

**WORKSHOP MINUTES
OAKDALE CITY COUNCIL
September 27,2022**

The City Council held a workshop on Tuesday, September 27, 2022 at Oakdale City Hall, 1584 Hadley Avenue North, Oakdale, Minnesota. The meeting began at 5:30 PM.

Present: Mayor Paul Reinke

Council Members: Jake Ingebrigtsen
Susan Olson
Colleen Swedberg
Kevin Zabel

City Staff Members: Christina Volkens, City Administrator
Katie Robinson, Deputy City Clerk
Jason Zimmerman, Finance Director
Nick Newton, Police Chief
Kevin Wold, Fire Chief
Andrew Gitzlaff, Community Development Director
Jim Romanik, Public Works Manager
Lori Pulkrabek, Communications Manager
Rachel Tierney, Assistant City Attorney

Other: Andy Morcomb, Guest (Council Candidate)
Carrie Eggleston, United Properties
Michael Larson, Larson Family Real Estate
Sam Edelstein, HGA (Architects)

Prior to any presentations and/or discussion, Mayor Reinke reminded the Council, staff and guests these workshop meetings are for information gathering, question clarifying, and no decision making will be made as a Council body.

4FRONT COMMERCIAL / RETAIL SITE

Community Development Director Andy Gitzlaff presented an application from Larson Family Real Estate LLLP (property owner) and United Properties proposing a concept plan to facilitate up to 56,600 square feet of retail development on parcel number 1702921420014. The property is legally described as Lot 4, Block 1 of Oakdale Farm 3rd Addition. Currently it is a vacant parcel, consisting of approximately 8.5 acres, located in the 4Front Technology and Office Campus. Proposed retail uses on the site include a grocery store, coffee shops and bakeries, quick serve restaurants, and/or a pharmacy.

Mr. Sam Edelstein from HGA shared a PowerPoint presentation of a master plan for the parcel, to include the retail and parking. He noted that there is already one retailer identified as a natural grocer at 20,000 square feet in for which a Letter of Intent has been signed. He also noted that there is an easement for a pipeline running north to south on the property, in which they will be integrating green infrastructure in that area to include walking trails.

Mayor Reinke asked about the entrance to the location from CSAH 14 (and Hemingway) as he did not recall seeing this entrance on the previous version (presentation). Mr. Edelstein responded that the County already approved that entrance location and Ms. Eggelston from United Properties confirmed it is an expense of theirs as part of the project.

After further review and discussion of the PowerPoint, Council Member Zabel asked about the number of parking stalls that were presented (276). Mr. Edelstein confirmed that each retailer will include the number of spaces for their needs. Mr. Gitzlaff stated if there is a need for an adjustment, the Planned Unit Development (PUD) zoning flexibility allows for that as long as the applicant can demonstrate there will not be a parking problem.

Council Member Olson asked Mr. Edelstein if the structures are all independent from one another to which he replied 'yes'.

Mayor Reinke stated that doing mass grading while going in for site plan approval would be done at the applicant risk and noted they should work closely with Community Development and our Building Official to make sure it works.

Mayor Reinke, noted that he felt the monument sign should have more decorative features added to make it more pronounced.

Ms. Eggleston mentioned the plan is to have site plan approval by the end of the year. She also asked that since the utilities are within 5ft of the site, is that covered under building permit or do the utilities portion need their own site plan approval? Mr. Gitzlaff responded that generally just the one site plan approval is needed. If the pad sites are consistent with site plan going forward then no other approval is needed and if a substantial modification is proposed the site plan would need to be amended.

Mayor Reinke asked Council for further feedback and they were all generally supportive of this concept plan.

OAK MARSH REQUEST FOR ORDINANCE CHANGE FOR NOISE AT GOLF COURSE

City Administrator Volkens shared with the group that Oak Marsh is requesting the City amend its noise ordinance to allow golf courses to begin mowing at 6 am from May 1st through August 31st each year to accommodate early tee times.

City Code of Ordinances, Chapter 19, Section 19-4 Noise, (e) Construction Activities currently states:

No person shall engage in or permit construction activities involving the use of any kind of electric, diesel or gas-powered machine or other power equipment except between the hours of 7 a.m. and 7 p.m., Monday through Friday, and between the hours of 9 a.m. and 5 p.m. on Saturdays. No person shall engage in or permit commercial construction activity on Sundays or holidays.

Ms. Volkens also shared some staff research in regard to other cities that have municipal or private golf courses and have identified a few different approaches. Findings are as follows:

- **Woodbury** – prohibits operation of motorized equipment between the hours of 10:00 p.m. and 6:00 a.m. daily. One hour earlier than Oakdale.
- **Hugo** – regulates hours of use for equipment through conditional use permit.
- **Cottage Grove** – Equipment and vehicles used for maintenance of public or private golf courses are exempt from the noise ordinance hours of operation restriction.
- **Various Other Cities** – do not enforce the hours of operation ordinance for golf courses because they have not received any complaints.

