

**City of Columbus
Regular City Council Meeting
05.08.19**

The 05.08.19 meeting of the City of Columbus City Council was called to order at 7:01 p.m. by Mayor Preiner at the City Hall. Present were Council Members Janet Hegland, Jeff Duraine, Denny Peterson, and Shelly Logren; City Administrator Elizabeth Mursko, City Attorney Bill Griffith, City Engineer Dennis Postler, and Public Communications Coordinator Jessica Hughes.

Also in attendance were: Barb Bobick, Joe Bazey, Dean Faymerville, Arlen Logren, Kris King, Paul Peskar, Myron & Cindy Angel, Fran & Barb Hearley, and Julie Parent (Forest Lake Times).

A. CITY COUNCIL REGULAR MEETING

- 1. Call to Order - Regular Meeting – 7:01 P.M.**
- 2. Pledge of Allegiance**

B. CONSENT AGENDA

- ~~**3. Motion – Approval of the 12.12.18 City Council Meeting Minutes**~~
- ~~**4. Motion – Approval of the 03.27.19 City Council Meeting Minutes**~~
- 5. Motion – Agenda Approval with Additions**
- 6. Motion – Pay Bills as Posted**

Motion by Duraine to approve the consent agenda items 5-6. Seconded by Hegland. Motion carried unanimously.

C. PRESENTATIONS

7. Public Hearing – Hornsby Street North Public Right of Way Vacation

Mursko presented the Council with a resolution to vacate Hornsby Street north of TH 97. This is in anticipation for the realignment project. A Public Hearing was held, and after seeing no one interested in speaking, Mayor Preiner closed the hearing.

Motion by Duraine to approve Resolution 19-09, a resolution vacating a portion of Hornsby Street in the City of Columbus, Minnesota. Seconded by Hegland. Motion carried unanimously.

8. Local Board of Appeals

Based on direction from the Local Board of Appeal and Equalization meeting on 04.23.19, the County's Tax Assessor Ken Tolzman came forward to discuss properties, the valuation of which Tolzman agreed to review prior to this Council meeting.

To begin Tolzman stated that Mr. Santanni withdrew his request for additional review. Tolzman did recommend changes to Sue Copelad's properties off Lake Drive. He recommends removing all commercial uses from the record. He is also recommending the following changes for three of her properties:

28-32-22-44-0002: From 19,700 to 32,500.
28-32-22-44-0003: From 49,500 to 32,900.
28-32-22-44-0002: From 13,800 to 36,500.

This will result in a total valuation for all of her properties (with the addition of 28-32-22-43-0011) decreasing from \$288,000 to \$234,000.

The third property that Tolzman reviewed was the Hearley's at 8145 W. Broadway Avenue.

Before the Hearleys addressed the Council, Logren read a prepared statement regarding property taxes in Columbus.

Logren explained that the City's tax assessor is required to comply with a target goal range of total estimated market value for Columbus, which is set by higher levels of government. In the past, fair market value and not estimated market value was used to value property. She is uncomfortable with the new system based on estimated market value because property taxes are no longer based on the actual value that one's home could be sold for. She added that most people in Columbus would agree that it would be difficult to sell their homes for the estimated market value price, referencing the Minneapolis Area Realtor's Report which stated that the median home price in Columbus has increased 52% since 2014.

Logren continued to say that the estimated market values will affect the county and school taxes in Columbus at a disproportionate amount compared to other cities in Anoka County. It will also affect the Homestead Exclusion deduction. She finished by saying that as a Council Member she is required to participate in this process and follow a very narrow set of rules. Because of her disagreement with this process she had seriously considered stepping away from the position.

At this time the Hearleys came forward to address the Council. Mrs. Barbara Hearley expressed concern that Columbus is being taxed at a higher rate than surrounding communities.

She explained that property taxes as a state have gone up 5.7%, Anoka County's have gone up 6%, Forest lake went up 6.2%, and Lino Lakes' values went up 3.7%. She said in light of those increases, Columbus' 10.7% increase seems to be too high.

The Hearleys also expressed concern that the valuation of their home is higher than what they will be able to sell it for. The average price listed online for their home is \$356,000, while the current valuation for the home is \$410,000. They said that the value of their home went up 12.8%. They said that they would be comfortable with a 10.7% increase, as to reflect to average increase in Columbus. A 10.7% increase would value the home at roughly \$395,000.

