

**MINUTES OF THE REGULAR MEETING
CITY COUNCIL
LITTLE CANADA, MINNESOTA**

OCTOBER 27, 2021

Pursuant to due call and notice thereof a special meeting of the City Council of Little Canada, Minnesota was convened on the 27th day of October, 2021 in the Council Chambers of the City Center located at 515 Little Canada Road in said City.

Mayor John Keis called the meeting to order at 7:30 p.m. and the following members of the City Council were present at roll call:

CITY COUNCIL: Mayor Keis, Council Members McGraw, Fischer, Miller and Torkelson.
Absent: None.

ALSO PRESENT: City Administrator Chris Heineman, Community Development Director Corrin Wendell, Finance Director Brenda Malinowski, Parks & Rec/Community Services Manager Bryce Shearen and City Clerk/HR Manager Heidi Heller.

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McGraw introduced the following resolution and moved its adoption:

RESOLUTION NO. 2021-10-121 – APPROVING THE MINUTES OF THE OCTOBER 13, 2021 WORKSHOP AND THE OCTOBER 13, 2021 REGULAR MEETING AS SUBMITTED

The foregoing resolution was duly seconded by Fischer.
Ayes (5). Nays (0). Resolution adopted.

ANNOUNCEMENTS

None.

PUBLIC COMMENTS

None.

PUBLIC HEARING - CONSIDER ESTABLISHMENT OF TAX INCREMENT FINANCING DISTRICT 7-3 AND ADOPTION OF A TAX INCREMENT FINANCING PLAN, INCLUDING PROVISION OF A BUSINESS SUBSIDY PURSUANT TO MN STATUTES BUSINESS SUBSIDY ACT

The City Administrator explained that the City has received a request for assistance through an economic development Tax Increment Financing (TIF) to assist with financing a portion of the extra development costs related to the construction of a new warehouse facility on a vacant lot at Spruce Street and South Owasso Boulevard. He stated that staff has been working with a developer on a potential expansion project for his company on this site, but due to it being a Greenfield site because of poor soil conditions, significant subsurface improvements are required for a development of this nature to occur here.

Mikaela Huot, Municipal Advisor with Baker Tilly, stated that tonight's purpose is to hold a public hearing to consider adoption of a TIF Plan for a proposed economic development TIF District, and

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granting a business subsidy to Owasso LLC. She reviewed the proposed new project, the terms of the TIF Plan, the TIF District and the Development Agreement. She reported that the project is a 74,500 square foot industrial warehouse facility with construction beginning by May 1, 2022 and estimated completion is December 2022. She noted that the approximate taxable value of the completed project is in the range of \$6.4 - \$7.1 million. She stated that the development agreement states that the developer would pay all of the project costs upfront and then be reimbursed by the City over a maximum of nine years. She stated that there were a few minor changes to the agreement; one change is the principal amount was increased from \$750,000 to \$800,000. The City Administrator reviewed the changes that have been made to the Development Agreement since the version that was in the Council packet.

Fischer asked Ms. Huot to explain the due diligence that was done for this proposal. Ms. Huot explained that she worked with the Ramsey County Assessor's Office to help find a balance on what the taxable value should be due to the unique market right now and what the future growth would be and the developer's proforma received significant review. The City Administrator noted that there is a low supply and very high demand for industrial property of this type right now, so the estimated market value of the project is expected to be at least the cost of construction.

There were no comments from the public. Upon motion by McGraw, seconded by Fischer, the public hearing was closed.

McGraw introduced the following resolution and moved its adoption:

RESOLUTION NO. 2021-10-122 – APPROVE RESOLUTION ESTABLISHING TAX INCREMENT FINANCING (ECONOMIC DEVELOPMENT) DISTRICT NO. 7-3 WITHIN DEVELOPMENT DISTRICT NO. 7 AND APPROVING THE TAX INCREMENT FINANCING PLAN THEREFOR; AUTHORIZING AN INTERFUND LOAN AND AUTHORIZING EXECUTION OF A DEVELOPMENT AGREEMENT

The foregoing resolution was duly seconded by Keis.
Ayes (5). Nays (0). Resolution declared adopted.

