

**City of West St. Paul
Open Council Work Session
January 11, 2016**

1. Roll Call

Mayor David Meisinger called the work session to order at 5:00 p.m.

Present: Mayor Meisinger, Councilmembers Armon, Halverson, Bellows, Iago, Napier and Vitelli.

Others: City Manager Matt Fulton, Assistant City Manager and HR Director Sherrie Le, Community Development Director Jim Hartshorn, Police Chief Manila Shaver, Fire Chief Mike Pott, Finance Director Joan Carlson, Public Works and Park Director Ross Beckwith, Fire Marshall Linda McMillan, Attorney Korine Land, Assistant Parks Director Dave Schletty, and City Clerk Chantal Doriott.

2. Approve Agenda

Council approved the agenda adding items: 4.F. LS Black Change Order and 4.G. Massage Therapist licenses at Southview Country Club.

3. Review the Regular Meeting Consent Agenda

Council approved the agenda items as presented.

4. Agenda Item(s)

4.A. Closed Session to Discuss Robert Street Property Easement Acquisitions

Council consensus to close the meeting at 5:04 p.m. pursuant to MN State Statute 130.

Attorney Peter Mikhail gave an overview of a settlement negotiation for Parcel 116, Chuck E. Cheese, which is part of the Robert Street project. Councilmembers are in favor of the negotiated settlement which will be added to the regular meeting agenda for this evening.

Attorney Mikhail gave an overview of a proposed settlement for Parcels 87, 88 and 91, Robert Street Phase 2 project, which are owned by the same person. Councilmembers are in favor of the negotiated settlements which will be added to the regular meeting agenda for this evening.

Motion was made by Clpn. Bellows and seconded by Clpn. Vitelli to open the meeting at 5:16 p.m. All members present voted aye. Motion carried.

4.B. Discussion Regarding SMFD Commercial Inspection Fee

Fire Chief Mike Pott and Linda McMillan gave an overview. The South Metro Fire Board requested staff to explore the concept of implementing a Commercial Property Inspection Fee Program as a cost recovery measure for services provided. As a result, over the last few months staff has presented the information to both West St. Paul and South St. Paul City Council and the business community through a direct mailing and discussion at a couple of meetings (Local Issues Chamber of Commerce and SSP Lions Club). We have also received feedback through numerous emails and phone calls.

The associated feedback has been compiled and an overview is provided below. With the exception of two people, there didn't appear to be concerns or objections to conducting the life safety fire inspections; instead, the concerns raised were specific to the implementation of the new fee.

- The most often asked question is why these fees are being implemented now since the fire inspections have been occurring for years?
- Inspections aren't beyond the basic services of the fire department, so there shouldn't be a charge.
 - Property taxes should be the funding source, not another fee. If this is going to be implemented, then a business owning more than one building, or leasing more than one occupancy, should have the square footage grouped together when determining the fee.
 - A strip mall should pay one fee, not charge each individual business.
- \$75 fee too high for small offices.
 - Small businesses struggle to pay their share of the taxes, let alone another fee.

There has been considerable negative feedback from private hangar owners at the SSP Airport. Although these private hangars don't operate businesses, annual inspections are required in their lease agreements.

- Concerns regarding the direct mailing notification.
 - Most of the letters were sent to the hangar addresses; the Post Office returned many as undeliverable. South Metro staff hand delivered as many of these letters as possible once they were returned.
 - The letter was addressed to "Business Owner"; so many hangar owners discarded the letter since they didn't consider themselves as business owners or having commercial property.
- It's just another tax that will push people out of the airport.
- The \$75 fee is excessive since a typical inspection takes less than 5 minutes.
- They already pay lease fees and property taxes that should pay for the fire department services.

In addition to seeking feedback on the proposed fees, we also explored the necessary steps required to implement the inspection fees. From a process perspective, Ms. Land has determined that each City Council will need to amend its fire prevention ordinance to provide the authority

to allow the collection of fire prevention inspection fees. Once the authority has been established, the Board would then need to adopt a resolution implementing the fees.

