

**CITY OF SHOREVIEW
MINUTES
CITY COUNCIL WORKSHOP MEETING
April 14, 2014**

CALL TO ORDER

Mayor Martin called the workshop meeting of the Shoreview City Council to order at 7:00 p.m. on April 14, 2014.

ROLL CALL

The following attended the meeting:

City Council: Mayor Martin; Councilmembers Johnson, Quigley, Wickstrom and Withhart

Staff: Terry Schwerm, City Manager
Tom Simonson, Asst. City Manager/Community Development Director
Kathleen Castle, City Planner
Mark Maloney, Public Works Director
Niki Hill, Economic Development Planning Technician

Economic Development Authority: Councilmember Ben Withhart, President
Councilmember Emy Johnson
Councilmember Terry Quigley
Sue Denkinger
Gene Marsh

Planning Commission: Steve Solomonson, Chair
Deb Ferrington
Brian McCool
Pat Schumer
Elizabeth Thompson

HKGi (Hoisington Koepler Group, Inc.) Bryan Harjes
Rita Trapp, Project Manager

JOINT DISCUSSION WITH PLANNING COMMISSION AND ECONOMIC DEVELOPMENT AUTHORITY TO REVIEW HIGHWAY CORRIDOR TRANSITION STUDY

This study is a result of the EDA's request that staff look at residential land uses adjacent to arterial corridors in the community and the impacts of noise and speed on adjacent land uses.

The study is to develop strategies to maintain residential areas along those corridors if deemed feasible.

The first phase of the study identified the residential corridors in the community with background data. The second and current phase is to develop conceptual land use plans for specific areas in each of the corridors that potentially could redevelop.

HKGi Consultant Rita Trapp stated that a market analysis was done for each corridor in the first phase.

The purpose of this meeting is to reach consensus on a concept plan for each study area:

- Tanglewood
- Rice Street
- Hodgson
- County Road J
- Highway 96

Phase 3 of the study will refine the concepts based on this discussion. Implementation strategies will then be identified.

Tanglewood

The lot adjacent to Oak Hill Montessori has sufficient lot depth for a multi building townhouse development. Redevelopment could be staged based on available parcels. The core issue is access. Driveway access from Hodgson is reduced by consolidating access to key intersections. Oak Hill Montessori has indicated potential interest in expanding and purchasing more property. HKGi shows viable redevelopment with townhomes that could be staged with the three available properties. Traffic circulation would be planned from a single access off Hodgson.

Councilmember Quigley stated that it is his understanding that the owner of the lot north of the Montessori school has committed to sell it to the school.

Mr. Simonson stated that the undeveloped property marked “Future” is now part of the Montessori school property, and another lot may be purchased. The next lot abutting the Montessori school property is what is identified as Project A.

Mr. Harjes noted that the Project A lot is the one with direct access to Hodgson. Shared interior access points are planned between the three project area sites.

Councilmember Johnson asked if only townhomes are being considered. Ms. Trapp stated that other concepts were considered, but the marketplace shows townhomes to make the most sense for this property. Mr. Harjes added that the size and scale of the lots makes them work best for townhome development or possibly one-level patio homes.

Rice Street

Four project areas are identified in this corridor. Redevelopment is dependent on the interchange improvements of Rice Street and I-694 and the need for right-of-way. The design of the new interchange is not yet known. North of I-694 has potential for mixed use development with high density residential and less commercial than now exists. It is a priority to preserve the single-family residential area north of the existing commercial area.

South of I-694 will continue to focus on retail at the Rice Street and Owasso Lane intersection. That site provides the most potential for redevelopment with live/work opportunities. Redevelopment north of Owasso along the interstate is constrained because of lack of access. There is opportunity for commercial development south of the utility building with shared and/or reduced parking.

The market indicates potential for horizontal mixed use at Project A. Two existing single-family homes are oriented to the south unlike surrounding residential homes. There would be potential to redevelop that part of the parcel into higher density residential use. The other part of this site could focus on commercial. There would be enough land for two individual projects.

Project B has a narrow parcel depth. This site sits up against the rail line and presents challenges for access and good service. There could be potential for possibly three smaller retail sites that could fit together with shared access and drive space.

Project C is immediately south of Project B. This site potentially could be split into two lots with new development on the southern lot.

Project D has the most potential for a live/work opportunity with townhouse development. However, it will be difficult because of the rail lines.

Councilmember Wickstrom expressed concern about access to Project D. The area is hilly and the road is busy. Mr. Harjes agreed that the irregular depth of the lots makes it difficult for development and circulation. This plan would consolidate access for two of the proposed redevelopment areas.

