

CITY OF NEW HOPE
4401 XYLON AVENUE NORTH
NEW HOPE, MINNESOTA 55428

City Council Minutes
Regular Meeting

November 14, 2011
City Hall, 7:00 p.m.

CALL TO ORDER The New Hope City Council met in regular session pursuant to due call and notice thereof; Mayor Hemken called the meeting to order at 7:00 p.m.

PLEDGE OF ALLEGIANCE The City Council and all present stood for the Pledge of Allegiance to the Flag.

ROLL CALL Council present: Kathi Hemken, Mayor
John Elder, Council Member
Andy Hoffe, Council Member
Eric Lammle, Council Member
Daniel Stauner, Council Member

Staff present: Kirk McDonald, City Manager
Curtis Jacobsen, Director of Community Development
Valerie Leone, City Clerk
Susan Rader, Director of Parks & Recreation
Steve Sondrall, City Attorney

APPROVAL OF MINUTES Motion was made by Council Member Hoffe, seconded by Council Member Elder, **to approve the regular meeting minutes of October 24, 2011.** Voting in favor: Hemken, Elder, Hoffe, Lammle; voting against: None; Absent: None; Abstained: Stauner. Motion carried.

OPEN FORUM Mr. Jim Brinkman, 4771 Flag Avenue North, discussed the issue of contracted bus services currently being considered by the ISD 281 School Board. Mr. Brinkman spoke of the quality service currently provided by the existing bus drivers and encouraged the community to contact school board members to express their viewpoints.

ROTATING VOTES Please note that votes taken on each agenda item are called by the secretary on a rotating basis; however, the written minutes always list the Mayor's name first followed by the Council Members in alphabetical order.

CONSENT AGENDA Mayor Hemken introduced the consent items as listed for consideration and stated that all items will be enacted by one motion unless requested that an item be removed for discussion. Mr. Kirk McDonald, city manager, reviewed the consent items. Item 6.4 was removed for discussion later in the meeting.

MOTION
Consent Items Motion was made by Council Member Elder, seconded by Council Member Hoffe, **to approve the remaining Consent items.** All present voted in favor. Motion carried.

FINANCIAL CLAIMS
Item 6.2

Approval of financial claims.

LIABILITY CLAIMS
Item 6.3

Acknowledgement of liability claim no. 2011-24 (Mary Jane McDonough).

RESOLUTION 2011-158
Item 6.5

Resolution accepting the rain garden construction project in the 2011 street infrastructure improvement project area and approving the final pay request to Minnesota Native Landscapes for \$13,850 (Project No. 877).

RESOLUTION 2011-159
Item 6.6

Resolution accepting the 2011 crack repair and seal coat project and approving the final payment request (improvement project no. 884).

CONSENT ITEM
REMOVED:
ADVERTISING
AGREEMENT
Item 6.4

Mayor Hemken introduced for discussion the item which was removed for discussion, item 6.4, Resolution approving an agreement with the Armstrong Cooper Hockey Association for New Hope Ice Arena Sale of Advertising Agreement.

Council Member Stauner suggested postponing action on the item and requested the opportunity to meet with the hockey association in a work session environment to discuss the advertising agreement. He noted the last time the arrangement was attempted there were relatively little sales.

Council Member Elder supported meeting with the hockey group but expressed confidence in the endeavor as the hockey association board contains new membership with new energy and enthusiasm.

City Manager McDonald stated members of the hockey association board will be invited to the November 21 work session.

MOTION
Item 6.4

Motion was made by Council Member Stauner, seconded by Council Member Elder, **to postpone action on the advertising agreement to allow a meeting between the City Council and hockey association.** All present voted in favor. Motion carried.

IMP. PROJECT 893
Item 8.1

Mayor Hemken introduced for discussion Item 8.1, Motion authorizing city staff with the assistance of the city attorney to prepare a purchase agreement for 4300 Xylon Avenue North (Kmart property), project no. 893.

Mr. Curtis Jacobsen, director of community development, stated staff requests the Council approve a motion authorizing staff to prepare a purchase agreement for the Kmart property with the assistance of the city attorney's office.

Mr. Jacobsen stated on September 26 the Council formally received the appraisal that was completed for 4300 Xylon (Kmart) and 4200 Xylon (Wells Fargo) properties. He stated at that time Council authorized staff to begin negotiations with the owner of the Kmart property for possible acquisition.