Following discussions at the December Board meeting, the Board requested this topic be brought back to the Councils at their respective work sessions for further discussions. We look forward to this discussion at your upcoming work session.

Mayor Meisinger is generally in favor of the proposed fees. Clpn. Iago said this was looked at multiple ways. It could be written off taxes and some insurance companies could reduce rates as a result of the inspection. The city bears the cost one way or another. Most business owners seem to be ok with the fee. Clpn. Iago is in favor and supports. Clpn. Armon said he expected more backlash and there didn't seem to be much West St. Paul anger at it. Clpn. Vitelli is not in support. He is in favor of the inspections but not charging the business owner. Clpn. Halverson tends to support the user fee. Chief Pott said they have no intention of expanding the program due to this fee. Clpn. Bellows is more in support of the inspection fee. Clpn. Napier believes it is a public safety issue and he is a little more in favor of the fee. He is kind of on the fence but more in support. Clpn. Vitelli is in favor of spreading it out over the whole tax base.

Chief Pott is looking for clear direction and/or support of the fee structure. Based on South St. Paul a fee schedule might move forward. Mayor Meisinger said it seems there is a little more majority of support of about 5 to 2 or 4 to 3 in West St. Paul. Chief Pott said they are aiming to have a joint meeting with South St. Paul and West St. Paul in April. Tell them we didn't say no, said Mayor Meisinger.

4.C. Discussion Regarding Future of Thompson Oaks Golf Course

City Manager Fulton gave an overview. The purpose of this discussion is to consider the future of Thompson Oaks municipal golf course. There is a variety of community issues discussed below that makes this City Council discussion timely and important.

Thompson Oaks municipal golf course has been in operation since 1997. The golf course has served the community very well, although financially it has consistently required property tax support to cover expenses. As the attachments indicate, community usage of the golf course has steadily declined over the past decade, which then results in a greater demand for a property tax subsidy to cover expenses, unless the City is fortunate with weather which allows for a longer golfing season. In 2015, the golf course required \$53,125 in property tax support, as well as a transfer in from other municipal funds in the amount of \$16,936 to cover a negative cash balance. The golf course also has outstanding internal debt in the amount of \$335,000, scheduled to be paid back to other municipal funds. There is a variety of capital items that have been mostly deferred until the future of the golf course is better understood.

The City has contracted with GM Management for all golf course maintenance. This past fall, the company owner, Jerry Murphy, passed away. As a result, the City would need to consider retaining another maintenance company for maintaining the golf course next year.

The City Council has been informally discussing what to do with the golf course, given the added pressure it places on the City's finances, its declining use by the public, and the potential for creating significant additional property tax base for the community through redevelopment. The Cunningham Group has been developing design concepts for areas along Robert Street and has shared ideas for how the golf course might be redeveloped into private and public spaces. The City Council still needs to formally consider the Cunningham design concepts which should be available in early 2016.

There are two primary questions that staff is asking the City Council to discuss and consider.

- Should the City continue to plan on operating a public golf course operation into the foreseeable future? This would mean that staff would immediately start the effort to find a maintenance company to assist with its operations and plan for undertaking the necessary capital improvements to serve the golf course.
- If the Council elects to repurpose the golf course into some type of private and public redevelopment, should it be this year? This would result in immediate budget relief and allow the opportunity to more seriously consider redevelopment options and development issues relating to the soils.
- Communicating the Council's decision to the community will be an important part of any decision. With the neighborhood meeting series coming up this month, it provides the Council a good opportunity to discuss this issue with the public.
- From a staff perspective, it is our collective thought that it is the appropriate time to move forward with the repurposing of the golf course. The opportunity to create a stronger property tax base as well as preserve public areas around the lake would result in a greater community benefit. It would benefit the entire community as opposed to the golf course which has been serving a small and declining portion of the community. Repurposing the golf course also frees up the opportunity to get a better understanding of any redevelopment barriers and/or soil issues that will need to be addressed without impacting golf play.
- This site, given its location and size, will be a very attractive redevelopment site. Aligning any redevelopment with the completion of the Robert Street reconstruction project would be very positive.
- Based on Council direction, staff will need to develop an approach for either gearing up for another year of operation or for developing a plan for communicating the Council's decision to the community and moving forward with a logical plan and approach for redeveloping the golf course for private redevelopment and public space.

