

**City of North Saint Paul
November 10, 2020
Adopted Special City Council Meeting Minutes**

I. CALL TO ORDER

Mayor Furlong called the meeting to order at 5:00 p.m.

II. ROLL CALL

Present: Council Member Thorsen
Council Member Petersen
Council Member Walczak
Council Member Sonnek
Mayor Furlong

Staff: City Manager Scott Duddeck, Planning Secretary Olivia Boerschinger, Deputy Clerk Jennie Kloos.

III. ADOPT AGENDA

On motion by Council Member Walczak, seconded by Council Member Sonnek, with all present voting aye (5-0), motion carried to approve the agenda as submitted.

IV. PRESENTATIONS

There were no presentations.

V. APPROVAL OF CONSENT AGENDA

On motion by Council Member Walczak, seconded by Council Member Sonnek, with all present voting aye (5-0), motion carried to approve the consent agenda, Resolution No. 2020-129 consisting of:

A. Approving Policies and Procedures for Federal Award Administration

VI. CITY BUSINESS ACTION ITEMS & RECOMMENDATIONS

A. Business Grant Approval

Mr. Duddeck reviewed a list of 55 local businesses that submitted grant funding applications for CARES funding. He added the list of businesses includes their requested grant amount. He noted 53 of the 55 grants were approved; of the two businesses that were not approved, one business is no longer located in North St. Paul, and the other business has only been in North St. Paul since June 2020. He noted CARES funding requires that applicants must have been in business within the City by March 2020.

Mr. Duddeck stated the City was originally allocated \$916,000 in CARES funding. He added City Staff recommends approval of CARES funding grants for 53 local businesses for a total of

\$505,178. He added a Resolution is also required to re-allocate the remaining funding to the Public Safety fund.

Council Member Walczak requested clarification regarding North St. Paul Dental. Mr. Duddeck stated that is a dentist office located by the Target shops.

Council Member Walczak requested clarification regarding Weber Investment Corporation and Weber Consulting Associates. Mr. Duddeck stated Weber Consulting is Weber Construction, which was owned by Tom Weber before he passed away, and is now run by his son Steve Weber. He added Weber Investment is a real estate business run by Jerry Weber. He noted City Staff has received documentation verifying their qualifications.

Council Member Walczak requested clarification regarding Twin Cities Adult Day Care, which was one of the applicants. Mr. Duddeck stated that is the adult day care in Polar Plaza.

Mr. Duddeck stated the committee was very affected by the stories of the businesses who are suffering economically due to Covid-19. He added there is definitely a need for this funding within the community.

Mayor Furlong stated each applicant was vetted to ensure that all qualifications were met for auditing purposes.

Council Member Sonnek requested clarification regarding the two applicants that were denied. Mr. Duddeck stated one of the 55 businesses moved out of North St. Paul in June 2020, and another business opened in June 2020. He added businesses who receive funding will need to have been in business in North St. Paul since March 2020.

Mayor Furlong thanked the Committee members for their help and support during this process. He added the Committee members were Mary Jo Tepe, Maddie from Old National Bank, Olivia Boerschinger from the Planning Department, Kyle from Finance, Council Member Thorsen, Robert Dew, and Mayor Furlong.

Mr. Duddeck expressed his appreciation of the hard work of City Staff in providing assistance to businesses with submitting their documentation.

Mr. Duddeck stated City Staff will forward an email tonight to all the businesses, and a signed agreement will be required from each business to be submitted to City Hall by Friday November 13, 2020. He added checks will then be available to be picked up or mailed by Friday.

Mayor Furlong thanked the Economic Development Authority (EDA), the Business Association and Council Member Thorsen for their assistance with this effort. He added he is glad that this funding can be offered to the 53 businesses, and that it will help them stay in business.

Council Member Thorsen stated the Committee reviewed each applicant and read their narrative on how the pandemic has affected their business. He added due diligence went into every application. He added the two applications that were not approved did not meet CARES funding-related restrictions. He noted the dollar amounts are different as applicants were given the opportunity to request an amount up to \$10,000.