Hegland asked Stellmach at what point would the sample size of homes sold be considered too small? Stellmach replied that the department of revenue sets the minimum sample size at 6 sales. Hegland said she believes that is too high of a level of variability for the model. Tolzman added that Columbus has not historically had many sales. To have 34 sales, such as was the case this year, is more than average. Because land in Columbus does not turn over as quickly as other communities, property in the City is in higher demand.

Mayor Preiner asked if the City were to decrease the value on their home, would the remaining tax payers in the City have to pick up the difference? Stellmach said that is true in theory, but it would be difficult to determine the actual figures.

Duraine and Logren agreed that a decrease in valuation to the 10.7% number, \$395,641, was fair. Remaining Council Members agreed.

Motion by Duraine to lower the valuation of the Hearley's property located at W. Broadway Avenue, PIN #03-32-22-41-0005 to \$395,641.00. Seconded by Logren. Motion carried unanimously.

Motion by Hegland to approve the Copeland market value change from \$19,700 to \$32,500 for PIN # 28-32-22-44-0002, from \$49,500 to \$32,900 for PIN # 28-32-22-44-0003, from \$13,800 to 36,500 for PIN # 28-32-22-44-0004, and in total from \$288,000 to \$234,000, and to eliminate the commercial taxes so all parcels will be taxed entirely as residential property. Seconded by Duraine. Motion carried unanimously.

Motion by Duraine to take no action for the Santanni's property located at 22-32-22-32-00010, as he has accepted his current value. Seconded by Hegland. Motion carried unanimously.

Motion by Hegland to accept the list of recommendations that were read into the record at the 04.23.19 LBAE meeting. Seconded by Duraine. motion carried unanimously.

The Council thanked Ken Tolzman for his years of service to the Columbus community, as he is retiring at the end of the year.

9. Planning Commission Report

Jody Krebs gave the Planning Commission report for their 05.01.19 meeting. At that meeting they held a Public Hearing for an amendment to Construction Technology's CUP. The application is to amend the existing CUP to be able to construct four additional garage condominiums. She added that the new buildings and landscaping will mirror existing development.

The Planning Commission made one change to Findings of Fact number 9, to change the language from "Humber Street" to "Lake Drive". With that change, the Planning Commission unanimously recommended the application for approval.

Mursko reported that the applicant, Joe Bazey, has submitted a landscape plan with new fencing. Bazey came forward to address the Council. He said that he is hoping to install a cedar fence along Humber Street to block light coming from the property. Bazey asked if it would be possible to face the "ugly" side of the fence away from the property, rather that toward it (which is usually the standard placement).

Mayor Preiner asked how long the fence would be? Bazey replied at the least it would be 120 feet long, and at the most 330 feet. The plan is for the fence to be 8 feet tall. The plan also

includes shadow blocks which should ensure that no light can escape. The “ugly” side of the fence would be exposing the 2x4’s which act as shadow blocks.

Mursko noted that City Code states if the applicant was being required to install screening, then the “ugly” side must face inwards. This is not the case with Bazey’s proposal because he is not being required to install the screening. Mursko added that a fence higher than 6 feet requires a separate permit, and the fence shall be noted on the CUP.

Bazey thanked the Council for their direction. He noted that he still has to propose the fence idea to his Association’s board to get their approval.

Motion by Duraine to approve PC-19-108 the Construction Technologies CUP Amendment application (dated 03.29.19), with an up to 10ft tall fence on the east property line, subject to findings of fact and conditions of approval 1-9 as outlined in the Planner’s memo (dated 05.01.19). Seconded by Logren. Votes as follows; Peterson – aye; Hegland – aye; Preiner – aye; Duraine – aye; Logren – aye. Motion carried unanimously.

Construction Technologies, Inc. CUP Amendment Findings of Fact:

- 1) Construction Technologies Inc. (CTI) has acquired the Property at 13305 Humber Street NE, directly east of its current property at 13405 Lake Drive NE.
- 2) The City approved a Preliminary Plat and Final Plat for CTI for the 13305 Humber St SE Property in August 2017, which anticipated future development of the parcel for Garage Solution Condominiums.
- 3) The City approved a CUP for CTI for the construction of the initial three garage condominium buildings on June 25, 2008, located at 13405 Lake Drive NE, and now described as “Garage Solution Condominiums (“GSC”) Common Interest Community #292.”
- 4) The City approved an amendment to the CTI CUP on October 12, 2016 to allow a common outdoor gathering area.
- 5) The City approved another amendment to the CTI CUP in August 2017 to add four (4) buildings with 48,000 square feet of garage space to the previously existing 103,000 square feet at the 13405 Lake Drive NE property.
- 6) CTI is now proposing to expand onto property at 13305 Humber Street NE, which is listed as Anoka County Common Interest Community (CIC). CTI proposes at this time to construct four additional garage condominium buildings of 12,000 square feet each. This would add 48,000 square feet of building space to the existing 151,000 square feet of building space at the GSC campus.
- 7) The CTI application includes plans and specifications for development of Garage Solution Condominiums II Phase II, including:

