

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

JUNE 8, 2022

Pursuant to due call and notice thereof a regular meeting of the City Council of Little Canada, Minnesota was convened on the 8th day of June, 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 7:30 p.m. and the following members of the City Council were present at roll call:

CITY COUNCIL: Mayor Keis, Council Members Fischer, Miller and McGraw. Absent: Torkelson.

ALSO PRESENT: City Administrator Chris Heineman, Community Development Director Corrin Wendell, Public Works Director Bill Dircks, City Clerk/HR Manager Heidi Heller and City Engineer Eric Seaburg.

MINUTES

McGraw introduced the following resolution and moved its adoption:

**RESOLUTION NO. 2022-6-72 – APPROVING THE MINUTES OF THE MAY 25, 2022
REGULAR MEETING AS SUBMITTED**

The foregoing resolution was duly seconded by Miller.
Ayes (4). Nays (0). Resolution adopted.

ANNOUNCEMENTS

The City Administrator reported that Waste Management has staffing issues and has been unable to pick up their Little Canada yard waste accounts for the last few weeks. He stated the city has now put dumpsters at City Hall, Spooner Park and Pioneer Park for residents to dump their yard waste, and Gene's Disposal Service will be subcontracting to pick up those yard waste accounts starting June 15 until Waste Management is fully staffed again and able to service the city. He noted that several east metro cities are affected by this service issue.

PUBLIC COMMENTS

None.

**PUBLIC HEARING – APPROVING ISSUANCE AND SALE OF A MULTI-FAMILY
HOUSING REVENUE NOTE (TWIN LAKE APARTMENTS PROJECT), SERIES 2022, AND
APPROVING A HOUSING PROGRAM PURSUANT TO MINNESOTA STATUTES
CHAPTER 462C**

The City Administrator reported that the Council has approved a rezoning for a multi-family housing apartment project on Twin Lake Boulevard, and approved a resolution authorizing the City to issue Housing Revenue Bonds for this project. He stated this is similar to conduit debt issuance that the City has done several times over the years. He explained there is no liability to the City for this.

Paul Keenan, Reuter Walton Development, developer of the 60-unit apartment project. He stated the total development cost is about \$19.5 million. He explained that tonight the City is giving formal

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approval to issue the bonds. He noted the City is able to charge a fee to do this and will receive about \$46,000.

Keis opened the public hearing. There were no 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. 2022-6-73 – APPROVE ISSUANCE AND SALE OF A MULTI-FAMILY HOUSING REVENUE NOTE (TWIN LAKE APARTMENTS PROJECT), SERIES 2022, AND APPROVE A HOUSING PROGRAM PURSUANT TO MINNESOTA STATUTES CHAPTER 462C

The foregoing resolution was duly seconded by McGraw.
Ayes (4). Nays (0). Resolution declared adopted.

PUBLIC HEARING – APPROVING A WRITTEN SPENDING PLAN FOR TAX INCREMENT FINANCING (REDEVELOPMENT) DISTRICT NO. 3-2, TAX INCREMENT FINANCING (HOUSING) DISTRICT NO. 3-3 AND TAX INCREMENT FINANCING (RENEWAL & RENOVATION) DISTRICT NO. 5-1

Mikaela Huot, Baker Tilly, stated that the City of Little Canada has received an application for financial assistance through Tax Increment Financing (TIF) to assist with financing a portion of the extraordinary development costs related to the construction of a new 60-unit multifamily affordable housing project. She reported the total development cost of the project is approximately \$19.5 million and will be financed with a combination of debt financing, tax credits, deferred developer fee and Ramsey County grant funding. She stated the developer has requested financial assistance of \$1,000,000 from the City through Tax Increment Financing. She explained that the developer's initial request for assistance was through the establishment of a new tax increment financing housing district, but upon further review of the City's existing tax increment districts, it was determined that the City had an alternate option of providing upfront assistance to the developer that would not require the establishment of a new TIF district. She stated that under this option, the City will use the temporary transfer authority and use unobligated tax increment funds. She explained the City would be providing a deferred loan to the developer of up to \$1,000,000 to be provided after inspection and final approval of the footings and foundation. She stated the developer would then make annual interest-only payments to the City for 17 years with a balloon principal payment in year 17 that coincides with the developer's anticipated refinancing. She stated that the loan agreement will be considered at the June 20, 2022 City Council meeting. She reviewed the loan agreement terms.

Keis opened the public hearing.

Fischer stated that this is a unique opportunity for the City to be able do this type of funding to help with this project and he is happy to be able to do this.

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

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Miller introduced the following resolution and moved its adoption:

RESOLUTION NO. 2022-6-74 – APPROVE A WRITTEN SPENDING PLAN FOR TAX INCREMENT FINANCING (REDVELOPMENT) DISTRICT NO. 3-2, TAX INCREMENT FINANCING (HOUSING) DISTRICT NO. 3-3 AND TAX INCREMENT FINANCING (RENEWAL & RENOVATION) DISTRICT NO. 5-1

The foregoing resolution was duly seconded by McGraw.
Ayes (4). Nays (0). Resolution declared adopted.

