

**CITY OF SHOREVIEW
MINUTES
CITY COUNCIL WORKSHOP MEETING
May 9, 2016**

CALL TO ORDER

Mayor Martin called the workshop meeting of the Shoreview City Council to order at 7:00 p.m. on May 9, 2016.

ROLL CALL

The following attended the meeting:

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

Economic Development Authority: Councilmember Johnson, Chair
Mayor Martin
Councilmember Quigley
Shelly Myrland
Sue Denkinger

Economic Development Commission: Josh Wing, Chair
Kirk VanBlaircom
Jeff Washburn
Jason Schaller
Sue Denkinger

Staff: Terry Schwerm, City Manager
Tom Simonson, Asst. City Manager/Community Development Director
Niki Hill, Economic Development and Planning Associate
Mark Maloney, Public Works Director

Ramsey County: Beth Engum

ECONOMIC DEVELOPMENT WORK PLAN GOALS AND PRIORITIES

Presentation by Asst. City Manager/Community Development Director Tom Simonson

The Economic Development Commission (EDC) has updated its two-year work plan for 2016/2017, and is recommending a focus on business expansion and retention (the BRE program). Major goals identified in the Work Plan include:

- Visit six businesses in the next six months. Some businesses have never been visited and others have not been visited for many years.

- Develop a business resources information packet to attract and retain businesses. A variety of information would be provided about City and County programs that can support and assist businesses.
- Broaden business outreach with the continuation of the workshops co-hosted by northern suburban communities. The first one was well attended and another is planned in the near future.
- Revamp the business exchange meetings, which continue to be valuable in providing information and direct contact with business owners in the City.
- Initiate City get-togethers for staff, Commissioners and Councilmembers to visit businesses as a group within a certain area, such as the Shoreview Mall.

Mr. Simonson stated that top priorities for the coming two years are: 1) awareness of business closures or departures; 2) economic development opportunities; and 3) redevelopment opportunities.

Closures/Departures: Recently, two major businesses have reported leaving.

- DGO Global on Cardigan Road, which has had several hundred employees in Shoreview. That building will become vacant and is not designed for today's market needs. The location is also difficult with limited access.
- Land O'Lakes' intention to expand at their headquarters in Arden Hills will leave two buildings at Shoreview Corporate Center on Gramsie Road vacant in two years. The City is working with the owner, Eagle Ridge Partners, who is committed to upgrading the buildings to become desirable business locations.

Economic Development Opportunities:

- The 18-acre site of the Children's Hospital property is the largest remaining development site in the City. Ryan Companies has a purchase option and is actively marketing the property.
- There are 10 acres of the Shoreview Business Campus on Lexington. That land was in conservation but has now been released for development.
- The Rice Street/I-694 interchange may provide a 12-acre site for redevelopment depending on the design of the road improvements.
- Efforts continue to attract new restaurants. There are policy decisions needed relating to how far the City should go in providing incentives for restaurants.

Redevelopment Opportunities:

- 1005 Gramsie Building - the City is working with Eagle Ridge Partners on major upgrades to attract new businesses and stabilize the Shoreview Corporate Center.
- Shoreview Village Mall - there is recent indication that the property may be up for sale. A review of the City's Shoreview Town Center plan needs to be reviewed and updated for the long term.
- Study efforts in BRE reinvestment of older industrial properties and how to update them to compete in the market for businesses.
- The next step to follow up on the Highway Corridor Transition Study is to incorporate recommendations from the study into the Comprehensive Plan

Commissioner Wing stated that the EDC is looking for feedback from the Council on the Work Plan presented. The goal of the EDC is to compliment work of the EDA and not duplicate EDA efforts.

Councilmember Quigley stated that it is often said that small business drives the economy. He suggested a focus on small businesses because there are small sites within the City.

Commissioner Denkinger responded that with current resources it is a challenge to connect with small businesses. There are more and more home business owners. Co-hosting the business workshops with other cities is one way to reach small businesses. One home business owner attended the workshop, and there are plans to have follow-up contact to find out what can be done to be in touch with these types of businesses.

Commissioner VanBlaircom agreed with Councilmember Quigley and stated that he sees great advantage to connecting with small business owners. Whether they employ, one, three, five or 50, they are leaders. They can be instrumental in providing new leadership to move Shoreview forward because they live here and are already invested in the City.

Commissioner Washburn stated that it is important to find ways to reach small business owners because they are looking for information. The information packet can be helpful in that regard. It is important to maintain contact with all businesses and keep track of visits. Some businesses have not been contacted in five or more years.

