

Meeting of: COLUMBIA HEIGHTS CITY COUNCIL  
Date of Meeting: December 2, 2019  
Time of Meeting: 7 pm  
Location of Meeting: Conference Room #1  
Purpose of Meeting: Work Session

CALL TO ORDER/ROLL CALL - The meeting was called to order at 7 pm

Present: Mayor Schmitt, Councilmembers Murzyn Jr, Novitsky, Williams, and Buesgens

Also present: Kelli Bourgeois-City Manager, Kevin Hansen-Public Works Director, Aaron Chirpich-Community Development Director, Joe Kloiber-Finance Director, Lenny Austin-Police Chief, Erik Johnston-Police Captain, Aleksandr Chernin-IS Director, and Shelley Hanson-Administrative Asst.

1. Towing, Impounding, and Storage of Motor Vehicles Contract Discussion

Schmitt stated that two of the councilmembers are not allowed to comment or vote on this item as it would be a conflict of interest.

Chief Austin told members that Captain Johnston did a lot of research before sending out the RFP's for towing services and once the bids were obtained, did a good job scrutinizing whether all the criteria was met prior to making a recommendation. Johnston explained that the last time the Police went out for proposals for a towing agreement was in 2012, so this fall the Police Dept. initiated a RFP for tow vendors. A copy of the RFP was given to the Council. Five vendors submitted proposals by the required deadline. He then reviewed a summary of the proposals.

Two companies did not meet the minimum requirements, which left three to consider. Statewide met most of the criteria but he felt had some security and lighting issues. Schmitt and Citywide had strong proposals, both had video surveillance and an electronic booking process which speeds up the processing for police, and both were within the 7 mile radius of Columbia Heights. Johnston said because Schmitt offers better hours (including more weekend hours) for pick-up of vehicles and they are closer to Columbia Heights, he is recommending the new contract be awarded to Schmitt towing.

Questions/comments:

Murzyn and Schmitt said they are ok with this if staff is. And Buesgens had no questions or comments. Bourgeois thanked staff for the thorough job they did on this matter. This will go to the City Council at the December 9, 2019 meeting.

2. Animal Ordinance Discussion

Johnston explained that staff from several depts. met to discuss our current animal ordinance. This was prompted by residents inquiring about the number of allowed animals per household. During the last update to the City Code, the limit on the number of dogs and cats was removed. As a result of the meeting, staff is recommending the ordinance be changed to remove the licensing requirement, and instead require that animals have proof of vaccination and that owner information is provided on a collar.

In addition, staff is recommending a limit on the number of dogs to three (3) and cats to three (3), or a combined number of animals to five (5) in a residence. Finally, the police dept. is making a recommendation to adopt the provisions of MN State Statutes as it relates to the handling of dangerous dogs, and to impose requirements for potentially dangerous dogs as well. A copy of the changed ordinance was given to the members to review.

Questions/comments:

Buesgens asked if someone now has 4 dogs, do they have to get rid of it. Austin said that would be determined on a case by case basis. He said the Police would make every attempt to work with the owner and give them a reasonable time to come into compliance, however, there would not be exemptions or grandfathering for additional pets. He said this is mostly enforced on a complaint basis and noted that a new litter or animals under 6 months old do not count toward the total number. Johnston was asked if there was language about animals running at large. He said it is addressed under section 8.102. A member wanted to know who we contract with now for animal pick up. Austin told members we go through Pet Central located near Central and Lowry Ave in NE Mpls.

This ordinance change will go before the City Council at the December 9<sup>th</sup> meeting for the first reading.

3. Jackson Street Rental Discussion:

Austin wanted to notify the council members about a concern he has regarding a tenant at 5049 Jackson St. The resident is a "hard to place" individual who requires full time caregivers who live on site with him. The services provided to this person originate from Scott County. Austin stated that during 2018, police, fire, and EMT's responded to 95 calls and in 2019, they have responded to almost 100 so far. Many of them (est 8 out of 10) are not true emergencies and should be handled by the caregivers hired to help the individual. Austin explained that on a couple of occasions this person has gone out and laid down the middle of 51<sup>st</sup> Ave and on Central Ave, and was even struck by a vehicle in one of the cases. Austin said the dept has had discussions with the care team and that they have started charging them for nuisance calls. Thus far the company is paying them. This has only been done for the past three weeks and before he brings a recommendation for revocation, he wants to see if the number of calls go down. If not, he will bring this back to the Council in February.

The councilmembers were all concerned about the waste of resources and cost to the taxpayers for this large number of calls. And they have concerns about him living too close to a highway and too close to schools where children could be witnesses to this dangerous behavior. Austin said they can't disclose everything due to privacy concerns, but it is a very unique case.