McGraw introduced the following resolution and moved its adoption:

RESOLUTION NO. 2021-10-123 – APPROVE PROVIDING A BUSINESS SUBSIDY PURSUANT TO MINNESOTA STATUTES, SECTIONS 116J.993 TO 116J.995, BUSINESS SUBSIDY ACT

The foregoing resolution was duly seconded by Fischer.
Ayes (5). Nays (0). Resolution declared adopted.

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PUBLIC HEARING – CONSIDER ARCHITECTURAL REVIEW & CONDITIONAL USE PERMIT FOR A BANK DRIVE-THRU AT 2640 RICE STREET; APPLICANT: ROYAL CREDIT UNION

The Community Development Director reported that Royal Credit Union has purchased the property at 2640 Rice Street, which was the former Gas-N-Go, and they plan to demolish the existing building and construct a new bank on the site. She explained that they have applied for a Conditional Use Permit to allow drive-through services, and an Architectural Review due to the site being located in the designated Rice Street commercial development area that recommends certain design guidelines. She reviewed the site plan and how it complies with the architectural guidelines.

She noted they have removed the fuel tanks so far, and plan to demolish the building and begin sitework this winter, then start construction next spring.

McGraw asked if they will have enough room for snow storage. The Community Development Director stated there is room on the boulevard and in the parking lot for snow. Keis asked how many employees they will have. Bryant Christenson, architect for the project, stated there will be about seven employees and there would not have any more than 15 people there at a time, so there will be room to store snow in the parking lot if needed.

Keis stated he thought everything looked very good. McGraw clarified that both access driveways are enter and exit. The City Administrator noted that this parcel had one of the Welcome to Little Canada gateway signs on it, and asked the applicant if they would be opposed to having a gateway sign installed again. Mr. Christenson stated he did not think that Royal Credit Union would have a problem with a welcome sign being installed on the property.

Torkelson asked if Ramsey County intends to put a sidewalk along Rice Street where the site plan shows right-of-way. The Community Development Director responded that the city wants the sidewalks extended all along Rice Street. Torkelson asked if the right-of-way has been acquired. The City Administrator explained that the applicant did not initially know about the sidewalk plan, so their site plan was modified to leave room for a sidewalk.

Fischer commented he was thoroughly impressed with the design, and they did an incredible job getting a full banking layout using the small space. He welcomed Royal Credit Union to the city.

There were no comments from the public. Upon motion by Fischer, seconded by McGraw, the public hearing was closed.

Keis introduced the following resolution and moved its adoption:

RESOLUTION NO. 2021-10-124 – APPROVE THE ARCHITECTURAL DESIGN REVIEW AND CONDITIONAL USE PERMIT TO ALLOW A DRIVE-THROUGH FOR A BANK AT 2640 RICE STREET, PID 072922220025

The foregoing resolution was duly seconded by Fischer.
Ayes (5). Nays (0). Resolution declared adopted.

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ORDINANCE 856, AMENDING CHAPTER 900, LITTLE CANADA ZONING CODE

The Community Development Director explained that the City began working on a full zoning code update in January after adopting the 2040 Comprehensive Plan to better align the goals and vision of the Comp Plan with the official controls of the City. She stated that the Zoning Code has been reorganized and rewritten to improve the quality of land development and to make it easier to use. She reviewed the process over the last 10 months with the Planning Commission, City Council and resident discussions, and the public engagement efforts throughout the process.

The Community Development Director gave a summary of the purpose for the full code update and reported that some zoning districts were deleted or combined, one new zoning district was created, the R-2 Medium Density Residential District was broadened and several allowed land uses were deleted or combined.

Fischer asked about the major change to the height allowance in the commercial district from 36 feet to six stories, and can the fire department service that tall of a building. The Community Development Director responded that the Fire Chief has reviewed the proposed changes, and noted the Little Canada Fire Department can currently service up to a seven-story building.

