

1. Call to Order

Mayor Jacobs called the meeting to order at 7:30 p.m.

Councilmembers present: Mayor Jeff Jacobs, Phil Finkelstein, Anne Mavity, Julia Ross, Susan Sanger and Sue Santa.

Councilmembers absent: Paul Omodt.

Staff present: City Manager (Mr. Harmening), City Attorney (Mr. Scott), Deputy City Manager/Human Resources Director (Ms. Deno), City Clerk (Ms. Stroth), Director of Inspections (Mr. Hoffman), Director of Public Works (Mr. Rardin), Controller (Mr. Swanson), Finance Supervisor (Mr. Heintz), City Assessor (Mr. Bultema), Commercial Appraiser (Ms. Nathanson), Communications Coordinator (Mr. Zwilling), Housing Programs Coordinator (Ms. Larsen), Planning/Zoning Supervisor (Ms. McMonigal), Planner (Mr. Fulton), and Recording Secretary (Ms. Hughes).

1a. Pledge of Allegiance

1b. Roll Call

2. Presentations

2a. AWWA George Warren Fuller Award to Scott Anderson, Utility Superintendent

Mayor Jacobs stated that Utility Superintendent Scott Anderson recently received the prestigious George Warren Fuller award given by the American Water Works Association (AWWA). He indicated that Mr. Anderson has provided over thirty years of service to the City and continues to make a positive difference through his activities as a coach, mentor, and volunteer. He then introduced AWWA MN Section Chair Carol Blommel Johnson and MN Section Past Chair Bert Tracy.

Ms. Johnson stated that Mr. Anderson was presented the George Warren Fuller Award at the AWWA's annual conference which is the highest award presented to one member for their distinguished service to the water supply field in commemoration of the life of George Warren Fuller. She indicated that Mr. Anderson's service to AWWA and the City has been exceptional and extraordinary. She stated that Mr. Anderson has made several presentations to St. Louis Park schools and has been a major force in the "Water for People" effort in the State which helps people improve their quality of life through sanitation and various health and hygiene education programs. She then presented Mr. Anderson with an award plaque recognizing his accomplishments and service.

Mr. Anderson expressed his thanks to the Mayor and City Council. He also expressed thanks to Mr. Harmening and Mr. Rardin for encouraging his involvement in the AWWA. He stated it is an honor to work for the City and complimented his co-workers.

3. Approval of Minutes

3a. Study Session Minutes of November 14, 2011

The minutes were approved as presented.

3b. Special City Council Meeting Minutes of November 21, 2011

The minutes were approved as presented.

3c. Special City Council Meeting Minutes of November 28, 2011

The minutes were approved as presented.

4. Approval of Agenda and Items on Consent Calendar

NOTE: The Consent Calendar lists those items of business which are considered to be routine and/or which need no discussion. Consent items are acted upon by one motion. If discussion is desired by either a Councilmember or a member of the audience, that item may be moved to an appropriate section of the regular agenda for discussion.

- 4a. Authorize the Mayor and City Manager to execute the Southwest Hennepin Drug Task Force Agreement on behalf of the City of St. Louis Park.
- 4b. Adopt **Resolution No. 11-119** calling for a public hearing by the City Council on January 17th, 2012 relative to the proposed Oak Hill Tax Increment Financing District within Redevelopment Project No. 1 (an Economic Development District).
- 4c. Approve extending the Twin Cities Public Health and Environmental Health Mutual Aid Agreement for one year, expiring December 31, 2012.
- 4d. Approve entering into a service agreement with the Hennepin County Department of Corrections for continuing to use their crews from the Sentencing to Service Program (STS Program).
- 4e. Authorize execution of a contract with Ostvig Tree, Inc. as the 2012 Boulevard Tree Pruning Contractor in an amount not to exceed \$60,000.
- 4f. Adopt **Resolution No. 11-120** accepting work and authorizing final payment in the amount of \$9,009.44 for the Park Center Boulevard Project, Contract No. 99-11.
- 4g. Approve **Resolution No. 11-129** authorizing Worker's Compensation insurance renewal for December 1, 2011 – November 30, 2012.
- 4h. Authorize the execution of an encroachment agreement for a fence at 3300 Idaho Avenue South.
- 4i. Adopt **Resolution No. 11-130** authorizing the special assessment for the repair of the sewer service line at 4133 Utica Avenue South, St. Louis Park, MN - P.I.D. 07-028-24-32-0050.