4. Tyler Place Rental License Options

Austin informed the members that one of the buildings on Tyler Place has had several issues stemming from drug violations and the owner's failure to comply. It seems one of the residents at this building, who is the nephew of the owner, is attracting unsavory characters to the site who have been involved in drug charges or domestic issues. He personally has not been charged, but people he associates with have been. The owner was told to evict him, which she didn't, so she was cited. The problem is he could be considered as a borderline vulnerable adult and has no place to go. And the fact he is a relative, complicates matters. Austin said he is recommending a provisional 6 month license for the current owner which would also transfer to the next owner, since she has listed both buildings for sale. He said these provisional licenses have worked in the past and as part of the provisional status, the owner must meet once a month with the Police. He said he will bring this to the council in January.

Questions/comments:

Buesgens asked if there was a way we could connect him with social services so he can get the help he needs. Johnston said the Police would do whatever they could to give him the proper referrals.

5A. Reuter Walton and SACA Discussion

Representatives (Paul Kennan and Kyle Brassier) from Reuter Walton Development were in attendance to express their interest in constructing an apartment building on the parcel behind the public safety building. The property is approximately 1.75 acres in size, and has the potential to support a variety of residential development types. Staff believes a medium to high density apartment development is the best use for the site, as multi-family development has the potential to maximize tax base growth when compared to lower density housing options. Their plan includes a 4 story building with 130 units of income restricted affordable housing targeted at families with household incomes at or below 60% of the area median income. There would be a mix of underground and surface parking.

Chirpich explained that if the City is interested, Reuter Walton will likely require financial assistance from the City in the form of a land donation. An appraisal of the property done in 2018 indicated a value of \$695,000. If the land was donated, the project would not require tax increment financing, and therefore would generate immediate tax revenue for the City. Chirpich stated that approximately \$90,000 of annual tax revenue would be generated if this proposal moves forward.

Questions/comments:

Buesgens asked how long the company had been building in the metro area. Brassier said since the 1970's. They have done about 30 projects throughout the metro with the most recent ones by Union Depot, in the Uptown area, and on 13<sup>th</sup> and Marshall. He said this site is an inferior site to the 40<sup>th</sup> and Central Ave site they were first interested in. He said they feel its best use is for affordable housing. They are interested in this site because it is in an opportunity zone and they know the requirements they must meet, and that they already have an investor on board for this project.

Schmitt asked whether the underground parking would be optional. Brassier said the surface parking would be free but the underground parking would be \$50/month. Schmitt and Novitsky both felt there isn't enough free parking on site. The recent developments have had issues with this also. People who qualify for affordable housing don't want/or can't pay extra for parking, so they park on neighboring streets or wherever they can to avoid paying an extra fee. Brassier noted that they can't include it as part of the rent structure as it's not allowed for the financing they would receive. Schmitt was concerned that residents from the neighboring townhomes would also try to use the outside lot, especially in the winter when no street parking is allowed.

Murzyn questioned what they would do for snow removal as there isn't much room on the site to put it. He also noted that the alley they propose to use for access to the building was not designed for that much traffic. It would not accommodate two lanes of traffic for ingress and egress at the same time.

Buesgens stated she is not against more affordable housing in the City, but she is sick of subsidy requests such as TIF Financing or land donations in order to make a project work for the developer. Schmitt asked what the cost to the city was if TIF was given versus donating the land for the project. Chirpich said it is probably less to donate the land than grant TIF financing and it would generate tax dollars right away.

Schmitt stated affordable housing wasn't her top priority right now. In the recent Comp Plan we have almost met the number of affordable housing units we need, and we should be focusing on more market rate housing.

Murzyn and Buesgens were not open to donating the land at this time. Novitsky and Schmitt were against the plan based on not enough parking. Bourgeois said it is a viable proposal, but reminded the council it is their decision and they are not forced to do any subsidies if they don't feel it is the right project for the site.

Brasser asked if they would be interested in market rate. He said this would still require a subsidy, and TIF would not be an option since this is not a redevelopment site, so it wasn't designated as such. The only way it could possibly be designated as a TIF District is for an affordable housing project. There was a discussion about options for tax credits, some of which are hard to get, but could be used to build a smaller building with more income qualifying options.

Bourgeois asked if they would consider downsizing the building, lowering the number of stories to make it fit better, and possibly sharing the site with a commercial building. Brasser said he would wait for feedback from staff and they could possibly work up an alternative proposal based on that information.