Council Member Thorsen stated he would like to apologize for not pushing this along earlier, as it is now down to the last minute, and there was a short window for advertising the funding. He added he hopes the funding will provide much-needed support for local businesses. He expressed his appreciation for City Attorney Soren Mattick, who was involved in the Committee meetings and provided insight and guidance.

Council Member Thorsen asked whether applicants will be able to pick up their check, or if it will be mailed.

Mr. Duddeck stated Ms. Boerschinger will send out a detailed email this evening, as this is an urgent issue and award agreements must be signed and returned to City Staff by Friday November 13, 2020. He added checks will be ready by Friday.

Council Member Walczak stated she is glad that the City is able to offer this support for local businesses.

Council Member Petersen stated this funding is a wonderful thing, and will hopefully help businesses to survive, which is a win-win situation.

On motion by Council Member Thorsen, seconded by Council Member Walczak, with all present voting aye (5-0), motion carried to adopt Resolution No. 2020-131 Approving Disbursement of CARES Act Funds to be Awarded To Covid-19 Emergency Relief Grant Recipients.

On motion by Council Member Petersen, seconded by Council Member Sonnek, with all present voting aye (5-0), motion carried to adopt Resolution No. 2020-132 Approving Allocation of Cares Act Funding.

Council Member Walczak asked why “The Donut Family” was highlighted. Mayor Furlong stated that was highlighted on the spreadsheet, but not in the Resolution.

B. Amendment to Purchase Agreement for Anchor View Apartments

Mr. Duddeck stated the Anchor View Apartments development close date was anticipated to be November 1, 2020 but has been delayed due to financing and appraisals. He added the close date is proposed to be adjusted to on or before December 17, 2020. He noted the developer plans to begin construction upon closing.

Mr. Duddeck stated City Staff recommends City Approval of the amended close date for the Anchor View Apartments development.

On motion by Council Member Thorsen, seconded by Council Member Walczak, with all present voting aye (5-0), motion carried to adopt Resolution No. 2020-133 Approving First Amendment to a Contract for Private Development.

C. Covid-19 – New Restrictions and Park Rentals

Mr. Duddeck stated new restrictions will be in place beginning on Friday, November 13, 2020, due to the Governor’s new Order, including limiting social gatherings to 10 people and no

greater than 3 different households. He added City Staff recommends that park shelter reservations and rentals be closed as of Friday November 13, 2020. He noted there have been very few recent reservations, including one that was cancelled recently due to Covid-related issues.

Mr. Duddeck stated park rentals are proposed to be closed until January 1, 2020. He added City Staff is working on a new web-based program for taking reservations and payments. He noted parks will remain open, as well as the restrooms at Casey Lake.

D. 17th & Delaware Development

Mr. Duddeck stated the 17th and Delaware townhomes developer, Bruggeman Builders, has decided not to move forward with the project based on continued review and market conditions. He added the developer is proposing to sell the project to another developer, to recoup some costs. He noted there is no existing agreement with the developer, and only the project itself would transfer to a new developer to complete the project as approved.

Mayor Furlong stated the property was originally designated as an appropriate place for the student-build housing program. He added he still likes the idea of having the property under City ownership and control and supports student-build housing projects at the site.

Mr. Duddeck stated other developers have expressed interest in doing the project differently, with smaller single-level, owner-occupied townhomes.

Council Member Petersen stated the property has potential and would be a good place for the student-build program. She added she does not support letting the builder transfer the project to another builder. She noted, in her opinion, the City owns the land anyway and should keep control of it.

Council Member Walczak stated the property is owned by the City, and the developer has disappointed the City in the past. She added the developer never signed an agreement with the City and should not expect to be able to bargain with the land. She noted she would support another project with a different developer, or student-build homes.

Council Member Thorsen requested clarification regarding the City Council's approval of the sale of the land to Mr. Bruggeman. Mr. Duddeck confirmed that the project was re-approved in August 2020, but the agreement was never completed. He added the agreement was that grading would occur by October 30, 2020 or the project would revert back to the City Council.

Council Member Thorsen asked whether Mr. Bruggeman paid money for the property. Mr. Duddeck stated Mr. Bruggeman did not pay any money or sign any agreements.

Council Member Thorsen stated a lot of staff time and energy has gone into this proposed development. He added he understands the developer would like to recoup some costs, but this is City-owned property. He noted this is an example of why the City should be cautious about getting involved with real estate developments when there is risk involved, and taxpayer dollars are at stake.