Ms. Volkens stated she talked to the owner of the course, Mr. Steve Willock. in regard to this request. He said he spoke to all the neighboring residents over the years as concerns have been raised and only one resident continues to have an issue with earlier noise. That specific resident spoke to Mayor Reinke directly and his concern is that he has a newborn and the noise would be disruptive to his family as his home faces the golf course.

Mayor Reinke asked the group what their preference was after hearing all the information.

It was decided to exempt golf courses from the ordinance.

ORDINANCE REGULATING SALE OF THC CONSUMABLE PRODUCTS

City Administrator Chris Volkens began by reminding the group back in July it became legal to sell certain products containing delta-9 tetrahydrocannabinol (THC) in Minnesota. The Act allows THC Consumable Products to be sold if certain requirements are met including that there are not more than 5mg of THC per dose and 50mg of THC per container; the purchaser is at least 21 years old; and the products are not marketed towards children. There is currently no state-level license required in order to sell THC Products and the Board does not test or approve products prior to their sale. At the August 8, 2022 workshop, the City Council opted not to impose an interim moratorium and directed staff to draft an ordinance regulating the sale of legalized adult-use THC Consumable Products.

Assistant City Attorney Rachel Tierney prepared a draft ordinance for review and consideration by the City Council. The ordinance would allow the City of Oakdale to regulate the operation of lawful businesses to discourage violations of state and local THC Consumable Product-related laws by requiring a retailer license to sell THC Consumable Products in the City of Oakdale. Many of the proposed licensing and enforcement provisions are consistent with process the City uses to regulate tobacco and alcohol.

Mr. Volkens pointed out that although the ordinance models the Tobacco ordinance, a fee has not been decided up and she asked for Council's guidance on this. She also asked Police Chief Nick Newton how the compliance checks would be set-up. He responded stating they would be done once a year like Tobacco, the only issue is these are usually done on an overtime basis since there are not designated officers to complete these checks and all officers are already working their full-time hours.

Council Member Olson asked what exactly is captured in the fee. Ms. Tierney explained the fee can/will include any cost that goes into the licensing of the establishment to sell said product. The fee could include, but is not limited to; staff time, software, complaint checks, etc.

Ms. Volkers said we do not have an estimate as of yet and we need to determine how much over-time it takes per officer, staff time, etc. Another suggestion would be the first-time license fee would be for 18 months then annually after that.

Ms. Tierney stated that it would be beneficial to estimate a little high for the first 18 months then you would have extra time to get it together, as long as the way you set it is rational, that is acceptable. There are a lot of unknowns and some cities are looking at the fact that there is no way to test this stuff and the state is not helping with that so if police departments are having to figure that out it will be very expensive so there are unknowns from a cost perspective.

Council Member Olson mentioned that the City needs to be mindful as to not charge the seller so much that they are not able to purchase the license and sell the product.

Council Member Zabel brought up language in the current tobacco ordinance and he is uncomfortable with the age to sell. The current ordinance prohibits anyone under the age of 16 to sell, which means from the ages of 16yrs – 18yrs, minors are able to sell and he is not comfortable with that.

Mayor Reinke asked the group for a consensus on the age to sell. The group decided on 16 years of age.

Ms. Volkers then brought up the topic of number of violations before this type of license would be revoked from the seller. After further discussion it was agreed upon that on the 4th violation the license will be revoked. Ms. Volkers will work on some fee estimates.

Ms. Tierney noted the ordinance will take effect immediately upon official council action, however, the licensing requirement will take effect January 1, 2023.

PROPOSED TAX-EXEMPT CONDUIT DEBT FINANCING POLICY

Finance Director Jason Zimmerman began his presentation stating at the June 28, 2022 City Council Workshop, representatives from MWF Properties presented a concept plan for a four story multi-family development consisting of 155 to 165 units on parcel [2902921330012](#), which is a vacant parcel north of Hy-Vee and The Waters of Oakdale.

As part of the plan review, MWF Properties also requested support from the City to obtain bond financing for this project through the Minnesota Department of Management and Budget (MMB). For the City to support the applicant's request through MMB, the City Council would need to provide a resolution indicating that the City will serve as the conduit bond issuer. Doing so would enable the MWF to be placed in the queue for future financing through the State.

He continued by stating that the city lacked a formal conduit debt policy and clarified that a conduit bond (which also can be referred to as a Private Activity Bond (PAB) or Tax-Exempt financing) is a debt financing mechanism whereby private entities can raise capital at lower costs.

The taxable status of a bond directly affects the cost of borrowing, since a tax-exempt bond often has a lower interest rate resulting in a lower cost for the bond buyer. Tax-exempt conduit bonds are attractive to bond buyers because the interest received over the term of the bond is exempt from federal, state, and local income taxes.

Staff believes the City should consider formalizing its process when considering this financing mechanism for non-profit organizations.

Mr. Zimmerman then reviewed a few general guidelines from other cities and identified some key issues and terms of the draft policy.

Guidelines from other cities;

- Conduit debt is tax-exempt debt issued in the name of the City on behalf of a private entity, but for which the City has no obligation to pay.
- Conduit debt can be for low-income housing or capital projects of not-for-profit entities, subject to approval by the City Council.
- The City will not issue conduit debt if it jeopardizes the bank-qualified status of existing or planned direct debt.

