

**MINUTES OF THE WORKSHOP MEETING  
CITY COUNCIL  
LITTLE CANADA, MINNESOTA**

**JUNE 6, 2018**

Pursuant to due call and notice thereof a workshop meeting of the City Council of Little Canada, Minnesota was convened on the 6<sup>th</sup> day of June, 2018 in the Conference Room of the City Center located at 515 Little Canada Road in said City.

Mayor John Keis called the meeting to order at 6:00 p.m. and the following members of the City Council were present at roll call:

CITY COUNCIL:	Mayor	Mr. John Keis
	Council Member	Mr. Tom Fischer
	Council Member	Mr. Rick Montour
	Council Member	Mr. Mike McGraw

ABSENT:	Council Member	Mr. Christian Torkelson (arrived at 6:46 p.m.)
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ALSO PRESENT:	City Administrator	Mr. Joel Hanson
	Finance Director	Ms. Sharon Provos
	Assoc. Planner/Code Enf.	Ms. Jessica Jagoe
	City Clerk	Ms. Heidi Heller
	Parks & Rec/Comm. Serv.	Mr. Bryce Shearen
	Avison Young	Mr. Bruce Bahneman
	Standard Commercial	Mr. Harrison Wagenseil
	St. Paul Port Authority	Mr. Peter Klein

**REVIEW  
ECONOMIC  
DEVELOPMENT &  
HOUSING  
REHABILITATION  
LOAN PROGRAM**

Mayor Keis stated that the purpose of this evening's workshop is to discuss economic development and a housing rehabilitation loan program.

The City Administrator explained that the Suite Living Little Canada project has applied for a financing program administered by the St. Paul Port Authority for energy savings, and in order for them to be approved, the City would need to enter into a joint powers agreement and agree to place an assessment on the property.

Peter Klein, St. Paul Port Authority, explained that they manage two energy saving finance programs that help businesses statewide – Trillion BTU and MinnPACE. He stated that both programs help commercial business owners

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make investments that significantly lower their energy usage with a finance option that in most cases is more than covered by the amount saved on utilities.

Mr. Klein reported that Suite Living Little Canada has applied for the MinnPACE (Property Assessed Clean Energy) Program. He explained that the St. Paul Port Authority would enter into a joint powers agreement with the local government entity and the building owner decides on projects to reduce energy. He stated that there is no risk to the City. He noted that the mortgage holders must also agree to this since it is a primary lien. Mr. Klein stated that senior housing properties are a newer niche that is now being funded with the PACE program. Suite Living would be funded by the private sector in this case. This project would be a win for everyone involved and Suite Living would install more efficient equipment. Mr. Klein noted that Premier Bank will be the mortgage holder for this project and they have signed off on several of these PACE projects. He explained that an assessment would be certified to the property for no more than 20 years. If the Council is supportive, the Port Authority would send a letter to the City asking for Council approval of the assessment to be placed on the property. The joint powers agreement is simply an agreement with the City to have the Port Authority administer the PACE program. Mr. Klein stated that Suite Living's project would cost \$1,125,000 with a 20-year payback at a fixed interest rate around seven percent. There was Council consensus to approve the joint powers agreement and assessment request when the documents are approved.

Mr. Bruce Bahneman, Avison Young, stated that he has met with Uldis Erdmanis, owner of Buck Blacktop, who is looking to sell his property at 32 South Owasso Boulevard. He explained that he spoke to the City Planner and was told that the property is currently zoned I-P, Industrial Park, which does not allow much outdoor storage. He noted that outdoor storage is very important to most industrial businesses.

Mr. Harrison Wagenseil, a broker with Standard Commercial, stated that he is representing an industrial property in White Bear Township, and got a call from the On-Site Sanitation owner who is still looking for land because they need more space. He noted that the On-Site owner indicated they would comply with the City's zoning and want to build a new 30,000 square foot building. Mr. Bahneman stated that On-Site would need outdoor storage, which means the property would have to be rezoned to I-1, Light Industrial. He stated that he is here tonight to ask the Council for feedback about this user and would they considered rezoning this property.

McGraw stated that he is not sure what kind of screening that would be acceptable and protect surrounding properties, but is still affordable to On-Site.

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Mr. Wagenseil stated that he and Mr. Bahneman are trying to determine if this is worth putting a proposal together to present to Mr. Erdmanis.

McGraw stated that if the property were purchased by On-Site, he would want them to construct the building and the screening right away. The City Administrator noted that the last time the Council was dealing with On-Site and putting conditions on construction, the City owned the properties and had control. He stated that a letter of credit could be required from On-Site so they will follow through with construction. Montour suggested rezoning it to PUD instead of I-1 so the City can have control over a minimum building size.

There was Council consensus to consider the proposal but noted it will be highly conditional. Mr. Bahneman asked what screening would be acceptable. The Council wants complete screening from the street and for the adjacent east and west properties, far enough off the street to screen the neighbors.

The City Administrator reported that the dental office owner called him again and offered \$100,000 for the property next to Culvers. There was Council consensus not to accept that offer.

The City Administrator reported that developer Mark Sullivan supposedly had control of the PreWire property and was working to assemble others, but recently let him know that it was too much work for too little return. The City Administrator noted that this area is going to continue as is until all the properties are assembled. He suggested that maybe this is an opportunity for the Council to buy and hold some parcels.

**HOUSING  
REHABILITATION  
LOAN PROGRAM**

The City Administrator stated that the Center for Energy & Environment is good, but probably not viable for the rehab program that we want since they do not do the inspections piece, but it is worth partnering with them for their energy program. He explained that staff met with NeighborWorks, and they are probably the best option. He noted that if the Council is interested, the NeighborWorks staff could come in and meet with the Council at a workshop to determine the parameters of the program. They are part of a national consortium who works to provide affordable housing. He stated that staff also met with the City of St. Paul, but he is concerned that they do not have experience in some of the areas that we might want, such as mobile homes. He noted that NeighborWorks will design a custom program, and other cities in the area have chosen to use them.

There was Council consensus to bring NeighborWorks in to discuss a new housing rehabilitation loan program.

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There being no further business, the workshop was adjourned at 7:29 p.m.

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John T. Keis, Mayor

Attest: \_\_\_\_\_  
Joel Hanson, City Administrator