Mayor Meisinger is not sure we are ready to shut the course down. Clpn. Napier is not in favor of doing anything this year. Clpn. Vitelli asked about the grocer redevelopment project. Director Hartshorn said this year would be about securing all of the sites. Discussion regarding maintenance services ensued. Mayor Meisinger said he would like Dave Schletty, to check out with Jerry Murphy's people, to see if they are interested in maintaining the course for another year. Manager Fulton made further comments about this being a capital project. Clpn. Halverson supports incorporating public green space. She doesn't know if we can move fast enough either and what would we do. Manager Fulton said there could be further redevelopment planning and soil tests. Clpn. Armon commented about Eureka staging for the Robert Street project. Clpn. Vitelli suggested using the north side of Wentworth – east side of library. Mayor Meisinger is

not in favor of closing the golf course this year. Clpn. Bellows doesn't see the value of keeping it open. We know where we are going and let's move forward. Clpn. Iago said the negative cash flow is around \$16,000 and he is in favor of keeping it open one more year. Comments continued. Mayor Meisinger said Council will direct staff to leave course open this year. The plan is on closing the golf course in 2017. Dave Schletty will report back to Council on who can maintain the course this year.

4.D. Net Ministries Rental License Applications

Attorney Land gave an overview. We recently changed the rental license ordinance so that any property owner who provides living accommodations to 3rd parties, whether for free or not, will be required to obtain a rental license. This change will impact Net Ministries, located at 110 Crusader. Net Ministries provides missionary training to college-age students who desire to serve on mission teams throughout the United States. Net Ministries owns three residential properties, located at 76 Crusader, 1990 Stryker and 1924 Bidwell in which they house some of their training staff. A map showing the location of Net Ministries' headquarters and the relevant houses is attached.

76 Crusader is located on its main campus and using the convent housing exception in our ordinance, is allowed up to 10 people.

1990 Stryker was purchased about 10 years ago and the City apparently informed them that due to the close proximity of the main campus, which is across the street, the City would consider it the same as the convent housing exception, and allow up to 10 people (technically the Stryker property is not on-site, but it is contiguous to the main campus).

1924 Bidwell was purchased within the last couple of years. Prior to purchasing the property, Net Ministries contacted the City and inquired about the number of occupants that would be allowed. Specifically, they asked about the definition of "Dwelling Unit" in our ordinance which states the following:

Dwelling Unit: A building or portion thereof which contains living facilities including provisions for sleeping, eating, cooking and sanitation for not more than one family or a congregate residence for ten or less people.

Net Ministries was informed by City Staff that based upon this definition they could have up to ten occupants. There have been no reported police or code enforcement issues at any of the Net Ministries properties in the last five years.

With the change in the rental license ordinance which now requires Net Ministries to obtain a rental license, it became clear that Net Ministries is violating the ordinance that does not allow more than three unrelated persons to reside in a rental dwelling unit, specifically in regard to the Bidwell property, but potentially the Stryker property as well. When this was brought to Staff's attention, we discussed several options to address the issue, including an ordinance amendment, but ultimately decided to meet with Net Ministries and see if a reasonable solution could be reached.

Staff met with representatives of Net Ministries who disagreed with the enforcement of the “no more than three unrelated” rule as it applies to them based on previous assertions made by the City, but were open to discussing a compromise. Given the facts:

- Prior to the purchase of 1924 Bidwell, Net Ministries was provided information by City staff that they would be allowed to house up to ten people.
- There has been no code enforcement or police issues at any of the Net Ministries properties, which have been used in the same manner for a considerable number of years.
- The occupants of the properties are and will continue to be staff members of Net Ministries.