- 4j. Adopt Resolution No. 11-131 authorizing the special assessment for the repair of the water service line at 2846 Yosemite Avenue South, St. Louis Park, MN - P.I.D. 09-117-21-34-0204.**
- 4k. Approval of Filing of Vendor Claims.**

It was moved by Councilmember Sanger, seconded by Councilmember Finkelstein, to approve the Agenda and items listed on the Consent Calendar; and to waive reading of all resolutions and ordinances.

The motion passed 6-0 (Councilmember Omodt absent).

5. Boards and Commissions - None

6. Public Hearings

6a. Public Hearing – Off-Sale Liquor License – Tina, Inc.

Ms. Stroth presented the staff report and advised that Tina, Inc., dba St. Louis Park Liquor, has made application for an off-sale intoxicating liquor license located at 6316 Minnetonka Boulevard. She noted that this is an existing liquor store owned by Lua Nguyen who is selling the establishment to Tina Kim Nguyen will be the sole owner. Mayor Jacobs opened the public hearing. No speakers were present. Mayor Jacobs closed the public hearing.

It was moved by Councilmember Sanger, seconded by Councilmember Santa, to approve an off-sale intoxicating liquor license to Tina, Inc., dba St. Louis Park Liquor located at 6316 Minnetonka Boulevard with the license term through March 1, 2012.

The motion passed 6-0 (Councilmember Omodt absent).

6b. 2012 Proposed Budget, Tax Levy and Truth in Taxation Public Hearing

Mr. Harmening presented the staff report and explained the City is required to hold a Truth in Taxation public hearing annually. He advised that Council has met a number of times regarding the budget and the proposed 2012 operating budget for the General Fund and Park & Recreation Fund is approximately 1% higher than the 2011 budget. He stated the Preliminary General Property Tax Levy adopted by Council in September was \$23,830,726 or approximately 5% higher than that adopted for 2011. He indicated that the primary reason for the 5% increase is that the City has started to pay off the bonds for the two fire station projects and provides Council with some flexibility for funding some additional items in an amount up to \$178,000.

Mr. Heintz reviewed the budget process undertaken by the City and Council, including the budget production guidelines which include a focus on maintaining service delivery levels as directed by Council.

Mr. Swanson presented the 2011 adopted budget and 2012 preliminary budget for the General Fund and Park & Recreation Fund, noting that the City is required to adopt a balanced budget each calendar year. He stated the proposed 2012 budget is projected to be approximately \$29 million, representing an approximate 1.03% increase compared to

2011. He reviewed the revenue sources and expenditures in the General Fund and Park & Recreation Fund, pointing out that public safety has increased slightly due to the addition of another police officer to address increased traffic at the West End. He stated that the proposed 2012 property tax levy reflects a 5% increase from the 2011 final property tax levy and explained that the City proposes to allocate \$20.1 million to the General Fund and Park & Recreation Fund and will reallocate some of the dollars from the Park Improvement Fund to pay down the bonds issued for the new fire stations. He then reviewed the average residential property tax change and indicated that approximately 21% of residential properties will see a decrease in their overall property tax, 54% of residential properties will see an increase of 0%-4.9%, and the remaining 25% will see an increase of 5% or more. He also reviewed the average business property tax change and stated that 10% of commercial properties will see an increase of 0%-4.9% and 83% of commercial properties will see an increase over 5%. He explained that even if the tax remains the same, the tax rate has increased due to a smaller tax base existing within the City. He compared the City's 2012 tax rates with others cities in Hennepin County, noting that St. Louis Park ranked 19th out of 46 for city residential property taxes and 21st out of 46 for overall residential property taxes in Hennepin County.

Mayor Jacobs opened the public hearing.

Ms. Lynette Siegfried appeared before the City Council and stated her property has been devalued by \$40,000 but her property taxes went up by 5%. She added that she no longer receives the homestead credit so it felt like her property taxes were going up 100%. She did not understand how that can be justified.

Mr. Swanson explained that the Market Value Homestead Credit program was replaced by the legislature with the Market Value Exclusion program. He stated that property tax statements will show a reduction in value represented by the Market Value Exclusion. He added that he or the City Assessor would be happy to meet with Ms. Siegfried to review her tax statement and answer any questions.