EDA Member Denkinger noted that as a live/work area, there would be deliveries to Project D. She asked how that would work with the inability to go behind the proposed buildings because of the rail line. Mr. Harjes responded that further study will be done to see if two points of access would be possible and if rear circulation can be achieved.

Councilmember Quigley noted that utilities rarely give up land and asked if it is realistic to think that parking could be expanded in Project A. Mr. Harjes stated that to redevelop the parcel where there is a stand-alone single-family house, it would be necessary to acquire some portion of land now owned by the utility.

Councilmember Withhart asked if any redevelopment plans were considered for the area north of Project A. Mr. Harjes stated that the focus was only on Project A and the three sites south of it.

The neighborhood to the north is doing well. There may be a median impact to the first two or three homes to the north as a result of the interchange design.

Mayor Martin asked the reason the existing gas station is not included in the redevelopment plan for Project A. She also questioned whether there is enough land for an apartment development on the western portion of Site A. Ms. Trapp noted that the retail that now exists is not very strong. The focus is not on retail as much as high density residential.

Mayor Martin stated that the neighborhood to the north of Project A is very cohesive and long established of 50 or 60 years. The residents like the neighborhood just the way it is, and there will be concern if high density residential redevelopment is proposed. City Manager Schwerm stated that what is being presented are concept possibilities. Project A could also be small scale office buildings rather than multi-family residential.

Hodgson Road

Most of the Hodgson corridor between Gramsie and Highway 96 will remain single-family residential. There are a few opportunities for redevelopment. The lot depths and configuration make it difficult for a large redevelopment project. A high priority is the need for consideration of needed trail and sidewalk improvements to minimize impacts to homes when Hodgson Road improvements are done. Improved connectivity with trails and sidewalks should balance impacts to front yard depths with the redesign of Hodgson Road. Additional trail connections to Snail Lake Regional Park would be an enhancement for these neighborhoods.

Three possible redevelopment projects are identified. Project A is adjacent to Sitzer Park and a church. Should the church move, there may be an opportunity to either expand the park, or redevelopment with single-family residential or townhomes.

Project B is surrounded by single-family residential with access from Hodgson Road. This project would be an opportunity for additional single-family homes.

Project C is on the south side of a church at Hodgson and Gramsie. The church plans to remain in that location. The parcel that is on east side of Hodgson at Gramsie is difficult because Ramsey County owns easement for storm water management. There may be an opportunity for a small commercial development. If the parcel is split, there could be a Project D on the west side of Gramsie with high density residential.

Councilmember Wickstrom asked if the power lines were taken into consideration. Mr. Harjes answered that they have not been considered, but further study will be done on that issue.

Mayor Martin noted that the church has been interested in the past for possible redevelopment in Project A. Sitzer is the smallest City park, and she would prefer the option to expand the park, if it would be possible.

Councilmember Withhart noted that when the church was built, the property was split for the church and the parsonage. He agreed that expansion of the park would be the best option, if there is an opportunity.

Councilmember Quigley asked the consultants' experience on such projects with neighborhood reaction. When word gets out about redevelopment possibilities, it is often distorted and he would like to be sure there is a plan to address that issue. Mr. Harjes stated that it is up to the City to decide how the message is given to the public. The message needs to be clear with the assurance that there is no intent of eminent domain. These options are presented to help with bigger decisions of land use, transportation and infrastructure. Mr. Schwerm further stated that even if Policy Development Areas (PDAs) are incorporated into the Comprehensive Plan, the City can identify preferred types of development that protects home values. These plans and information would potentially enhance property value.

Ms. Trapp explained that the purpose of this study is not for a Comprehensive Plan amendment or change at this time. It is a framework to use. The next stage of the study will address public reaction.

Councilmember Withhart asked the reason Gramsie Square was not included. Ms. Trapp stated that the commercial businesses there are doing well. Mr. Simonson agreed that it is a viable retail site. He noted that this is one of the most problematic corridors with the least opportunity to transition land uses. This study provides information on design options to protect neighborhoods when Ramsey County reconstructs the road.

County Road J

This area consists of established single-family neighborhoods with small lots and wetlands that limit redevelopment. The area at the intersection of Hodgson and County Road J is likely to continue as a neighborhood commercial node that will be impacted by development in Lino Lakes to the north. Project A shows potential for high density residential along County Road J. Medium density residential would also work with the limited lot depths and would create a transition between single family homes and the commercial node. Although the wetland is limiting, mitigation and site design can facilitate redevelopment. Trail gaps in this area need to be connected. Consolidation of access points over time would be a priority. It may be possible to use one lot depth to provide access to the rear.

Project C is similar with a four parcel area that could be a larger project with office uses. An extension to Emil Avenue would improve access to Hodgson from the east side. The goal is to provide a logical location for residents to make a left turn onto Hodgson.