McGraw stated that all of the Council discussions have come down to the accessory dwelling units (ADU's) and there has not been a final decision made. He reported that no one he has talked to about this code update, knew anything about accessory dwelling units, and feels that is something that should be discussed with the community first. He stated that he agrees with the rest of the changes made. The Community Development Director stated that the section for ADU's and duplexes in the R-2 district are not included in this version of the Zoning Code, but can be added at any time if the Council chooses. She noted that the Planning Commission will continue discussing recommended language for these sections, and then forward that to the Council for consideration and potential adoption later. McGraw asked what the plan is to deal with the ADU piece, and had there been other comments from the public about any other section of the Zoning Code, other than ADU's. The Community Development Director stated that she has only received positive feedback about the rest of the changes. Torkelson and Miller agreed that community engagement should be done to get input about ADU's.

There were no additional comments from the public. Upon motion by Fischer, seconded by McGraw, the public hearing was closed.

Fischer introduced the following resolution and moved its adoption:

RESOLUTION NO. 2021-10-125 – ADOPT ORDINANCE 856, AMENDING CHAPTER 900, THE LITTLE CANADA ZONING CODE, AND APPROVE PUBLICATION OF A SUMMARY ORDINANCE

The foregoing resolution was duly seconded by Torkelson.
Ayes (5). Nays (0). Resolution declared adopted.

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CONSENT AGENDA

Fischer introduced the following resolution and moved its adoption:

RESOLUTION NO. 2021-10-126 – APPROVING THE CONSENT AGENDA WHICH CONTAINS THE FOLLOWING:

- Approval of the Vouchers
- Approve a Temporary Liquor License for St. John’s Church on November 21, 2021
- Approve a Temporary Gambling Application for Exempt Permit for St. John’s Church on November 21, 2021
- Receive 3rd Quarter 2021 Financial Report

The foregoing resolution was duly seconded by Torkelson.
Ayes (5). Nays (0). Resolution adopted.

GATEWAY SIGNAGE TASK FORCE

The Parks & Rec/Community Services Manager stated that tonight staff is looking for the Council to appoint a Council member to the Gateway Signage Task Force. He explained that “Enhancing Identity and Empowering Community” was one of the four strategic directions included in the City’s 2019 Strategic Plan. He stated that one of the strategic initiatives related to this direction was to consider updating Little Canada’s gateway signs that are located in multiple entry points to the city to enhance the community’s identity. He stated that staff is recommending that a task force of key stakeholders including representatives from various boards and commissions be established to consider options and discuss recommendations for improvements to the City’s existing ‘Welcome to Historic Little Canada’ signs. In addition to reviewing other community gateway signs and considering potential designs, the task force will discuss the current locations of signs and if additional locations should be considered. The Parks & Rec/Community Services Manager stated that it is anticipated that a time commitment of 1-2 hours a month over the next six months will be required of each member once the task force has been formed.

Keis asked if anyone would like to volunteer to be on this task force. Torkelson stated that he is interested and would like to be appointed.

Keis introduced the following resolution and moved its adoption:

RESOLUTION NO. 2021-10-127 – APPOINTING COUNCIL REPRESENTATIVE CHRISTIAN TORKELSON TO THE GATEWAY SIGNAGE TASK FORCE

The foregoing resolution was duly seconded by McGraw.
Ayes (5). Nays (0). Resolution adopted.

2022 RAMSEY COUNTY SCORE GRANT APPLICATION

The Finance Director explained that the City of Little Canada receives SCORE funding from Ramsey County Public Health that is used to support our waste reduction and recycling-related activities/services in Little Canada. The 2022 Municipal SCORE Grant available for Little Canada is \$31,721.00.

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McGraw introduced the following resolution and moved its adoption:

RESOLUTION NO. 2021-10-128 – APPROVE SUBMISSION OF THE 2022 RAMSEY COUNTY SCORE GRANT APPLICATION AND EXECUTION OF THE GRANT AGREEMENT BY THE CITY ADMINISTRATOR

The foregoing resolution was duly seconded by Torkelson.
Ayes (5). Nays (0). Resolution adopted.

There being no further business, the meeting was adjourned at 8:41 p.m.

John T. Keis, Mayor

Attest:

Christopher Heineman, City Administrator