

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

JANUARY 10, 2021

Pursuant to due call and notice thereof a special meeting of the City Council of Little Canada, Minnesota was convened on the 10th day of January, 2022 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 5:45 p.m. and the following members of the City Council were present at roll call:

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

ALSO PRESENT: City Administrator Chris Heineman, Public Works Director Bill Dircks, City Clerk/HR Manager Heidi Heller and City Engineer Eric Seaburg, Bolton & Menk.

PUBLIC HEARING - IMPROVEMENT NO. 2022-04 RYAN DRIVE

Mayor Keis opened the Public Hearing to consider the improvement of Ryan Drive (from Spruce Street to Country Drive) by mill and overlay and new asphalt paving, minor curb repairs, and minor/spot improvements to the underground utility systems.

The City Engineer reported that the purpose of tonight's hearing is to present the proposed improvement of Ryan Drive to the City Council and impacted property owners. This meeting gives property owners the opportunity to provide input and voice concerns about the project. The City Council will then determine whether or not the project moves forward. He explained that a section in the middle of Ryan Drive was reconstructed last fall when a box culvert had to be replaced by the Ramsey-Washington Watershed District, so this project will complete the sections on either side of this area.

The City Engineer provided information and showed photos of the condition of the street that resulted in the proposed improvement. He stated this road has aged to the point where rehabilitation is recommended. He explained that during the neighborhood meeting on December 14, 2021, some property owners had concerns about the scope of the project and the assessment policy, and stated the assessments would be a burden on the property owners. City staff then modified the project plans from a full-depth reclamation to a two-inch mill and overlay which reduced the overall assessments. He noted the cost allocation for the sanitary sewer costs were also modified.

Keis asked if only doing a mill and overlay would hold up for another 15 years considering how poor the soils are in the industrial park. The City Engineer explained that 15 years is an industry standard and they are not correcting the subsoils with a mill and overlay. He stated that a main reason that pavement ages is through oxidation and drying out, so there is still the likelihood of seeing some movement of the pavement. The Public Works Director stated that when the last work was done, the underlayers still looked good, so he is comfortable just doing the mill and overlay. The City Engineer reviewed the utility improvements which includes replacing the storm sewer since it has collapsed, and extend the sanitary sewer service to three parcels that currently do not

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have sewer service available. He reviewed the pressurized type of sewer system that would need to be installed in order to service the three parcels since the typical gravity system would not work here because the pipe would end up coming out of the ground.

Roger Stanke, 209 Ryan Drive, shared with the City Council, an estimate he received from a private utility company of the cost to run a sewer line from the main pipe to his building.

The City Engineer shared the feedback he received from Lee Meyer, owner of 3151 Country Drive. He explained that Mr. Meyer was initially not in favor of the original project scope of street work and sewer extension, and feels the assessment methodology for street and stormwater work disproportionately affects his long and narrow parcel. He noted that after they spoke on the phone, Mr. Meyer was informed of the project scope and assessment changes, he was more receptive to it.

The City Engineer explained the City's street improvement planning process. He explained that after the streets that need work are determined, the process begins with neighborhood informational meetings and progresses on to the public hearing to consider ordering of the improvement, which is this evening's hearing. Once bids are received and awarded, construction starts, and then typically after substantial completion of the project, the assessment hearings will be held. He stated that the hearings will be held on October 10, 2022, after the project is substantially complete, and property owners have the opportunity to voice opinions on the proposed assessments.

The City Engineer reported on project funding, noting that sanitary sewer, water main and storm sewer repair costs would not be assessed. He explained that 80% of the street costs will be funded through special assessments to benefitting commercial property owners. The Engineer then explained the City's Assessment Policy that has been in place since 1995.

Keis asked if Ryan Drive was listed on the street pavement rating survey. The City Engineer explained that the mill and overlay is being expedited due to the emergency repair that had to be done this fall to the middle section of Ryan Drive, so this is making the whole street a consistent condition, so that in the future the whole street can be done at the same time instead of piecemealing it again. He noted that it is only a few years early for needing the pavement improved. He explained that road should be improved before it gets into very poor condition because the asphalt protects the base.

Fischer introduced the following resolution and moved its adoption:

***RESOLUTION NO. 2022-1-2 – ACCEPT THE FEASIBILITY STUDY AMENDMENT
NO. 1 AS PRESENTED FOR IMPROVEMENT NO. 2022-04, RYAN DRIVE***

The foregoing resolution was duly seconded by Miller.

Ayes (5).