CONSENT AGENDA

McGraw introduced the following resolution and moved its adoption:

RESOLUTION NO. 2022-6-75 – APPROVING THE CONSENT AGENDA WHICH CONTAINS THE FOLLOWING:

- Approval of the Vouchers
- Approve a 3-day Temporary Liquor License for July 29-31, 2022 for Little Canada Recreation Association
- Approve a New Tattoo Business License (Permanent Makeup) for Carolyn Peiffer, Permanent Reflections, LLC

The foregoing resolution was duly seconded by Miller.
Ayes (4). Nays (0). Resolution adopted.

REQUEST FOR FIRE RELIEF ASSOCIATION BENEFIT INCREASE

The City Administrator stated that the Little Canada Fire Department has requested an increase to the benefit level for the Little Canada Fire Relief Association by \$710.00 per year pursuant to contractual provisions. This would increase the benefit level from \$4,680 to \$5,390 per year of service.

Fischer noted this is a big increase, but the markets and their reserves support this.

Fischer introduced the following resolution and moved its adoption:

RESOLUTION NO. 2022-6-76 – APPROVE AN INCREASE TO THE BENEFIT LEVEL FOR THE LITTLE CANADA FIRE RELIEF ASSOCIATION BY \$710.00 PER YEAR PURSUANT TO THE CITY CONTRACT WITH THE LITTLE CANADA FIRE DEPARTMENT

The foregoing resolution was duly seconded by McGraw.
Ayes (4). Nays (0). Resolution declared adopted.

Fire Chief Don Smiley thanked the City Council for their support, and noted this type of benefit helps attract new members and retain existing members. He stated the City is lucky to be able to continue staffing the fire department with local residents.

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2022 SEWER REHABILITATION PROJECT

The Public Works Director explained that the City adopted a program in 2020 to start rehabilitating the public sanitary sewer system by utilizing cured-in-place-pipe (CIPP) liners to restore the structural integrity of the existing clay sewer pipe system, as well as to reduce inflow and infiltration of groundwater into the public sewer system. He stated the first CIPP lining project in Little Canada was completed in 2020 by Hydro-Klean. He noted that CIPP lining continues to be the most cost-effective pipe rehabilitation method for restoring the integrity of gravity sewers. He reported that \$200,000 was budgeted in the Capital Improvement Plan (CIP) to complete these repairs in 2022, and funds will continue to be budgeted each year. He stated that the City was awarded \$53,570.00 from the Metropolitan Council Environmental Services (MCES) Municipal Inflow & Infiltration Grant Program so the total funding allocated for this project is currently \$253,570.00.

The Public Works Director explained that the base bid consists of approximately 4,844 linear feet of 8-inch CIPP rehabilitation along County Road B, Lakeshore Avenue and Australian Avenue. He stated the alternate bid adds 2,580 linear feet of 8-inch CIPP to the contract along McMenemy Street. He noted that if the work is not awarded and completed in 2022, the City will lose the grant funding allocated to them from MCES. This project was identified in the 2022-2031 Capital Improvement Plan and the funds will be from the Water and Sewer Capital Replacement Fund.

McGraw introduced the following resolution and moved its adoption:

RESOLUTION NO. 2022-6-77 – AWARD THE BASE BID AND ALTERNATE BID IN THE AMOUNT OF \$233,473.72 TO HYDRO-KLEAN, LLC FOR THE 2022 SANITARY SEWER REHABILITATION PROJECT

The foregoing resolution was duly seconded by Keis.
Ayes (4). Nays (0). Resolution declared adopted.

UPDATE ON LITTLE CANADA ROAD HIGHWAY SAFETY IMPROVEMENT PROGRAM (HSIP) & MnDOT LOCAL PARTNERSHIP PROGRAM (LPP) GRANT APPLICATIONS

The City Engineer stated that the existing conditions along Little Canada Road from Centerville Road to Lakeshore Avenue are difficult to navigate for cars, bicycles, and pedestrians. He explained these conditions were discussed at the April 13 City Council Workshop and the Council approved the resources to apply for two different grant opportunities: The Highway Safety Improvement Program (HSIP) for improvements along Little Canada Road to improve safety through the corridor and the other was the MnDOT Local Partnership Program (LPP) for a potential realignment of Country Drive. He noted that the City currently does not have an ADA Self-evaluation component, so the County's plan was referenced since this was a partnership application. He noted that as engineering staff looked at this further, there may be another option for the interchange intersections, so the LPP application was not submitted at this time.

The City Administrator stated that Ramsey County has submitted letters of support for these grants, and engineering staff is supportive of exploring making changes and improvements.

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Fischer asked when the Little Canada Road and I-35E bridge was planned for replacement. The City Administrator stated it was beyond 2030 and may not even be programmed yet.

There being no further business, the meeting was adjourned at 8:27 p.m.

John T. Keis, Mayor

Attest:

Christopher Heineman, City Administrator