- a) Existing Conditions
- b) Demolition, Protections and Erosion Control Plan
- c) Storm Water Pollution Prevention Plan (SWPPP)
- d) Site and Layout Plan
- e) Grading Plan
- f) Utility Plan
- g) Civil Details

The application shows a future phase of development on the Humber property, for live-in garage condominiums, but those buildings are not an official part of the current application or review.

- 8) A Landscape Plan was not submitted with the application, as required.
- 9) Access to the new buildings for this phase will be from ~~Humber Street~~ Lake Dr. NE.
- 10) The proposed design and appearance of the condominium buildings in Garage Solution Condominiums II, Phase II will be identical to the last four buildings constructed.
- 11) The Planning Commission will hold a public hearing on May 1, 2019 to consider the Construction Technologies, Inc. CUP Amendment.

Construction Technologies, Inc. CUP Amendment Conditions of Approval:

- 1) The CUP Amendment is limited to the construction of four (4) new garage condominium buildings, each 12,000 square feet in area, on Property at 13305 Humber St NE.
- 2) The proposed buildings shall be constructed to match the quality, design and exterior appearance of the condominium buildings constructed by CTI on adjacent property to the west.
- 3) Issuance of building permits is contingent upon the requirements of the Building Code and review by the Building Official.
- 4) A new Landscape Plan shall be submitted for the 13305 Humber Street NE property and approved prior to any work beginning on the site.
- 5) The CUP Amendment is contingent upon the requirements of Rice Creek Watershed District (RCWD), as identified in RCWD Conditional Approval Pending Receipt of Changes dated April 24, 2019 for Permit Application #19-031.
- 6) The CUP Amendment is contingent upon the recommendations of the City Engineer.
- 7) The CUP Amendment is contingent upon the recommendations of the City Attorney.
- 8) CTI shall reimburse the City for all out of pocket expenses incurred in the review and issuance of the CUP and for all ongoing inspections and enforcement actions required for the CUP.

- 9) The existing CUP shall be amended, completely, upon approval of the plans submitted with this application and as amended per the recommendations listed above.

Krebs continued to report on a discussion that the Planning Commission had about the City's current billboard moratorium. The Planning Commission will be doing a research study with the City Planner and staff regarding billboards in the City. There are around 28 billboard IUPs that will be up for renewal in 2020 and 2021. At the end of the research study a resolution will be drafted lifting the moratorium. Krebs asked if the EDA has addressed billboards, and if the Council would like the Planning Commission to consider any specific topic relating to the billboards? Duraine said that the EDA has not had an in-depth conversation about billboards except for determining content for some of the electronic billboards in town. The Council was supportive of the study but did not have any specific direction to give at this time.

10. Public Open Forum

No report.

D. STAFF AND CONSULTANT REPORTS

11. Engineer Report

Transportation Projects Update

City Engineer Dennis Postler gave an update on some of the City's projects happening in 2019.

The first project discussed is the system-wide SCADA updates and the conversion of the Ziegler water tank to the municipal system. The project has been bid, let, and awarded. Drawings are being finalized and construction should begin sometime in May.

The second project is the Hornsby Street south feasibility study. Postler said that this project is on hold until further discussions about financing are had.

The next three projects are all related to the Hornsby Street realignment project, signal installation, and utilities extension. City staff are working through nuances of wetland and floodplain issues. It was determined that MnDOT would serve as the LGU for this project. They are still working with the DNR on needed roadway easements. Construction for the realigned road and the traffic signal is anticipated to be in August – November of this year. The utility extension project was recently bid. Construction for the extension is anticipated to be in the June – July timeframe.

The SW area utilities improvements are currently under construction. Additional information about this project was discussed next.

The last project that is being handled by the City is the road reclamation on Notre Dame Street and 181st Avenue NE. The contractor for this project would like to begin the week of June 10, and the project should take roughly three weeks to finish.

There are also five County projects occurring in Columbus.