Key issues and policy terms from the draft policy;

- Pre-application review process
- \$10M limit the city can issue each year
- \$3000 application fee
- New issuances, administration fee is \$10,000 or .5% of face value of the bond issuance
- Refinances \$10,000 or 2.5% of face value of the bond issuance
- Applicant is responsible for all financing and financial advisor fees
- It's a case by case process, no 'best practice for all'

Mr. Zimmerman specifically noted that should the tax-exempt financing request cause the City's total bonding for the year to exceed \$10,000,000 in a year that the City would otherwise be eligible to issue bank qualified bonds, (bonds with tax incentives to banks), any interest rate differential between bank qualified and non-bank qualified bonds shall be estimated and the difference paid by the borrower. If the City would have exceeded this amount without the tax-exempt issue, no differential would be calculated or paid by the borrower.

Council Member Olson asked for clarification on whether this type of issuance reflects on the City's financials at all? Mr. Zimmerman responded, no, this will not affect that in any way.

Council Member Zabel asked how much staff time will go into this process as far as the pre-application review period? Mr. Zimmerman stated, staff time will be kept at a minimum, as it will be much like reviewing a developer's conceptual plan in advance of pursuing actual construction.

Mayor Reinke asked for clarification as to whether or not it matters if it's a non-paying tax entity vs. a tax paying entity.

City Administrator Volkers responded it matters significantly as the entity would be using the City's good credit rating therefore the intent is to give this opportunity to non-profit entities.

Mayor Reinke asked the group for a consensus on the policy to which they all agreed to move forward with it. All agreed.

CONVERSATION WITH PUBLIC WORKS MANAGER

Public Works Manager Jim Romanik reviewed items of interest and current happenings which included the following;

1. Update on 2022 Street Reconstruct Projects
 - a. 4th St between Helmo and Inwood – final paving will be done the week of October 3rd, landscaping and street lights will be after that, are to re-open mid-October
 - b. Anna's Grove Neighborhood – project complete
 - c. 40th St - work is still going on, completion goal is early November
2. Update on 2022 Parks CIP Projects
 - a. Walton Skate Park ramp resurfacing – complete in mid-august
 - b. Guthrie Picnic Shelter re-roof - complete
 - c. Walton Park Ballfield 5-8 rewiring – materials ordered, 4 month lead time, spring completion
3. Update on Emerald Ash Borer Program
 - a. Ash tree removed so far in 2022 – 348 trees
 - b. Ash trees treated so far in 2022 – 76 trees
 - c. Ash tree removal planned in fall/ winter 2022/2023 – 331 trees
4. Utility Division Update
 - a. 1st Water Main Break of the Year – Glenbrook and Hwy 36
 - b. Lift Station 6 Project Starting soon - Pre-construction meeting 1st week of Oct
5. Seasonal Preparation
 - a. Winterization of irrigation and buildings – bathrooms will be closing in parks soon
 - b. Fall street sweeping – to begin in Mid-October
 - c. Equipment preparation – putting plows and de-icing equipment on the vehicles. In addition to salt, we will be using a combination of liquid (IBG Magic) and brine for snow and ice removal. Using liquids allows us to use less salt, which is better for the environment.
 - d. Updating the Snow and Ice Policy - Reviewing other agencies policies to help draft our new policy.
6. Working on Hail Damage insurance Claims- coming to a future council workshop - 31 city vehicles damaged and most city owned buildings have roof damage, currently compiling estimates

COUNCIL TOPICS

Council Member Zabel brought up doing a direct mail piece for L.O.S.T. Staff came up with an estimate of production and delivery \$4500 (prior to the meeting), suggest using Special Projects Fund.

Mayor Reinke asked the group their opinion on the mail piece and the use of Special Funds, all of the them were in support of that.

Council Member Swedberg suggested having the Commission / Board appreciation meal for each individual group at their last meeting of the year instead of bringing them all together for one large dinner. Everyone agreed with that.

Council Member Swedberg also brought up that the City had asked the Washington County Historical Society for additional funds for painting the Eder school house. Washington County not only denied that request, but they were also supposed to staff volunteers at the school house 1 – 2 times a month and they have pulled out of that commitment as well. The City will have to find volunteers for the 1 – 2 times a month the schoolhouse is open to the public and find assistance for the painting of it. Mayor Reinke mentioned the Lions club may be interested.

Council Member Olson asked if the group had seen the article in the paper regarding street racing in Blaine. She initially thought it would be a good idea to put in laws for this type of activity in Oakdale, however, she changed her mind.

Mayor Reinke shared that Summerfest 2023 will be coordinated by a group of volunteers, that will possible partner with Holiday Helping Hands and possibly change that group to be a community driven group that is not just for holiday assistance. Another option is to set up a whole new 501c3. At this point the group of volunteers that had already met have decided to change the schedule for next summer's event to Thursday evening through Saturday evening with no events on Sunday, noting the parade will be on Thursday night.

ADJOURNMENT

The workshop was adjourned at 6:55pm.

Respectfully submitted,
Katie Robinson
Deputy City Clerk