Mayor Martin stated that business outreach is time intensive. Her question is with limited resources, how can the City receive the most from its effort, and how important are the visits for the City and for the businesses?

Commissioner Wing responded that the workshops co-hosted with the North Metro Business Series is one way for the City to connect with many businesses. Businesses from all over attended. He also sees area get-togethers as another way to reach a number of businesses with one visit. It is important to reach small businesses before they start growing and find other resources.

EDA Board Member Myrland asked if there is a business directory. Mr. Simonson answered that there is, and it is updated every year, but it is difficult to maintain because not all businesses are licensed by the City. Home occupations are not included. The EDC has discussed creating a large database that would better track business contact and communications. The County is interested in creating a County EDA to pool resources for businesses. The *Open for Business* program provides information on marketing, financing, and social media. Balancing time and resources could include tapping into a County program to provide information.

Mayor Martin noted that not all cities are on board with being levied for a County EDA. Her concern is whether a County EDA is for development of the TCAAP property. However, if funds were made available for infrastructure that would benefit a new business, that would be helpful, as it is difficult to get state funding. She noted that the Empi building is 90,000 square feet. Mr. Simonson stated that it is designed for office and is obsolete for manufacturing. There

have been discussions about possibly merging the property with Lakeview Terrace for more multi-family housing and extend Cardigan Road to Owasso Street.

Mayor Martin asked if there would be any possibility of locating a restaurant at 1005 Gramsie. Mr. Simonson responded that there is interest for multi-family or senior housing in that location. The owner, Eagle Ridge Partners, does not believe commercial use would work in that area because there is no visibility.

Commissioner Wing added that the buildings on Gramsie could also be converted for incubation start-up businesses. The question is how to offer specialized space.

Commissioner Denkinger stated that the City cannot create demand, but one thing that is happening is that larger companies are starting to look for small work spaces for small groups of staff without having to own or maintain a building.

Mayor Martin noted that Roseville is considering purchase of two single-family homes in the Larpenteur/Rice Street area to protect the property for potential commercial development. That is something she would like to see the Shoreview EDA consider. She stated that she is pleased with the Work Plan developed by the EDC. There is good teamwork between the EDA and EDC.

Councilmember Johnson added that in the last three years there has been an impressive amount of movement for redevelopment, which is a sign of the cohesion of all groups working together. Residents continue to say they love living in Shoreview.

It was the consensus of the Council to support the EDC Work Plan.

I-694 RICE STREET INTERCHANGE

Public Works Director Mark Maloney stated that the reason Ramsey County is pushing for improvements to the I-694/Rice Street interchange is that all quadrants are identified as high priority for redevelopment. Structurally, the current bridge is sound which is why it is not a high priority for the state road improvement schedule.

Presentation by Ramsey County Representative Beth Engum

In 1999, MnDOT turned Rice Street over to County jurisdiction with a commitment to replace the bridge. In 2004, a partial cloverleaf design was proposed. Because the structure is sound, the bridge replacement is not in a MnDOT schedule plan for the next 20 years. The County is now involved in looking for funds to improve the interchange. In 2016, the amount of \$20.5 million was requested from the legislature for engineering, environmental work and construction.

The project goals are: 1) to improve traffic operations; 2) provide access to the former County public works site; and 3) provide for pedestrian and bicycle movement with on-street bicycle accommodations and multi-use trail crossings.

In early February, a number of alternate interchange concepts were considered. State guidelines require consideration of a roundabout as an alternate to a signal for intersection control. The preferred alternative with today's traffic is a series of roundabouts. The advantage of a roundabout is that all movement of traffic would be handled from the two existing lanes. Rice Street would not have to be widened.

Councilmember Wickstrom asked about pedestrian crossings noting there would be no traffic signal. Ms. Engum stated that the earlier diverging diamond design for the intersection was reviewed and found not to address the current pattern of traffic. An advantage for pedestrians is that traffic in a roundabout is slower. There will be crosswalks and yield signs. Even with traffic signals, pedestrians deal with the yield signs from right-turn traffic. On the east side, pedestrians would cross two lanes of traffic going in each direction. There would be an island between the two lanes so pedestrians would not have to cross both lanes at once. All pedestrian crossings will be studied and analyzed thoroughly to assure proper striping and signage in the roundabout.