Council Member Thorsen stated he would support committing the property to the student-build home program, which would involve a lot split into 5 or 6 lots, to be designated for future home projects for the program. He added he would not support an agreement with another developer. He noted this is a single-family area, and that is what the City should focus on, and designate the land to single-family student-build homes.

Mr. Duddeck stated Mr. Bruggeman wants to sell his engineering studies and plans, including soil testing, to another developer to recoup costs, and wants the City to stand behind the deal and sell the land to the new developer. He added the City Attorney drafted development agreement documents in late fall 2020, but no agreements of any kind were completed between the City and Mr. Bruggeman.

Council Member Sonnek stated the property was re-zoned to R-2, so it is not a single-family zone anymore, but single-family homes could be built there. He added he supports using this property for the student-build home program for years to come. He noted he does not support moving forward with any agreements with Mr. Bruggeman at this point, and although the City could have done a better job with Mr. Bruggeman, there were many instances where he failed to step up to the plate as well.

Council Member Sonnek stated he disagrees with Council Member Thorsen that the City should not pursue potential development because there are risks involved. He added there are also potential benefits, as development creates leverage and opportunities, and allows the City to have greater control in certain situations. He reiterated his support for preserving the property for the student-build home program.

Mr. Duddeck recommended that the property should be considered for the same type of single-level living housing that was developed at 1st and 7th, which is widely sought after, and there are not many such developments in North St. Paul. He added that type of housing could be recommended to the student-build program, and the School District and St. Paul College could come together to work on it. He noted other local developers also have an interest in the property. He stressed the importance of coming up with something that would be well-done, that the neighborhood would support.

On motion by Council Member Walczak, seconded by Council Member Petersen, to cut ties with Bruggeman Builders on the 17th and Delaware project.

Discussion during the motion:

Council Member Thorsen stated he plans to vote nay, as he does not feel comfortable supporting a Resolution that has not been reviewed and vetted by the City Attorney.

Mr. Duddeck stated a vote of the City Council is not necessary as there is no agreement or contract with Mr. Bruggeman.

Council Member Walczak rescinded the motion.

VII. REPORTS OF CITY MANAGER

Mr. Duddeck stated there have been several cases of Covid-19 among City Staff, which has been disruptive and concerning, and has had an impact on City administration. He added there is

concern about how the situation will be handled in terms of staff absences and keeping everybody healthy, while maintaining the City work force. He noted new Orders from the Governor are expected on Thursday, November 12, 2020.

Council Member Walczak asked whether the City will be done with the Cable Commission at the end of 2020. Mr. Duddeck confirmed this, adding a proposal and direct contract agreement with Comcast will be reviewed by the City Council at an upcoming meeting.

Council Member Walczak requested an update on body-worn cameras for the Police Department by the end of 2020.

Mr. Duddeck talked stated a public committee is being assembled to begin the process reviewing this issue, which is a requirement of the Body-Worn Camera program. He added it is hoped that the new committee will be able to meet next week.

Mr. Duddeck stated, with regard to the downtown street project, warmer weather is anticipated later in the week, and hopefully the remaining concrete work will be finished.

Mayor Furlong requested clarification regarding the Thursday, November 12, 2020 Canvass Meeting.

Mr. Duddeck confirmed the Canvass Meeting, stating the canvassing results are anticipated to be received from the County on Thursday morning, at which time the City website and meeting agenda will be updated.

Council Member Walczak asked whether there is anything planned for Veteran's Day, which is tomorrow. Mayor Furlong stated a ceremony is planned at Veteran's Park beginning at 11:00 a.m. He added the ceremony will be quick due to the weather forecast. He noted there is also a lunch for vets at the Legion from 11:00 am. – 2:00 p.m., with a flag dedication ceremony at 12:00 p.m.

VIII. ADJOURNMENT

There being no further business, on motion by Council Member Walczak, seconded by Council Member Sonnek, with all present voting aye (5-0), Mayor Furlong adjourned the meeting at 6:05 p.m.

/s/ Terrence J. Furlong, Mayor

Attest: /s/ Scott A. Duddeck, City Manager