Mr. Harmening indicated under the Market Value Homestead Credit program, the City used to get as much \$650,000 annually to write down property taxes and this homestead credit was reflected on property tax statements; however, as part of the State's budget balancing process, the Market Value Homestead Credit program was cut and the Market Value Exclusion program was implemented which decreased the tax on lower valued homes but increased the tax on higher valued homes.

Mr. Bultema stated that the Market Value Homestead Credit program was a State-paid credit and the implications for property owners were seamless; the new Market Value Exclusion program helped to resolve the State's budget deficit and the program is meant to replicate the Market Value Homestead Credit program with minimal impact to property owners.

7. Requests, Petitions, and Communications from the Public – None

8. Resolutions, Ordinances, Motions and Discussion Items

**8a. Park Village Center – Major Amendment to the PUD
Resolution No. 11-132**

Mr. Fulton presented the staff report and proposed amendment to the existing PUD, including a new 6,600 square foot building, overall site modifications, and modifications to the McDonald's site. He explained that the existing access points would remain the same under the proposal and the site will continue to include shared parking with Park Nicollet after 3:30 p.m. on weekdays. He advised that the Mann Theater will be leaving the site, Chipotle, Village Hair, and Bruegger's Bagels would relocate to the new building, and a new retail tenant would occupy the first floor of the Mann Theater building. He stated the plan will add some pedestrian crosswalks to improve access and overall flow of traffic. He indicated the required parking is 447 spaces and the plan provides 623 spaces. He presented a drawing of the proposed building which will be oriented toward Excelsior Boulevard and include outdoor patio seating. He stated that a rain garden to the east of the restaurant building will be added to bring the site into further compliance with the City's storm water regulations. He indicated that staff is recommending a sidewalk connection to the southwest of the building along Excelsior Boulevard because of its proximity to a bus stop. He then reviewed the proposed modifications to the McDonald's site which includes closing the south parking lot entrance to improve traffic flow, modifications to the parking lot, and adding an additional drive-thru lane. He stated that the landscape improvements include the addition of trees and shrubs to comply with the City's zoning ordinance. He noted that waste removal and deliveries to the new building will be handled during off-peak times. He added that the Planning Commission raised concerns about noise and lighting in the Granite City area of the site and those concerns are being addressed by staff. He then introduced Dean Williamson from Frauenshuh Companies and Eric Reiners from Sperides Reiners Architects.

Councilmember Sanger requested further information regarding the developer's long range plans for the theater building. She expressed concern that the theater space will remain vacant and questioned the impact of that vacant space on the property owner's ability to maintain the building. She felt that the loss of parking spaces was significant particularly because it is not known what type of use will occupy the building in the future and how much parking will be required. She added that the current tenants have a lot of daytime use which creates a tight parking situation with little or no parking available at Park Nicollet.

Mr. Williamson indicated that a theater is not out of the question for this portion of the site. He stated that the vacancy will not create an issue from a maintenance perspective. He acknowledged the concerns regarding parking and the importance of making sure the site works well with the overall campus, including Park Nicollet.

Councilmember Mavity agreed with the concerns expressed regarding parking and suggested that the orientation of the Mann theater building for the new tenant provide for entering the building from the north or south side, which might help manage the parking demands.

Councilmember Ross expressed concern regarding the movement of foot traffic from people leaving Park Nicollet and crossing over to McDonald's.

Mr. Fulton advised there are two ways to access the site from the Park Nicollet campus with sidewalks on the east side of Park Nicollet and a second crossing on the north side. He stated that pedestrians are being discouraged from walking in the traffic aisles.

*It was moved by Councilmember Mavity, seconded by Councilmember Santa, to adopt **Resolution No. 11-132** Amending Resolution No. 11-033 Approved on March 7, 2011, Approving an Amendment to the Final Planned Unit Development (PUD) under Section 14:6-7 of the St. Louis Park Ordinance Code Relating to Zoning for Property Zoned "O" Office, C-2 Commercial and R-C High Density Multiple Family Residence Districts Located at the Northeast quadrant of Excelsior Boulevard and Highway 100.*

The motion passed 5-1 (Councilmember Sanger opposed; Councilmember Omodt absent).