Nays (0). Resolution declared adopted.

At this point the public hearing was opened for comments from the general public.

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Roger Stanke, 209 Ryan Drive, stated that he has no objections to the storm sewer at all because it has to be replaced, but he feels the street can last five or six more years because it is in very good condition. He noted that the majority of the property owners are still paying on a previous assessment and it would be a hardship to add another one now. He stated he is not opposed to doing the street, but just not now. He noted that the property owners cannot continue passing these costs on to their renters.

John Krebsbach, 3173 Spruce Street, owner of St. Croix Incentives, stated that he agrees with Roger on the timing of the street and it could wait a few years. He stated he was not opposed to this project, just the timing of it because no one's business is doing as well as they were a few years ago. He is supportive of just doing a mill and overlay.

Lee Rossow, owns five properties in the Ryan Industrial Park, and stated he will have the responsibility of close to one-third of the assessment amounts. He stated that the storm sewer is being crushed in from the sides, not the top like it would normally be, and alleges that is caused by the Fra-Dor gravel operation and the weight of his operation on top of the ground. He asked if the City would be willing to use the money the city receives from Fra-Dor to help the industrial park owners ease their assessment amounts since they have to tolerate the gravel operation. He would also like to get some more use out of Ryan Drive before it is replaced.

Keis asked the City Administrator about the money that Fra-Dor pays the city. The City Administrator explained the money paid by Fra-Dor goes in to the General Fund, and is to replace the loss of property taxes because the gravel operation on a large amount of land causes the land value to be lower than would normally be found in an industrial park. Keis noted that he understands that the pandemic has caused problems for some businesses, but the City has continued to do road construction projects.

Roger Stanke, asked if a petition with 100% of property owner signatures, would stop the project this year. Keis stated the city does not want to start stopping other street projects every time owners say they do not want it done.

Fischer explained that the concerns he has heard is about the timing of the project. He stated while this section of Ryan Drive may be done a few years early in the cycle, the intent is to finish up the two sections of Ryan Drive now in order to have the whole street on the same improvement cycle rather than the sections being on different timelines. He noted that this comes at a cost today, but going to a mill and overlay now instead of a full reconstruction is reducing the costs significantly. Mr. Stanke asked if the assessments could be delayed.

Torkelson asked what the financial implication to the city would be if this project is done this year, but defer the assessments for a certain amount of time. The City Administrator explained staff has discussed doing this, and no loans would be needed, but a small interest rate would be added for carrying costs. He noted that if any of the properties were sold during the deferred time, the assessment would need to be paid.

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Torkelson stated that doing the work now would be cost efficient, even with paying some interest, rather than paying the higher costs in five years. The Public Works Director also noted there is no guarantee that in five years, a mill and overlay could still be done.

William James, business owner and renter in the industrial park for 26 years, stated that he has been through a few street improvement cycles, and it lasts a few years and then the road always twists again and gets a bump.

Roger Stanke, stated that if the three owners are required to put in a forced main sewer system, they will all have to install a 2,000 gallon holding tank, and maintain the tanks. He stated in about 1984 when he wanted to add on to his building, he was required by the city to install a 3,000 gallon holding tank which he has to maintain. He stated that he does not need the city sewer if he does not expand his building. He stated the other two businesses could go to Country Drive to hook up to the sewer main which is a shorter distance.

Keis asked Mr. Stanke why he has not hooked up to the sewer if he can. Mr. Stanke stated he does not need it because he has a holding tank. He explained that he would have to hook up to the city sewer if he got a permit to add on to his building. Fischer clarified that it is the city's responsibility to provide the infrastructure for sewer connections. The Public Works Director stated that the owners do not need to connect until they want to, or need to because their current system fails.

Upon motion by Fischer, seconded by McGraw, the public hearing was closed.

Keis introduced the following resolution and moved its adoption:

RESOLUTION NO. 2022-1-3 – ORDERING THE IMPROVEMENT AND PREPARATION OF PLANS FOR IMPROVEMENT NO. 2022-04, RYAN DRIVE AS AMENDED; THE ASSESSMENTS WILL BE DELAYED UNTIL THE EXISTING RYAN DRIVE ASSESSMENT ARE AND BEGIN IN PAYABLE 2027

The foregoing resolution was duly seconded by Fischer.

Ayes (5).

Nays (0). Resolution declared adopted.

There being no further business, the meeting was adjourned at 7:10 p.m.

John T. Keis, Mayor

Attest:

Christopher Heineman, City Administrator