Ms. Engum noted a similar situation at Highway 7 and Louisiana Avenue in St. Louis Park. The traffic on Louisiana Avenue is similar to Rice Street. SEH did the design with a series of roundabouts coming off the freeway. There was a lot of skepticism, but the design is being accepted. She acknowledged that in the beginning there can be an increase of fender-bender accidents, but overall, roundabouts have shown a decrease of accidents, a decrease in the seriousness of accidents, and a decrease in the number of fatalities.

Councilmember Quigley stated that he has found little information on the down side of roundabouts. He asked how people can be properly informed.

Councilmember Johnson added that there needs to be communication on how this will impact Shoreview's population. The roundabouts occur within a short distance where there is a lot happening. Ms. Engum agreed that communication is important to reach as many people as possible.

Councilmember Wickstrom stated that she does not believe two-lane roundabouts work. She asked how a car would go straight through a roundabout when everyone else is turning to access the freeway. Ms. Engum explained that traffic turning right or going straight must stay in the right lane. The left lane is only for traffic turning left. It will be necessary to make a thorough analysis of how traffic moves for proper striping and signage.

Mayor Martin stated that there is a learning curve. The biggest influence for her are the statistics of accident reduction--30% to 40% reduction in pedestrian crashes; 10% decrease in bike crashes; 39% reduction in all accidents. It is hard to argue with those statistics. Another influencing factor for her is that a roundabout would allow use of the Mn/DOT property on the southwest quadrant with improvements to the North Owasso/Rice Street intersection. There would be right-in-right-out access. The biggest advantage would be that property could still be used.

Mr. Schwerm stated that even right-in-right-out access on Rice Street may not be allowed because there is no stacking room. That means access would have to be off North Owasso Boulevard.

Mr. Maloney noted that the legislature listens to redevelopment opportunities and job creation. To not use a design that maximizes redevelopment is not an argument that sells the legislature. The County has involved Maxfield Consultants to analyze how all the properties in the area can be redeveloped. Adding lanes to accommodate traffic with signalized intersections would wipe out businesses in the corridor. In order to obtain funding, the project must show improvement for traffic and redevelopment opportunity.

Councilmember Quigley asked if roundabouts are illuminated. Ms. Engum answered that the County would light the roundabouts. She explained that the preferred alternative is to use roundabouts for the Rice Street interchange with I-694 because it results in minimal impacts to businesses. The design needs to be discussed with property owners. There would be four roundabout intersections within 3/4 of a mile. Full access with right and left turns in and out is not allowed closer than a 1/2 mile to a roundabout. Consideration is being given to what flexibility there may be to possibly move intersections to improve access to businesses. The cost of right-of-way is estimated in the range of \$7 million to \$15 or \$16 million. The construction estimate is \$13 million. That means right-of-way could cost more than the project. The County's policy is that cities pay half the cost of right-of-way. It is anticipated that a preliminary design will be completed by this fall. Approval will be needed from Little Canada, Vadnais Heights and Shoreview in order to move forward. If money is received from the legislature, construction will begin in the spring 2018.

Ms. Engum noted that the Federal Highway Administration has declared this not to be a federal project. The amount of \$20.5 million is being requested from the legislature. Depending on right-of-way needs within Shoreview will determine the City's cost participation. Plans are to meet with business owners by the end of May. She referred the Council to two video presentations that Mr. Maloney will send to Councilmembers.

OTHER ISSUES

June 13 Workshop Schedule

Mr. Schwerm stated that a workshop will be needed to discuss the Community Center expansion. There was consensus to have the June workshop meeting June 20, 2016, immediately following the City Council meeting if the agenda allows it.

Tobacco Vendors

Mr. Schwerm reported that a letter was sent to tobacco vendors regarding the City raising and setting the price of flavored cigars and cigarillos and similar products. Vendors have expressed concern about a potential economic impact to their stores. Customers would go to neighboring cities to purchase these tobacco products at different stores with lower prices. If they have to go to different locations for tobacco products, they will not stop to purchase gas, or other convenience store items. It is more than kids buying these products. Vendors believe any regulation should be done at the state level so products are at the same price across the board.

Shoreview vendors expressed concern if the City goes through with tougher price regulations. Other cities who have changed price regulations are Maplewood, St. Paul, and Minneapolis.

Councilmember Wickstrom suggested increasing the fines and suspension after the second violation instead of the third.

It was the consensus of the Council to invite Katie Engman from the North Suburban Tobacco Compliance Project to meet with the Council and answer further questions about possible impacts of this type of ordinance.

The meeting adjourned.