**8b. Minikahda Mobil Service Station Expansion
Resolution No. 11-133**

Mr. Fulton presented the staff report and explained the applicant is proposing to construct a car wash in order to better utilize the site. He stated the rezoning from C-1 to C-2 is required to allow the applicant to construct a car wash expansion to the existing service station. He reviewed the performance standards for the C-1 and C-2 zoning districts and reviewed the proposed Conditional Use Permit for motor vehicle service/repair with a car wash. He presented a drawing of the proposed building and reviewed the off-street parking and curb cuts, noting there are 28 parking spaces provided which exceeds the City Code. He explained that Hennepin County is requiring that the access point on Excelsior Boulevard be reconfigured to ensure that eastbound drivers on Excelsior Boulevard not enter the site from this location; in addition, the access point on France Avenue is currently too wide for a curb cut and the County has recommended this be modified to 30' wide. He advised that there is currently a sanitary sewer main running through the parking lot and the applicant proposes to construct the car wash in this location, resulting in the need to move the sanitary sewer main and modify the City's easement. He stated the applicant would like to construct the car wash within 60 feet of an adjacent residential property, resulting in the need for a variance to the City's requirement for 100 feet of separation between a residential property and a car wash. He noted that the residential property's garage serves as a buffer between the house and car wash, coupled with the additional screening proposed by the applicant. He then introduced Alberto Bertomeu, the current owner and applicant.

Mr. Bertomeu appeared before the City Council and stated the location of the storm sewer pipe has limited his ability to make improvements to the site. He indicated that the car wash is designed to be longer which will keep the noise inside because the doors will remain closed while cars are being dried. He noted that the site plan calls for concrete walls on the back side which will provide a sound barrier for the residential neighbor. He added that he will install quiet efficient blowers inside the car wash.

Mr. Robb Bader, 3920 Excelsior Boulevard, appeared before the City Council and stated that he was concerned about noise but after meeting with Mr. Bertomeu, he feels that Mr. Bertomeu has done enough to mitigate noise coming from the car wash. He felt that if there are issues in the future, he will be able to resolve them with Mr. Bertomeu and they are excited to see a new car wash on the site.

Councilmember Mavity stated she appreciated the owner's sensitivity to noise and mitigating that impact to the neighbors. She asked if the City has any kind of control to ensure that the noise mitigation remains the same if the property is sold in the future.

Mr. Fulton advised that the resolution addresses this in part with the restriction on hours of operation. He stated the location of the walls also provides a buffer. He stated that the City has stringent noise regulations in place and added more stringent standards could be put in place in the Conditional Use Permit.

Councilmember Mavity felt that the hours of operation seemed excessive given the proximity to the closest neighbor and requested that the hours of operation be revised to 7:00 a.m. to 9:00 p.m. instead of 10:00 p.m. She also felt that the variance request was too close to the neighboring property and wanted to make sure the applicant is doing everything he can to minimize the impact to the surrounding neighbors. She also expressed concern regarding the impact of noise and headlights on the neighbors.

Councilmember Ross stated that the City's noise ordinance goes into effect at 10:00 p.m. and indicated she would support a 10:00 p.m. closing time for the car wash.

Councilmember Sanger expressed concern regarding the rezoning request and did not feel it was appropriate for this small corner lot. She indicated if the zoning is changed to C-2, a proposal for a more intense land use could be presented to the City in the future which would be more detrimental to the neighbors. She stated the rezoning request does not seem reasonable and the City has no legal obligation to rezone the site to allow construction of a car wash. She indicated the variance request is for 40% of the setback and did not feel there was any legal reason to grant the variance because the applicant is already making reasonable use of the land and there is no entitlement to make a more intense use by adding a car wash. She also expressed concern about the stacking of cars for the car wash and resulting vehicle emissions and noise from people blasting their radios while waiting to get in the car wash.

It was moved by Councilmember Mavity, seconded by Councilmember Sanger, to deny First Reading of an Ordinance Amending the St. Louis Park Ordinance Code Changing Boundaries of Zoning Districts (3901 and 3921 Excelsior Boulevard).

Councilmember Finkelstein asked if it would still be possible to bring this matter up at a later date if agreement is reached with respect to the Conditional Use Permit.

Mr. Scott advised that if the motion to deny the rezoning is passed, Council will have in effect denied the rezoning. He stated it would follow then that Council will be required to deny the Conditional Use Permit and the variance request because without the rezoning, the applicant cannot construct a car wash in the C-1 Zoning District. He added if the motion to deny the rezoning fails, the matter is still on the table for action by Council.