He reported that staff and a sub-committee of the Council have met with the property owner's representative, Jim Goldsmith, of Gator Investments, and subsequently, staff has had a number of phone calls with Mr. Goldsmith.

Mr. Jacobsen stated on November 7 staff and Mr. Goldsmith reached a tentative agreement on a purchase price of \$4.5 million (which is \$400,000 less than the appraised value). He stated there are a number of requirements and stipulations to this price. He explained two requirements of the current offer by Gator Investments are: 1) the transaction be completed under Section 1033 of the IRS code (friendly threat of condemnation); and 2) the transaction be completed by the end of the year (Gator realizes this may be difficult due to the short timeline).

Mr. Jacobsen commented on the lease arrangement with Kmart. He explained there have been two amendments to the original lease with the second amendment allowing for 12 additional five-year options (after the end of the current option) at the same lease rate and terms. He stated the current lease rate equates to \$2.77 per square foot. He stated Kmart's current lease option expires June 30, 2012, and Kmart must notify Gator Investments by December 30, 2011, of their intentions to exercise the next option.

Mr. Jacobsen stated staff has considered the lease agreement and proposes the following conditions on the purchase: 1) Kmart not exercise its current options; and 2) Gator be responsible for any and all relocation expenses at the ultimate move out date which would be January 30, 2013, under the current option. Mr. Jacobsen indicated upon receipt of a purchase agreement from the city, Mr. Goldsmith will present the proposal to his board. He stated funding for the property acquisition is available with existing TIF and/or EDA funds. Mr. Jacobsen advised Council of the potential need for a special council meeting prior to year-end.

Council Member Stauner questioned the value of placing the stipulation that Kmart not exercise its current lease options as he would prefer obtaining lease revenue opposed to a vacant property. He noted it may take up to five years for a redevelopment project to materialize.

Mr. Jacobsen indicated if Kmart does not exercise the options, the city still has time to negotiate rental terms.

Mr. Steve Sondrall, city attorney, pointed out that a vacant property may be easier to deal with than being a landlord. He acknowledged the need to meet with Kmart representatives simultaneously with Gator Investments in order to proceed with the purchase. He noted the December 31 timeline is extremely ambitious.

Discussion ensued among the city council regarding the potential sale, responsible party for relocation expenses, and possible lease arrangement with Kmart. Council expressed support for a year-to-year lease with Kmart. Mr. Sondrall indicated a purchase agreement would be presented to the

Council for review prior to submittal to Mr. Goldsmith. He noted one of Gator's conditions of friendly condemnation gives them additional time to invest the proceeds.

MOTION
Item 8.1

Motion was made by Council Member Elder, seconded by Council Member Stauner, **authorizing city staff with the assistance of the city attorney to prepare a purchase agreement for 4300 Xylon Avenue North (Kmart property), project no. 893, subject to review by the city council.** All present voted in favor. Motion carried.

BUILDING BLOCKS
FOR SUSTAINABLE
COMMUNITY
Item 8.2

Mayor Hemken introduced for discussion Item 8.2, Resolution supporting grant application to Building Blocks for Sustainable Community Program for potential placemaking technical assistance and exercise for the City Center area.

Mr. Curtis Jacobsen, director of community development, stated the Building Blocks for Sustainable Community Program is a grant program providing technical assistance that will help the city obtain greater community participation with planning for the City Center redevelopment. He noted it is a nation-wide grant and greater competition for the grant dollars. He stated a resolution supporting the grant application is needed at this time.

Council commended staff for pursuing grant funds.

RESOLUTION 2011-160
Item 8.2

Council Member Lammle introduced the following resolution and moved its adoption: **"RESOLUTION SUPPORTING GRANT APPLICATION TO BUILDING BLOCKS FOR SUSTAINABLE COMMUNITY PROGRAM FOR POTENTIAL PLACEMAKING TECHNICAL ASSISTANCE AND EXERCISE FOR THE CITY CENTER AREA."** The motion for the adoption of the foregoing resolution was seconded by Council Member Hoffe, and upon vote being taken thereon, the following voted in favor thereof: Hemken, Elder, Hoffe, Lammle, Stauner; and the following voted against the same: None; Abstained: None; Absent: None, whereupon the resolution was declared duly passed and adopted, signed by the mayor which was attested to by the city clerk.