Councilmember Withhart asked if Project E is a proposal to build an alley. Mr. Harjes answered that potentially an alley could eliminate so many driveways onto Hodgson. Residents would have a walk up address off Hodgson with garages feeding off the back alley. That could only come with redevelopment. The individual parcels today all have access to Hodgson. It would take a long time.

Councilmember Quigley asked about plans in Lino Lakes. Ms. Trapp stated that there are a couple of plans that have been discussed, but there are no development proposals.

Planning Commission Chair Solomonson suggested a noise wall may be required because of the proximity to the highway, similar to what was done on Tanglewood.

Councilmember Johnson asked if further information is known about the County's plans for Hodgson Road. Mr. Schwerm responded that he does not anticipate much upgrade to County Road J east of Hodgson. Road improvements in that area would require significant property acquisition, which makes it unlikely. Mr. Maloney added that the land uses between Hodgson and Centerville Road are not anticipated to change enough to have a significant impact on traffic volumes. County Road J is a border between two counties that have very different priorities for transportation.

Councilmember Wickstrom expressed doubt that Project B, townhomes with an alley entrance, would work because the residents of the older homes in that area have done significant work to maintain them. She would like to see a senior building at Project D, but there are significant transit issues for that to happen. Project D will take a long time to redevelop because the homes are newer, and there will be push back from residents in the neighborhood.

Councilmember Quigley stated that out of the whole study, County Road J would be his lowest priority.

Councilmember Johnson stated that even though development in Lino Lakes is unknown, she sees the concepts for County Road J as an opportunity to increase residential opportunities in Shoreview in the long term.

Highway 96

This is an attractive location for redevelopment because of the nearby amenities with Snail Lake to the south and the connection to the civic campus and Shoreview Commons Park to the north. Because of the parcel configuration, redevelopment would most likely occur in multiple phases. Project A is on the north side of Highway 96 and is where the biggest stretch of higher density residential would be possible along Highway 96 to serve as a transition to single-family residential to the north.

Project C anticipates a variety of commercial development options that would take advantage of lake views, such as restaurants. There is also potential for added commercial with the adjacent office park and visible location on Highway 96.

Project B is institutional property and could offer further opportunity for lakeside commercial to take advantage of the lake view. Should Gospel Hill relocate, there would be an opportunity for medium density residential on Highway 96. A second option would be to develop commercial along Highway 96.

Mayor Martin commended the inclusion of a trail along the lake. She asked if upscale townhouses or condominiums were considered to reduce access onto Highway 96. Mr. Harjes stated that would definitely be a possibility. High density is focused on Highway 96 with medium density closer to the water where it will blend in better with the neighborhood.

Councilmember Wickstrom stated that she likes what is proposed for the north side of Highway 96. What is proposed for the south side will be very difficult, as people who live there have invested significantly to turn cabins into year-round homes. She further noted that transportation is a key element to all of these redevelopment concepts.

Councilmember Johnson asked if there are indicators that townhomes will come back into the market. Ms. Trapp stated that was a concern of the study team because most of the study areas are best suited for townhome redevelopment. What is happening is that as prices rise on single-family homes, townhomes are becoming a vital part of the market again.

Mayor Martin stated that this long-range planning and looking at possibilities for the future helps decision making. This is how the existing PDAs in the Comprehensive Plan were identified and adopted.

Ms. Denkinger stated that she likes the cottage industry concept of retail on the ground floor and living areas above. It would appeal to some who otherwise would not be attracted to live in Shoreview.

Planning Commissioner Thompson added that she sees cottage industry as providing attractive little restaurants in the Snail Lake area that could be pedestrian destinations.

Planning Commissioner Solomonson stated that he does not see townhomes as much of a transition. Townhomes tend to be isolated which is a concern, and the areas studied are tricky locations to provide access.

Ms. Trapp stated that the concepts will be refined based on the discussion at this meeting, and implementation strategies will then be presented.

Mayor Martin called a short break and reconvened the meeting.

DISCUSSION REGARDING PRELIMINARY ENGINEERING REPORT FOR TURTLE LAKE AUGMENTATION

Presentation by Public Works Director Mark Maloney

At the last meeting with the Turtle Lake Homeowners Association, the Council was moving toward some type of cost-share approach. A feasibility study is realistically in the cost range of \$100,000, and an augmentation project as a result of the feasibility study in the cost range of \$1.5 million to \$2 million.

Mayor Martin stated that her concern about City participation is about whether this is a viable project. She asked if the feasibility study could be staged in a way to answer certain questions

and not commit the entire \$100,000. Once certain questions are answered positively, another portion of the \$100,000 would be committed to the next phase of the feasibility study. If the augmentation project is shown to be not viable, the feasibility study would be suspended. Mr. Maloney agreed that it makes no sense to spend \$100,000 on a study if there is no project, and he would be able to structure the feasibility study in stages.