We propose the following, with Attorney Land’s support:

1. The City Council approves a rental license for 76 Crusader for up to ten occupants, using the convent exception.
2. The City Council approves rental licenses for both 1990 Stryker and 1924 Bidwell for up to eight occupants, with the conditions that the occupants are staff members of Net Ministries, and that they comply with all city codes and zoning regulations, including complying with the number of vehicles stored outside.

Comments:

- Clpn. Bellows is concerned about making an exception for Net Ministries. He is not in favor of the proposed exception; either our ordinance means something or it doesn’t. He wonders if there is anything in writing from staff regarding these statements. He has been concerned about this Bidwell property since January, and raised his concerns. There was no mention to Clpn. Bellows that Net Ministries had been told about staff giving an exemption and he wants to know why the Council is not getting information. Net Ministries is turning single family properties into multi-people housing properties. He believes this puts the city in a bad position. He is not in favor.
- Clpns. Napier, Vitelli, Halverson are not in favor.
- Attorney Land said the only reason they bought the property was to house the teachers. Mayor Meisinger said we can proceed outside the working of the ordinance and have them get a license.
- Clpn. Napier said this is a neighborhood and we should stick to our code and ordinance. He is not in support.
- Clpn. Iago said he loves the Net Ministries, it’s a great organization. Attorney Land said we have admission from staff that they can be allowed up to ten people. There was nothing in writing, but staff remembers the conversation. Director Hartshorn added that at the time, you didn’t need a license and the code was conflicting. Clpn Iago’s concern is that another organization will start in this direction.
- David said he worked for Net for 20 years (he didn’t give his last name). We try to be a good neighbor. It’s not so much a dorm living but we are training them to treat this as a house. They do not want to work this out in court.
- Clpn. Bellows said in terms of being a good neighbor, this has nothing to do with you or your mission. It’s the impact to the neighborhood and it’s out of character. He mentioned there were nine cars in the driveway. Net Ministries wants to work with the city. Clpn. Vitelli said the issue is setting precedence. Attorney Land said there can be changes and exceptions and there is conflicting language in the code.

- Mayor Meisinger said he is neutral on the issue. He thinks there could be a compromise.
- Council would like discussion of this item in a couple weeks at a work session or meeting. Mayor Meisinger would like to learn if there is neighbor support along Bidwell.
- Clpn. Iago suggested having a special meeting and have Net Ministries bring their people and meet with city staff; they deserve consideration. Attorney Land could sit with the Net Ministries attorney and present options because they would like to work this out.
- Clpn. Vitelli's concern is it seems too easy for someone to say "I am a church". Attorney Land said she will work on this.

4.E. Potential Zoning Amendment 260 Wentworth Ave

Community Development Director Jim Hartshorn gave an overview. Staff recently received a request to locate a commercial catering business/banquet hall at 260 Wentworth Ave E. (formally the RMS building).

Zoning does not currently allow "Commercial Kitchens" or "Banquet Halls" in the I1 District. Should Council be in favor of amending the code to allow them in the district, Staff recommends allowing them through a Conditional Use Permit to provide the Planning Commission, Council, and the public an opportunity to review the proposed Use through the public hearing process and place appropriate conditions on it.

Mayor Meisinger is concerned about parking but he'd like to see the building get used. Director Hartshorn is not sure about this issue. Clpn. Bellows would like to have more information on the developer before considering rezoning; get more information on exactly what is going to happen on this site. Council would like to get a list of events they have catered to in the past.

4.F. LS Black Change Order due to a retaining wall at the funeral home. Council is in favor of approving.

4.G. Massage at Southview Country Club; providing a wellness program at the club. Attorney Land said we would have to update the ordinance; therapists are capped at twenty; staff will review the ordinance to see if any massage therapist licenses are available. Massages are for members only and not the public.

5. Adjourn

The work session adjourned at 6:23 p.m.

David Meisinger
Mayor
City of West St. Paul