The first two projects are related; the TH 23 roundabout has minor work to finish up this summer, and the CSAH 54 realignment project is currently underway. There will be a closure for about a month while the CSAH 54 project is completed. There will be a posted detour route for the closure.

Anoka County has also started construction on their new traffic signal located at the intersection of Lexington Avenue and W. Broadway Avenue.

Another County project in the works is the widening of shoulders and addition of turn lanes and bypass lanes on W. Broadway Avenue. This project has been awarded and should begin in June.

The next County project is pavement rehabilitation north of W. Broadway Avenue on Kettle River Blvd. The anticipated start date of this project is in June.

Lastly is MnDOT's design build project on I-35. Postler reported that due to this project I-35W will be down to one lane in Columbus until November of this year, which is when the whole project is anticipated to be completed

Hegland asked if something was done last year to mediate the added traffic on Lake Drive and Kettle River Blvd due to construction on I-35W? Mursko said that traffic signals north of the Lake Drive and I-35W intersection were coordinated to move traffic quicker. She added that Lake Drive has always been a shortcut for people going north.

SW Public Water and Sewer Improvements Change Orders

Postler reported on a few significant change orders for the SW public water and sewer improvement project. The cost for the project will increase by roughly \$48,000 because of the change orders.

In order to complete the project additional hydrants, gate valves, and casings must be added. In addition, a \$16,000 change to the traffic control plan had to be made. The original plan was to use temporary signals, but Anoka County requires flaggers and additional barriers with such signals. In addition, the contractor will have to move off site and then come back on because the easements have not been acquired yet. The City will incur a mobilization charge for this.

Duraine asked Postler what the total cost for the project was? Postler said it was roughly \$700,000 without the added amount from the change orders. Duraine expressed his disapproval of this project.

Mayor Preiner asked how the assessment will be paid for the property that is in Green Acres? Mursko said that the City pays the assessment until it is removed from Green Acres. Once the assessment is removed the homeowner becomes responsible for paying and it begins to accrue interest. Mursko added that the typical time frame for assessments is 10 years, but for some of the larger assessments, the City has extended it to 15 years.

Logren asked how much of the \$48,000 is due to the choice of contractor? Postler said that these issues would be raised with whoever received the bid for the project.

Motion by Logren to approve the SW Public Water & Sewer Improvements Change Orders for Traffic Control revisions, Direction Drilling revisions, a couple gate valve additions, and some missed quantities for casing pipe crossings at the south end and additional fire hydrants in the amount of \$48,811.00. Seconded by Duraine. Motion carried unanimously.

The second topic for Postler's report is a maintenance agreement with RCWD associated with the SW public water and sewer project. Hegland asked if there is a cost to the City for the agreement? Postler said there isn't, but the agreement says if something happens to a culvert in the area the City will be responsible to fix it. Mursko said that Columbus' City Attorney reviewed the agreement and did not suggest any changes.

Motion by Hegland to approve the Rice Creek Watershed Maintenance agreement for the SW Phase II Public Water and Sewer improvements. Seconded by Duraine. Motion carried unanimously.

12. Attorney Report

Steen reported that the City has the ability to impose a 3% tax on hotels in Columbus. He said that the only requirement is that 95% of the dollars must be dedicated to something like a tourism bureau or visitor center. He recalled a study that the City completed which forecasted a need for up to two hotels in Columbus. With one hotel under construction at this time, it could be a good opportunity to discuss the possibility of adding a hotel tax.

Hegland asked if there was an idea of the dollar amount that such a tax could generate? Mursko said that for the current hotel under construction, assuming it is half occupied 365 days a year, would generate around \$50,000 per year. Steen noted that estimate is based on a 3% tax, and the Council would have direction to tax up to 3%. He added that there will be reporting requirements from the City, but the cost would not be substantial.

Steen said that it was typical for a City to create a board that would determine how to best allocate the funds from the tax. Hegland asked if that group could be a subset of the EDA? Mursko replied that it could.

Hegland followed up by asking if staff were aware of how Running Aces felt about the tax? Mursko said that they did not express their feelings either way, but she knows that most Cities do impose such a tax on hotels. Hegland said that it seems like a good way to help the City reach their marketing and branding goals.

Mayor Preiner said that he is in favor of the tax but would like to hear how Running Aces feels about it. Council members agreed they would like to consult Running Aces before deciding. Steen said that staff could also assemble information regarding how surrounding communities have handled the hotel tax. Logren said that it would also be nice to see information about any restrictions that are placed on how the money can be spent.