The motion failed 2-4 (Mayor Jacobs and Councilmembers Finkelstein, Ross, and Santa opposed; Councilmember Omodt absent).

It was moved by Councilmember Santa, seconded by Councilmember Ross, to adopt First Reading of an Ordinance Amending the St. Louis Park Ordinance Code Changing

Boundaries of Zoning Districts (3901 and 3921 Excelsior Boulevard, and to set second reading for December 19, 2011.

The motion passed 4-2 (Councilmembers Mavity and Sanger opposed; Councilmember Omodt absent).

*It was moved by Councilmember Santa, seconded by Councilmember Ross, to adopt **Resolution No. 11-133** Granting Conditional Use Permit under Section 36-194 of the St. Louis Park Ordinance Code Relating to Zoning to Permit Motor Vehicle Service with a Car Wash for Property Zoned C-2 General Commercial Located at 3901 and 3921 Excelsior Boulevard.*

Councilmember Mavity requested a friendly amendment to condition #17 to revise the hours of operation for the car wash to 7:00 a.m. to 9:00 p.m.

Councilmember Santa agreed with the friendly amendment.

Councilmember Ross seconded the friendly amendment.

Mayor Jacobs indicated he did not agree with the 9:00 p.m. amendment and supported the Conditional Use Permit as presented to Council.

The motion passed 4-2 (Councilmembers Mavity and Sanger opposed; Councilmember Omodt absent).

**8c. Establishment of Greensboro Condominium Association Housing Improvement Area (HIA)
Resolution No. 11-134, Ordinance No. 2406-11**

Ms. Larsen presented the staff report and advised that there have been no changes since the public hearing on November 21, 2011.

*It was moved by Councilmember Sanger, seconded by Councilmember Santa, to adopt Second Reading of **Ordinance No. 2406-11** establishing the Greensboro Condominium Owners Association Housing Improvement Area Pursuant to Minnesota Statutes, Sections 428A.11 to 428A.21.*

The motion passed 5-0-1 (Councilmember Ross abstain; Councilmember Omodt absent).

*It was moved by Councilmember Sanger, seconded by Councilmember Santa, to adopt **Resolution No. 11-134** approving a Housing Improvement Fee for the Greensboro Condominium Association Housing Improvement Area Pursuant to Minnesota Statutes, Sections 428A.11 to 428A.21.*

The motion passed 5-0-1 (Councilmember Ross abstain; Councilmember Omodt absent).

It was moved by Councilmember Sanger, seconded by Councilmember Santa, to authorize execution of Contract for Private Development and any other related documents by the Mayor and City Manager between the City and Greensboro

Condominium Association in a form consistent with the terms of the ordinance and resolution.

The motion passed 5-0-1 (Councilmember Ross abstain; Councilmember Omodt absent).

8d. First Reading of Ordinance Amending Chapter 8 of City Code – Rental Housing Licensing

Mr. Hoffman presented the staff report and advised that Chapter 8 of the City Code is proposed to be revised to further clarify the administrative appeal process available to licensees of rental property. He indicated the provision will state that recipients receiving notice of a violation of the City's crime free provisions would be able to utilize the appeals process.

It was moved by Councilmember Finkelstein, seconded by Councilmember Santa, to approve First Reading of an Ordinance Amending Chapter 8 of the St. Louis Park Code of Ordinances Relating to Rental Housing Licensing to Clarify the Administrative Appeal Process.

The motion passed 6-0 (Councilmember Omodt absent).

9. Communications

Mayor Jacobs stated that Officer Mike Pollitz died suddenly last week and a memorial service was held yesterday at the high school. He thanked the City of Edina, the City of Hopkins, and the Sheriff's Department for their assistance in covering the Police Department's duties to allow officers to attend Officer Pollitz's memorial service. He also thanked the School District for its help in hosting the service. He extended the City's sincere condolences to Officer Pollitz's family.

Councilmember Santa stated that a fund has been established for the benefit of Officer Pollitz's children and City staff can provide information on where to make contributions.

10. Adjournment

The meeting adjourned at 9:08 p.m.

Nancy Stroth, City Clerk

Jeff Jacobs, Mayor