

LILYDALE CITY COUNCIL MEETING
April 11, 2022

Present - Mayor Warren Peterson and Councilmembers John Diehl, Lyle Hanzal, Bill Kleinman and Anita Pampusch; Mary Schultz, City Clerk and Kathy Mutch, administrative assistant.

Also Present – Bridget Nason, attorney; Police Captain Wayne Wegener; Jennifer Koehler, Barr Engineering; Shannon Sweeney, David Drown Associates, Inc.; Luke Hedberg and Adam Neumann, Bigos Management.

Agenda – **Moved by Councilmember Hanzal and seconded by Councilmember Kleinman to approve the agenda, as presented. Motion carried 4-0.**

Public Comments – None.

March 14, 2022 City Council Meeting Minutes – Councilmember Hanzal identified a correction to the Sanitary Sewer Lift Station Project paragraph should be Met Council (not Minger Construction). **Moved by Councilmember Kleinman and seconded by Councilmember Hanzal to approve the minutes of the March 14, 2022 City Council Meeting, as revised. Motion carried 4-0.**

March 16, 2022 City Council Special Meeting Minutes – **Moved by Councilmember Hanzal and seconded by Councilmember Kleinman to approve the minutes of the March 16, 2022 City Council Special Meeting, as presented. Motion carried 4-0.**

Building Official Report – Mike Andrejka issued 7 permits and closed 12 permits in March 2022.

Police Report – Captain Wegener reported 15 open cases in March with half of the cases either medical or theft. He shared two incidents in Lilydale. A daytime residential burglary in Mendota Heights was interrupted and a pursuit followed ending at the Holiday Station store in Lilydale. A vehicle being spray painted occurred on the trail west of the 35E overpass. Both incidents were reported by residents calling 911. Captain Wegener was willing to meet with the Stonebridge neighbors (neighborhood watch) due to some apprehension from these recent activities.

Engineer Report – Jennifer Koehler reported she has not yet received an official response from Minnesota Department of Transportation on the trail feasibility study.

Construction has begun on the lift station project. The first piece of structure may be set as early as tomorrow. Koehler explained two potential change orders associated with the project and referred to an email from Bryan Oakley. The contractor is asking for a change order to add gravel backfill at the lift station. The soil removed during excavation is very wet and soft. If used for backfill the lift station control panel slab will be poorly supported. Barr supports this request. The order includes removal of unsuitable soil and offsite gravel backfill hauled to the site, placed and compacted. The cost is estimated to be \$4,300-\$4,800.

Moved by Mayor Peterson and seconded by Councilmember Pampusch to approve the change order to add gravel backfill and removal of unsuitable soil in an amount up to \$4,800. Motion carried 4-0.

An Xcel Energy underground power line was damaged. The contractor will be asking for a change order to cover the costs associated with the repair of the power line. Barr will evaluate the change order when it is received from Xcel, likely in early May.

Koehler explained to keep construction moving forward there may be change orders needing more immediate attention prior to the next council meeting. She questioned how the council would like to handle change orders requiring action that cannot wait until an upcoming meeting. Mayor Peterson asked if she would be comfortable working with the city administrator up to a certain amount and suggested less than \$10,000, provided the change order was acceptable to the engineer.

Moved by Councilmember Hanzal and seconded by Councilmember Kleinman to approve change orders up to \$10,000, provided the change order is acceptable to the engineer. Motion carried 4-0.

Attorney's Report – Attorney Nason is working on the Bigos Management redevelopment and the codification project.

Tax Increment Financing Request – Shannon Sweeney reviewed the tax increment financing request from Bigos Management for the redevelopment of the River Bluffs Center to a 126-unit market rate rental housing project and detailed in a March 17 letter. Sweeney explained the TIF request results from an evaluation by Bigos of the site constraints and costs associated with demolition and hazardous material remediation. The pandemic has significantly increased construction costs. The TIF financing is only for the apartments and does not apply to construction of the condominiums.

Resolution 2022-07 Calling for a Public Hearing – Mr. Sweeney explained if the council decides it is appropriate to start the process for creating a tax increment financing district, a plan would be drafted that sets boundaries of the TIF District and a budget. The process takes about 60 days and requires notification to the county and school district in advance of the hearing. The council must complete these steps prior to granting a TIF subsidy.

Moved by Mayor Peterson and seconded by Councilmember Kleinman to call for a Public Hearing on June 13, 2022 on the Proposed Establishment of Tax Increment Financing District No. 1-3 and the Tax Increment Financing Plan related thereto. Motion carried 4-0.

Councilmember Diehl arrived at 5:10 p.m.

Mississippi River Corridor Critical Area Ordinance – Attorney Nason explained the city of Lilydale is located within the boundaries of the Mississippi River Corridor Critical Area. Last June the city received notification from the Department of Natural Resources that it is required to adopt a MRCCA ordinance by June 29, 2022. The city is in the process of recodifying its City Code. The city may choose to either meet the June adoption deadline or request an extension as part of

the larger recodification project. A three-month extension gives the city until September 30, 2022 to adopt the MRCCA ordinance and allows the MRCCA ordinance to proceed at the same time as the City Code Recodification project.

Moved by Mayor Peterson and seconded by Councilmember Diehl to authorize staff to request a three-month extension from the Department of Natural Resources to adopt its Mississippi River Corridor Critical Area Ordinance. Motion carried 5-0.

Lilydale History Project – Councilmember Kleinman reminded councilmembers that a few years ago the council had budgeted funds for the Lilydale history video project. Kleinman has been working with the city administrator on a financial timeline and associated projects. The goal is to create a 30 to 60 minute video on the history of Lilydale. If approved, Vicki Abu will be spearheading the historical side of the project. The city can apply for funding through a grant from the Minnesota Historical Society and this project fits their requirements. The proposal is Phase 1 (research and writing) funded by the city and Phase 2 (video production) would be funded through grants. Kleinman requested the council’s approval to proceed.

Moved by Councilmember Kleinman and seconded by Councilmember Diehl to go ahead with first year’s expenditures up to \$7,700 and to have the city administrator apply for grants to fund Phase 2. Motion carried 5-0.

Clerk’s Report – Mary Schultz reported the March deposits were mainly routine and included Bigos escrow funds.

Moved by Councilmember Diehl and seconded by Councilmember Hanzal to approve the March 2022 financial reports. Motion carried 5-0.

Mayor’s Report – Mayor Peterson asked council members for their interest in responding to a letter from the Saint Paul Area Association of Realtors (SPAAR) regarding a Fair Housing Month Proclamation for the month of April. The city follows fair housing and a proclamation was not needed. No action was taken.

Adjournment – Moved by Councilmember Diehl and seconded by Councilmember Hanzal to adjourn. Motion carried 5-0. The meeting adjourned at 5:41 p.m.

Respectfully submitted:

Final copy reviewed by:

Mary Schultz, City Clerk

Warren Peterson, Mayor

Date