#### 5B. SACA

Bourgeois told members that staff recently met with officers from SACA regarding their need to move to a larger facility which is better located. One of the sites they are interested in is this same piece of land behind the public safety building. She explained that the City owns the land the current building sits on, but SACA owns the building itself. They have a lease till 2029. The City is possibly interested in obtaining the building for expansion of public works. There are three options to consider during the next 5-10 years:

1. Continue with a new lease
2. They buy our land and stay in existing location, or
3. They relocate and we buy their building.

There was a discussion about the proposal made earlier and if the two projects would fit on the site. Bourgeois wanted to know how the council felt about further talks with SACA.

Buesgens thought an affordable low density use combined with SACA made perfect sense, and was a good use of the site. She was asked if the apartments don't happen is it still a good place for SACA? She thought it would be a good site for SACA and wants to see them stay in the City.

Schmitt said if SACA relocates to that site that no taxes will be generated from them. She'd rather see a combination use there or the apartments so it generates some tax dollars. She reminded members that the boxing ring will also be looking for a place to relocate to. And all these entities will be looking for subsidies.

It was noted that SACA would require access for box trucks and small semi's several times a week. Again, the alley would need to be widened and reconstructed in order to accommodate the traffic.

Chirpich summarized the consensus from the discussion:

The Council wants to keep SACA and is willing to work with them on a long range plan.  
The Council is open to integrating SACA relocating with a smaller apartment building.  
The Council may be willing to sell the land at a reduced rate, but not donate it entirely.

6. City Hall Floor Plan.

Hansen explained that Alatus will construct the building shell (exterior walls) for a new City Hall as part of their project, however the City will need to build out the interior space. To help facilitate this, the City hired Leo A Daly (LAD) for architectural services including the concept, schematic, preliminary and final design, bidding and construction administration services.

Hansen reviewed the layout plan for the interior space of the new building. The layout needed to be done according to the placement of the concrete columns necessary for the overall building structure. He pointed out some of the features that will be included in the 20,000 square foot space.

Bourgeois said the next step is to present the plan to the entire staff to get input from them that may be useful moving forward.

7. Budget Overview

Kloiber said the Resolution to adopt the 2020 Budget will go to the Council at the December 9<sup>th</sup> meeting. He asked whether the Council wanted to include the \$20,000 that was earmarked from the Cable fund to hire a company that would perform a survey of residents. Kloiber stated it would not affect the city's levy if it is removed. As expected, the average increase on residents estimated tax statements averaged between 8.5-9%. The consensus was not to include the amount. Bourgeois said there are several ways this information can be obtained by staff.

Questions/comments.

Bourgeois was asked about whether negotiations have started for renewal of the Comcast franchise for 2021. She told members that they haven't started negotiations yet, but they have met with North Metro and CS TV, both of which are trying to work out an agreement with us.

Hansen was asked when Public Works would be working on their space needs study. Hansen said it will get started after the first of the year and should be complete by March or April. There has never been one done for the office area or the equipment/outside area needs.

There was a brief discussion regarding the need to replace the Fire Dept. Suburban Truck within the next year. It is in need of major repair and not worth putting more into it at this point.

8. Security Study Recommendation

Kloiber told members that the IS Dept is recommending a substantial investment that will be brought to the Council at the December 9<sup>th</sup> meeting. Staff will be looking at the Council to award a contract to a vendor chosen through the bidding process to perform a cyber security assessment of our network. Chernin explained that they will be looking at three areas:

1. Software updates/backups/training of staff-which he thinks we do pretty well.
2. PCI compliance-daily event logs-he knows this needs improvement. We don't do a thorough analysis of this. It is necessary as it finds intrusions into our system and stops them. The assessment should provide us with the amount of risk we have and how to mitigate it.
3. We need to determine how much information people can get if our system is ever hacked.

Chernin told members that the company would look at these areas and assess risks and judge against national security standards and then make recommendations on changes we can make. It would provide a report on risk versus economic costs to deal with the findings.

9. Joint City Council and School Board Meeting Reminder

This is scheduled for Thursday December 5 at the Library at 7 pm. Bourgeois passed out an agenda.

10. Mayor Attendance at White House Conference with Women Municipal Leaders-Dec 12<sup>th</sup>

Mayor Schmitt was invited to attend a White House Conference for female elected officials to meet with staff during the afternoon and then attend a reception in the early evening. She plans to fly to Washington D.C. in the morning and back again that night. This is the second year they have held this event and the City Council will have to approve it at the December 9<sup>th</sup> meeting.

The meeting was adjourned at 9:45 PM

Respectively Submitted,

  
Shelley Hanson-Administrative Assistant