Councilmember Quigley stated that he would like to see itemized costs as part of the feasibility study so that further discussion is possible before significant money is spent.

Mr. Schwerm stated that one concern is that augmentation may impair water quality in Turtle Lake. The source of water will have to be evaluated.

Councilmember Quigley asked what the sources of water would be and the different costs associated with those sources. Mr. Maloney explained that the feasibility study would have to show comparison costs, such as the cost of addressing invasive species from one source compared to the cost of more infrastructure needed with another source.

Councilmember Johnson asked if the City's cost share of \$10,000 or \$20,000 is budgeted. Mr. Schwerm stated that it is not budgeted, but there is a balance in the Surface Water Fund, which would pay for the City's share. He would not anticipate any impact to projects in the CIP or a raise in rates as a result of a relatively small one time expenditure for the feasibility study.

Councilmember Wickstrom stated that the City paid 50% for augmentation to Snail Lake because it was a dying lake. Without augmentation, there would be no Snail Lake. That is not the case with Turtle Lake, and she would want to see the City's cost be far less than 50%, more like 10%. Also, there is much more public land around Snail Lake than the boat landing and small County park at Turtle Lake. Snail Lake is much more visible.

Councilmember Withhart stated that as a highly recreational lake, Turtle Lake is compromised with its low water level. His concern is about keeping housing in good shape and property values up. For that reason, he would want the feasibility study to go forward. He agreed that as a percentage of the total lakeshore, Snail has a much more visible park than Turtle. He would suggest a cost share for the City of up to 25% for the feasibility study. He further asked if there is a possibility that drainage of Turtle Lake has changed and if there are historical records to show that drainage has diminished its water level. Mr. Maloney responded that when the County rebuilt Hodgson up to Chippewa Middle School, there is evidence to show that runoff water was redirected out of the Turtle Lake basin. There are no historical records over a long period of time to show drainage patterns.

Councilmember Wickstrom asked if the City were to support the feasibility study at 25% cost share if that would mean the City will also fund 25% of the augmentation project, if it is done. It is also important for residents on the lake to know what portion of the \$2 million for the project the City will pay. Schwerm indicated that he does not believe it would require the City to pay the same share for any capital costs if an augmentation project moves forward.

Councilmember Quigley stated that if the City is involved, it needs to be in a leadership position, which means paying for a larger amount of the cost of the project--up to 50%. His concern is that there is no guarantee that there will be approval for a project.

Councilmember Johnson agreed and stated that it is also difficult because it is not known what majority of the homeowners want and will support. It is too risky to pay 50% for a study without knowing if there is a project. She would support a ceiling of 25%. While she is hesitant to commit to an amount, this issue is not going away. Residents will keep bringing the issue, and the facts need to be known which can only be determined with the feasibility study.

Councilmember Wickstrom noted that there are many other requests from residents on other lakes. Where will City participation end? The augmentation is for a certain water level. Before augmentation, it needs to be decided where excess water will go if the water level becomes too high. She would also like more information about property value levels.

Mayor Martin agreed that the facts need to be determined. Regardless of cost contribution, the City has to be the leader for the project to happen. While concerned about property values on Turtle Lake, she is also concerned about the lack of consensus of support from lake residents. She would support contributing 20%. She noted there has been no action by the County on this issue. Mr. Schwerm stated that the County may be open to sharing some cost, but no one has formally approached the County. He would suggest a formal request for support from the County Board of Commissioners.

It was the consensus of the Council to bring this item to the Council meeting agenda at the May 5, 2014 meeting. By that time, City Manager Schwerm hopefully will be able to provide tax assessor information on Turtle Lake properties. At that time, the Council will establish a cost-sharing level to move forward with the feasibility study.

OTHER ISSUES

North Suburban Communications Commission

Councilmember Wickstrom urged all Councilmembers to attend the public meeting for Comcast's presentation on Thursday, April 17, 2014.

Councilmember Johnson asked if other city representatives are attending. Councilmember Wickstrom responded that her urging of Council attendance is that Shoreview may look at dropping out of the Commission. The meeting will be rebroadcast.

Retirement

City Manager Schwerm announced the retirement of Walt Johnson, Emergency Management Coordinator, after 28 years. Emergency management will shift to Public Works.

Railroad Issues

Mayor Martin reported that through contacts with Senator Klobuchar's office, a meeting has been set with Herb Jones, Director of State and Local Governments. The state is discussing putting \$10 million more into railroad quiet zones. She noted that she receives complaints almost every day. One resident reported horn noise nearly every hour at night.

The meeting adjourned.