OUTSTANDING
BUSINESS
Item 8.3

Mayor Hemken introduced for discussion Item 8.3, Discussion regarding the recipient of the Fall 2011 New Hope Outstanding Business award.

Mr. Curtis Jacobsen, director of community development, stated the purpose of the Outstanding Business Award is to recognize the contributions of New Hope businesses to the community and to encourage other businesses to rise to the excellence achieved by recipients. He provided a background of each of the nominations:

- Rapid Refill, 4212 Winnetka Avenue North
- Peppertree Hair Salon, 2717 Winnetka Avenue North
- Kapala Glodek Malone Funeral Home, 7800 Bass Lake Road
- Woodbridge Management, 5700 Boone Avenue North
- Emergency Foodshelf Network, 8501 54th Avenue North

- Robinson Rubber, 4600 Quebec Avenue North (carry over from summer)

Mr. Jacobsen reviewed past award recipients and asked Council to select the Fall 2011 award recipient. He stated staff believes the nominated businesses are a great example of the strength and vitality of the New Hope business community and all are deserving of the award. He stated the selected business will be invited to attend the November 28 Council Meeting to accept the award.

Council concurred that all the nominated businesses are worthy of the award. Council unanimously agreed to award the Fall Outstanding Business Award to Emergency Foodshelf Network based on their work with both PRISM and NEAR foodshelves, offering employment opportunities, providing food to those in need, and partnering with the city for the "Hope Grows" community garden.

MOTION
Item 8.3

Motion was made by Council Member Stauner, seconded by Council Member Elder, **to select Emergency Foodshelf network as the recipient of the Fall 2011 New Hope Outstanding Business award.** All present voted in favor. Motion carried.

SPECIAL
ASSESSMENTS
Item 10.1

Mayor Hemken introduced for discussion Item 10.1, Ordinance No. 2011-05, An ordinance amending New Hope code section 1-6 establishing a deferral program for special assessments.

Mr. Kirk McDonald, city manager, reviewed the proposed ordinance amendment to code section 1-6 to include special assessment deferral for members of the Minnesota National Guard who are called into active duty.

Council Member Stauner questioned the condition regarding Net Income and whether the two person household size is adequate for a military family.

Mr. Steve Sondrall, city attorney, recommended postponing action on the ordinance amendment until he can research the net income issue.

MOTION
Item 10.1

Motion was made by Council Member Stauner, seconded by Council Member Elder, **to postpone discussion to a future council meeting.** All present voted in favor. Motion carried.

REGULATING WEED
ELIMINATION
Item 10.2

Mayor Hemken introduced for discussion Item 10.2, Ordinance No. 2011-07, An ordinance amending New Hope code section 9-70 regulating weed elimination to include uncut grass.

Mr. Kirk McDonald, city manager, stated the ordinance amendment clarifies that the weed elimination section of the code includes tall grass.

Council Member Stauner spoke regarding prairie grass becoming more prevalent and recommended that both the Citizens Advisory Commission and

Planning Commission be asked to review the city code and make suggestions for revisions. Council agreed to postpone action on an ordinance amendment until after the commissions have an opportunity to provide input.

**MOTION
Item 10.2**

Motion was made by Council Member Stauner, seconded by Council Member Elder, **to refer city code section 9-70 to the Citizens Advisory Commission and Planning Commission for review.** All present voted in favor. Motion carried.

**CANCEL REGULAR
COUNCIL MEETING
Item 10.3**

Mayor Hemken introduced for discussion Item 10.3, Resolution cancelling regular council meeting scheduled for December 27, 2011.

Mr. Kirk McDonald, city manager, stated past practice has been to cancel the second council meeting in December if there are no pressing matters requiring council action. He noted as the possibility of not having a quorum for the December 27 meeting.

Mr. McDonald reminded Council of the December 5 budget public hearing and the December 19 work session. He also commented that a special meeting may be necessary depending on the proceedings for the potential acquisition of the Kmart property at 4300 Xylon Avenue North.

