project fails. Wipper commented that they would not be responsible. Councilmember Hontos commented that he disagrees that this will not take away resources from other projects. This project will take away from a project that meets the needs of the low income. Councilmember Goerger argued that these units will meet the criteria for low-income housing. Not the lowest-income housing. Councilmember Johnson commented that he is skeptical on the project. Councilmember Hontos commented that the values of apartments will do nothing to help with affordable housing.

Roll Call Vote: Hontos – No; Laraway – Yay; Masters – Yay; Johnson – No; Goerger – Yay; Libert – Yay; Lewis – No

Motion passed 4-3

OPEN DISCUSSION & ANNOUNCEMENTS:

Councilmember Laraway commented on street improvements. Minnesota Blvd, Cherry Lane, 7th Street SE, 29th Ave N, 2nd Street N, etc. were brought to his attention. Understands that priorities need to be set and funds are limited. Proposes that citizens are provided transparency on the process and priority on projects. Mayor Kleis commented on Councilmember Laraway's concerns. CIP established, a priority list is prepared, and a budget is created.

Councilmember Hontos commented on the Costco project and requested the site development plan. Glaesman indicated that the City Attorney is working with Costco on preparing the plan. City Attorney Cynthia Kirchoff indicated that we do have a site development agreement, it was received today. Now working towards closing. Councilmember Hontos requested a copy of this agreement. Commented on the closing. Closing should be the end of this week or beginning of the following week. Also, discussion with Stearns History Museum not finalized.

Council President Lewis commented on the City's Noise Ordinance and an email received on granite chopping/pounding in her neighborhood. There is an impact to quality of life. There needs to be quiet time allotted.

OPEN FORUM:

Martha Blauvelt, 145 Riverside Dr NE, St. Cloud, MN 56304 – commented on the international plaza and the incredible diversity within the city.

Moira Walsh, PO Box 7756, St. Cloud, MN 56302 – Read from book written by David Milleband called "Rescue." Addresses refugee resettlement.

Kevin Mehr, 1716 7th Street SE, St. Cloud, MN 56304 – commented on roads and poor conditions

John Neis, 1732 7th St SE, St. Cloud, MN 56304 – showed pictures of the road conditions on his street. Patching will not help.

Brianna Skalsky, 212 4th Ave S, B1, St. Cloud, MN 56301 – discussed bicycles and bicycling in St. Cloud

ADJOURNMENT:

It was moved by Councilmember Libert, seconded by Councilmember Goerger to adjourn. Motion passed unanimously. Meeting adjourned at 7:31 PM.



Carol Lewis, Council President



Seth Kauffman, Recording Secretary