

CITY OF ST. FRANCIS  
ST. FRANCIS, MN  
ANOKA COUNTY

CITY COUNCIL WORK SESSION NOTES

APRIL 9, 2018

Mayor Steve Feldman called the Work Session to order at 5:31 pm

Members present were; Mayor Steve Feldman, Council members Jerry Tveit, Rich Skordahl, Joe Muehlbauer, and Robert Bauer. Also present were City Administrator Joe Kohlmann, Community Development Director Kate Thunstrom, Public Works Director Paul Teicher

1) East Shop Site - St. Francis Forward Plan

Community Development Director Thunstrom reported that this property has been on the market for 18 months with no strong leads. She explained that there are a couple decision making points in the packet. The first would be to continue to maintain for sale letting the market drive the property. Second option is to pursue the project identified in the St. Francis Forward Redevelopment plan or another use as determined by the City Council.

Mayor Feldman does not think that the price of \$150,000 for this property is out of line, but wonders if the current realtor is marketing it well. His thought is to give a local realtor the opportunity to come in and market it.

Thunstrom explained that the current realtor is based out of White Bear Lake but the main reasons they went with them is their extensive experience in working with cities and counties and they have a very wide base of commercial development. There are not a lot of realtors that are local that have that commercial piece.

Feldman thinks if they get a consensus maybe they could put out some RFP's and focus on the commercial end and see what they can come up with.

Kohlmann suggested that if the city is leaning towards option #2 with RFPs, we can just let the current real estate contract terminate and get one when or if they get to that point again.

Tveit agrees with Feldman that with the way that the market is he feels that this lot is reasonably priced. He's a big advocate of the market and if the market is there for a restaurant and there's money to be made in the market, someone is going to come up here and put a restaurant there. Right now it's just a waiting game and it's just a matter of time.

Feldman asked if they want to just focus on a restaurant. There had been talk at one time about a recreational facility.

Skordahl said that we only have so much frontage on that river. It's our chance to try and guide that property. He also agrees with Tveit and if the market will bear a restaurant, then someone will open a restaurant. He would like to try to shape it into something that would blend in with what they think the rest of Bridge Street is going to look like.

Kohlmann said that City staff can market it to whatever they would like there. Part of that is to get a market study to find that particular use, ensure that it comes back favorable and say that's a viable business and then we would take that market study and the land information and contact developers directly. That way you can cut out the realtor. So the question is whether we let it sit on the market and see who knocks on the door, or have staff actively pursue one or two particular uses and then shop that around to specific developers.

Muehlbauer thinks they should target certain areas. He doesn't have an issue with anything going in there for the most part. He would like it to generate some tax revenue. If there are people knocking on the door and it doesn't fit the plan, he doesn't think that's a good idea.

Bauer is leaning towards a restaurant or brew pub, something of that nature. He gets the retail but that side of town is like a ghost town. Nobody is going to walk over there. The layout is hard to get to.

Feldman listed in order of preference what was agreed upon. First being a restaurant, second a recreational facility, third a retail business, and fourth a brew pub.

Thunstrom stated that they won't extend their agreement with the realtor, and they will do a market study and try to handle this directly with an RFP, which will provide more control.

## 2) Street Maintenance Financing

City Administrator Kohlmann gave an overview of the Comprehensive Street Improvement Plan and explained that staff inventoried all of the roads and laid out the conditions, along with a five year snap shot on the maintenance that will need to be done on these roads. Seal coating, crack filling, reconstruction, mill and overlay, everything has been costed out and put together in a reasonable time frame that it could be paid for in cash.

Kohlmann explained the three options in order to pay for these projects in cash.

Muehlbauer is a fan of the franchise fee. It's going to come out one way or another out of people's pockets. He's tried to explain that on Facebook. If it comes out of a bill as \$10.00 or so per month, as long as people understand it, and eventually they may not even notice it.

Tveit said that there's an advantage to putting this on your property taxes so you can use it as a write off.

Feldman said that he actually looked into that because a resident had contacted him about it. He found that the downside to having it added to your property taxes is that the taxes go by assessed value, you could actually be paying more than \$60 on the MS4. You can't put a flat \$60 on there.

Bauer said he is pro Franchise Fee and for adding the MS4 and the roads into our Finance Franchise Fee.

Kohlmann said the tax levy is probably the most flexible option.

Skordahl votes for the 2% out of the levy, and feels that's the fairest way to fund this. He does not want to do assessments.

Teicher asked permission to request Hakanson Anderson to prepare plans and specs and do an agenda memo for Monday night's meeting which would come at a fee. The focus this year is District 2. With Council's guidance, he will let the street consortium know that they are going to continue to participate and move this project forward.

It was agreed that they would get moving with this and re-evaluate at a later date. They would bring some information on the franchise fee to a future meeting.

### 3) City Buildings Assessment

Kohlmann explained that they received a quote from the company that designed the police and public works facility. The quote starts off with a space needs study, then step two would be the test fit & suitability of existing facility. We would need a full scale assessment before moving on to step 3, stay or go.

Tveit said that the police and public works facility, and salt storage and trap rock shed space needs study was just done in 2012, and they are only about 6 years old, so if they need substantial maintenance we should go back to the builder.

Teicher said that where this plan comes into play and where it's important that we consider is the waste water treatment facility or the police and public works facility is just identifying that test fit and suitability of existence that he calls out. It will look at those rooms and those spaces that are at police and public works.

Skordahl said that basically you are looking at the inventory of everything we've got, and does it fit our needs going forward. You can't exclude a building.

Tveit said we don't want to spend money on something that we already paid for when we can just bring the data back in.

Kohlmann is asking if council is on board with this plan as a concept and using the old space needs study in combination with the new and totaling it all together. We can eventually get a second quote and bring it to council. As far as how to handle the building assets, getting the studies, and in his opinion, getting the test fit step 1 and step 2. Step 2 is kind of the key component of studying the integrity of the buildings.

Consensus was that they are under budget on the City Buildings Assessment and all thought it was necessary to get done.

4) Riverbank/Kings Highway update and next steps

Feldman said that they did apply for the grant but due to the competitive nature of the grant applicant pool, we were not awarded grant funds. His thoughts are that if you pave the road it does three things for the residents. It will be plowed better, better property value, and makes their home more “sellable”. He would like to get a consensus from the neighborhood on an assessment.

All agreed that this road needs to be paved. A date for a work session will be scheduled at the next Council Meeting.

5) Other Business

Kohlmann spoke about the complaints for the \$20 septic record fee, and suggested that the city get their septic records up to date, and waive the fees initially. Once the city’s records are in order we can charge if necessary.

Council discussed making the septic hauler responsible for that \$20 fee if they haven’t provided the information and not have it fall onto the homeowner.

Bauer asked Feldman about where he’s at with the water rate study.

Feldman said he’s been working on it and has met with Abdo and Finance Director Mulvihill on the water part and he doesn’t really have anything to bring to them yet other than that he’s looking at doing a couple of low tiers. They talked about leaving the commercial end the same, and then doing some lower tiers. People on a fixed income (ex. 62 years old and up, couples income of \$40,000 or single \$20,000) would receive a senior discount or flat rate.

Kohlmann said that Abdo took a snapshot of today, and said that we need to raise water 3%. Feldman is trying to give a supplemental approach and with the snapshot of today, and forecasting the future with development, what other options do you have than the 3% increase.

With no further discussion, Feldman adjourned the work session at 8:32 pm.

Respectfully submitted by,

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Lori M. Streich, Acct Tec/Deputy Clerk