**RESOLUTION 2011-161
Item 10.3**

Council Member Elder introduced the following resolution and moved its adoption: **"RESOLUTION CANCELLING REGULAR COUNCIL MEETING SCHEDULED FOR DECEMBER 27, 2011."** The motion for the adoption of the foregoing resolution was seconded by Council Member Hoffe, and upon vote being taken thereon, the following voted in favor thereof: Hemken, Elder, Hoffe, Lammler, Stauner; and the following voted against the same: None; Abstained: None; Absent: None; whereupon the resolution was declared duly passed and adopted, signed by the mayor which was attested to by the city clerk.

**ICE RESURFACER
Item 10.4**

Mayor Hemken introduced for discussion Item 10.4, Resolution awarding a contract to Zamboni Company for a 2011 electric ice resurfacer for \$107,390.95.

Ms. Susan Rader, director of parks and recreation, stated staff requests the Council approve a resolution awarding a contract to Zamboni Company for a 2011 electric ice resurfacer for the bid price of \$107,390.95. She stated the price is without batteries; it includes sales tax as well as a trade-in value of \$12,500 for the 1996 Zamboni. She reported the new ice resurfacer will be delivered in approximately 4-5 months. She stated funding is available in the Central Garage Replacement Fund.

Ms. Rader stated in September Council authorized the purchase of two new batteries for the current ice resurfacer for \$8,688 with the understanding that they would be transferred to the new machine.

Council Member Elder inquired whether any attempts had been made to sell the 1996 ice resurfacer outright rather than a trade-in. Ms. Rader stated it was

not advertised as an outright sale.

RESOLUTION 2011-162
Item 10.4

Council Member Stauner introduced the following resolution and moved its adoption: **“RESOLUTION AWARDING A CONTRACT TO ZAMBONI COMPANY FOR A 2011 ELECTRIC ICE RESURFACER FOR \$107,390.95.”** The motion for the adoption of the foregoing resolution was seconded by Council Member Elder, and upon vote being taken thereon, the following voted in favor thereof: Hemken, Elder, Hoffe, Lammle, Stauner; and the following voted against the same: None; Abstained: None; Absent: None; whereupon the resolution was declared duly passed and adopted, signed by the mayor which was attested to by the city clerk.

EXCHANGE OF
COMMUNICATION
Item 12.1

Mayor Hemken introduced for discussion Item 12.1, Exchange of communication between members of the City Council.

Mayor Hemken

- Announced that Council held commission interviews prior to the council meeting. Motion was made by Council Member Elder, seconded by Council Member Stauner, **to approve the following appointments:**
 - Dee Otto to Human Rights Commission
 - Brian Culver to Citizen Advisory Commission and Alternate Representative of Bassett Creek Watershed
 - Christopher McKenzie to Planning Commission
 - Bill Wills as Alternate Representative of Shingle Creek Watershed
 - Wayne Detzler to Human Rights Commission
 - Susan Beaubaire to Human Rights CommissionAll present voted in favor. Motion carried.

• Reported upcoming events:

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| Nov. 16 | • Property Managers meeting – 10 am city hall |
| | • Bassett Creek Watershed – 11:30 am |
| | • Business Networking – 2 pm Frankie’s Pizza |
| Nov. 17 | • Twin West Business Council – 7:30 am LDI |
| | • NW Cable Commission – 7:30 am |
| Nov. 21 | • Council work session – 6:30 pm |
| Nov. 24-25 | • Thanksgiving Holiday – offices closed |
| Nov. 28 | • Youth Hockey Assn. meeting – 8 am |
| | • Council meeting – 7 pm |
| Nov. 30 | • Mayor’s Prayer Breakfast wrap up meeting – 7:30 am |
| | • Joint Crystal/New Hope City Council Strategic Planning Session regarding West Metro Fire-Rescue District – 6:30 pm |
| Dec. 5 | • Council public hearing on 2012 budget – 7 pm |

City Manager McDonald

- Informed the Council that interviews with applicants interested in the citizen representative position on the West Metro Fire-Rescue Board will be scheduled in December.

ADJOURNMENT

Motion was made by Council Member Lammle, seconded by Council Member Elder, **to adjourn the meeting as there was no further business to come before the Council**. All present voted in favor. Motion carried. The New Hope City Council adjourned at 8:10 p.m.

Respectfully submitted,

A handwritten signature in cursive script that reads "Valerie Leone".

Valerie Leone, City Clerk