Delegation of Authority to City Administrator for Watershed District Maintenance Agreements

Steen said that the City is regularly asked to enter into standard maintenance agreements with the City's watershed districts. By law each agreement needs to be approved by either the City Council or approval needs to be delegated to another party. As a result, he is asking for permission from the Council to delegate to the City Administrator and the City Attorney for standard maintenance agreements. It is their hope that this will streamline work with the watershed districts.

Motion by Duraine to delegate authority to the City Administrator with the review of the City Attorney to approve and execute permit maintenance agreements with the local watershed districts on behalf of the City. Seconded by Logren. Motion carried unanimously.

13. Mayor and Council Members Report

Council Member Logren

Logren attended the most recent Sunrise River Watershed Management Organization (SRWMO) meeting. She reported that Ham Lake rejected the budget because of concerns about paying for a fair share of services. Member cities were previously required to each pay 25% of the budget, regardless of what percentage of SRWMO services were being used in the Cities. Therefore, the budget is being reconfigured to reflect a more accurate distribution of costs.

Council Member Hegland

No report.

Mayor Preiner

Mayor Preiner had two comments for his report. The first is that he has heard from a number of residents that Rice Creek is backing up on resident's properties. He is wondering how the City may be able to help these residents get the water flowing properly on their property. Mursko said that City Staff could reach out to the Rice Creek Watershed District (RCWD) to see how they can help. Mayor Preiner said that he would like City staff to follow up with RCWD about the issue. Windingstad volunteered to contact RCWD on behalf of City staff.

The second comment was concern about pedestrians (especially children) walking or riding bicycles along W. Freeway Drive once spring road restrictions are on and the asphalt plant is up and running. He asked if the City has an obligation to ensure the safety of residents on the road? Steen replied that the City does not have such an obligation and could notify residents of the safety hazard without incurring liability. Mursko said it would be possible to send letters to residents along W. Freeway Drive identifying the concern. Mayor Preiner said he would like such a letter to be sent.

Council Member Duraine

Duraine attended the most recent Cable Commission meeting. A representative from Midco attended the meeting. They announced some new products and a grant for expanding fiber to southwestern Minnesota. The Midco representative did not mention any new projects in Columbus.

Council Member Peterson

No report.

14. Public Works Report

1999 Ford F150

Public Works Superintendent Jim Windingstad came forward to discuss declaring a piece of equipment as surplus property. The City has had the 1999 Ford F150 truck for 20 years. It is in need of some repair and has since been replaced with a 2005 Chevy truck. Public Works would like to declare the F150 as surplus equipment and sell it.

Motion by Duraine to approve Resolution 19-10, a resolution declaring the F150 surplus property, setting the minimum bid at \$1,500.00 with bids closing on June 11, 2019 at 4:00 pm, and opening at the June 12, 2019 City Council Meeting. Seconded by Logren. Motion carried unanimously.

Truck Route Signs

Windingstad continued to report that the new truck route signs have been posted. He has informed some local contractors and the Sherriff's Office about the new signs.

Logren asked Windingstad if he is concerned about the state of Hornsby Street after getting heavy rain recently? He said that he is not concerned at this time. Its true that the road is not in good shape, but the rain has not made it noticeably worse. Steen noted that Windingstad has the authority to close the road at any time because of concerns about damage.

15. Public Communications Coordinator Report

No report.

16. City Administrator's Report

No report.

Treasurer's Report

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|----------------|-----------------|
| Receipts: | \$ 38,735.78 |
| Disbursements: | \$ 146,261.86 |
| Balance: | \$ 8,651,369.83 |

E. ANNOUNCEMENTS & REMINDERS

17. Calendar of Meetings.

The next City Council workshop and City Council meeting are on 05.22.19. Mursko said that the workshop will have two parts. The first part will be a proposal from a landowner interested in purchasing City land. The second part will be a presentation from Tammy Omdal about bonds. The presentation will have three parts: A general overview about what bonds are, a discussion about the 5 bonds that the City currently has, and then a conversation about potential bonding scenarios for the reconstruction of Hornsby Street. The workshop will conclude with information about year-end transfer, to financially close out 2018.

F. ADJOURNMENT

Motion by Duraine to adjourn. Seconded by Logren. Motion carried unanimously.

Meeting adjourned at 8:56 p.m.

Respectfully Submitted:

Jessica Hughes, Public Communications Coordinator