



CITY COUNCIL WORK SESSION
City Hall—Shared Vision Room, 3989 Central Ave NE
Monday, July 01, 2024
6:00 PM

Mayor
Amada Márquez Simula
Councilmembers
Connie Buesgens
Kt Jacobs
Rachel James
Justice Spriggs
City Manager
Aaron Chirpich

MINUTES

CALL TO ORDER/ROLL CALL

The meeting was called to order by Mayor Márquez Simula at 6:20pm.

Present: Mayor Márquez Simula; Councilmember Buesgens; Councilmember Jacobs; Councilmember James, Councilmember Spriggs

Also Present: Andrew Bouche, City Planner; Aaron Chirpich, City Manager; Mitch Forney, Community Development Coordinator; Sara Ion, City Clerk; Joe Kloiber, Finance Director.

WORK SESSION ITEMS

1. PERA Defined Contribution Plan Changes.

City Manager Aaron Chirpich led the conversation related to upcoming PERA plan changes. He explained that this is more of a housekeeping item, as there are changes related to opting in or opting out of the program for elected and appointed officials and the deadline is July 31, 2024. The details are in the work session packet, and follow-up can be done with HR Director Kelli Wick. Finance Director Joe Kloiber further clarified that the change is that you are not able to opt in at any time, it is just that it is at the time of election to office.

2. Liquor Store Anti-Litter Campaign.

Finance Director Joe Kloiber reviewed the concerns with the empty small plastic liquor bottles that accumulate near the liquor stores. Several options to address the concerns were presented to the Council, and there was a discussion related to litter in general as well as litter generated by consumed liquor store products. Director Kloiber stated that the goal is to not cause other inadvertent problems in rewarding people for returning empty bottles. He discussed the possibility that a vendor would also contribute funds to this clean up campaign. This type of partnership could be an initiative that sets an example for other communities.

Councilmember James inquired about rewarding general participation that would grant an entry into an award program. She also asked that the City looks into placing garbage cans one block away from the liquor store to capture some of this litter.

Director Kloiber stated that maybe the employee focus for clean up could be more regular in the blocks nearest the store. He would also like to partner with the sustainability commission on potential resolutions.

Councilmember Buesgens recommended having a cash back program for the return of these small liquor bottle. The customer would receive information related to the program

at the time of purchase. She would like to see a overall Keep Columbia Heights Clean initiative.

Mayor Márquez Simula thanked Finance Director Kloiber for the work that he has done to help resolve these issues.

Councilmember Spriggs was concerned about the health and safety standpoint that we don't want to incentivize drinking.

Councilmember Jacobs agreed and stated that there are a lot of side issues to be resolved.

Director Kloiber will bring additional ideas when they are available to the council at an upcoming work session meeting.

3. Rainbow Site Redevelopment Updates.

City Manager Aaron Chirpich led the conversation on the property at 4300 Central Avenue. He gave a refresher on the current status of the property and that there are bonding funds that have been used for the purchase of the property and assessment of environmental concerns. Chirpich advised the Council that there is a timeline that needs to be considered from a planning perspective, and that there has been significant interest from the community in a grocery partner for the space.

City Manager Chirpich informed the council that there is a grocery partner that is working with Alatus. This grocery partner requires liquor store space and sells some of their own branded products. Staff have been working on some solutions and wanted to come to council regarding some of the needs to continue with the partnership. This liquor store would be next to the grocery partner, and the City must demonstrate that the money spent and earned is of direct benefit to the community. If there is an aggregate loss in 2 out of 3 years, then there is a referendum that must be held.

City Manager Chirpich further clarified that staff has been working on a plan for Top Valu 4, to be staffed by City employees and to be leased from the developer. An example of where this is currently working is in the City of Savage where there is a municipal liquor store next to a larger grocery provider. Top Valu 4 would be a small store with focused products and would need to be consistent in the grocer partner branding. Additionally, the City needs to be aware of the potential outcome of diverting customers from our other three City liquor stores. Municipal liquor store employees at Liquor Store 4 would be trained in line with the grocery partner's standards.

City Manager Chirpich stated that a lease agreement at this location would require a lease that requires rent to increase with the performance of the store. The City cannot pay more than the market rate for the rent. Staff is on the precipice of taking the next steps with the developer and we want to make sure that we are on the right path with council support.

Councilmember Jacobs asked if we would be obligated to advertise their products more

than ours. She was concerned about the square footage rent to performance. She was also concerned about the warehouse space needed.

Finance Director Kloiber explained that there are many options in product offering and product selection. The grocery store brand would be readily available, in general we advertise our stores more than we advertise products. He also further clarified that this might impact the plans for store improvement, products, and further remodeling with Top Valu Store 3 and that each of the City owned liquor stores have proposed storage space in line with state statute and a new store would as well.

City Manager Chirpich clarified that there is an escalator based not on profit or sales volume. The lease of the Savage store that would be an example, there can not be profit sharing that comingles with the developer. He clarified that it is common that smaller grocery stores, that the grocer prefers to be in a mixed-use housing project. Working to resolve this type of lease agreement will also help other municipalities utilize the same model moving forward.

Councilmember James is thankful for all the work that has been done to move forward with the grocery partner. She is very happy about moving forward.

Councilmember Buesgens feels that the risk is worth it, and she is not concerned about the rent, and that it will be minimal in comparison to the tax revenue. She would like to get this grocer involved to move the project forward.

Mayor Márquez Simula clarified that the consensus was to move forward with this item, and to also review potential rebranding opportunities for Top Valu.

4. Cannabis Business Regulations Discussion.

Community Development Coordinator Mitch Forney led the presentation on updates from the most recent legislative session for the Council. He informed the Council that there will be exemptions for municipal bodies to be excluded from the amount and type of licenses issued by the state. The other change is in equity applicants, and this system has been moved to a lottery draw and would still need to meet other requirements as required by law.

Coordinator Forney informed the Council that staff is looking at updating City Code related to cannabis retailers (dispensary), micro business and mezzo business. Staff will need Council's input on the following questions:

How Many licensed Cannabis Retailers should be allowed within the city?

Coordinator Forney clarified the number per residents allowed and stated that staff would prefer to have two licenses issued in the City, with the option of the City having one as well. He further clarified that there is concern with oversaturation of the market. Limiting the number of licenses will prevent recoil of the market if there is over saturation.

Overall consensus of council was to have two licenses, with the addition of one for the City.

- What Type of Buffer should the City have from schools?
- What Type of Buffer should the City have from daycares?
- What Type of Buffer should the City have from residential treatment facilities?
- What Type of Buffer should the City have from an attraction within public park that is regularly used by minors?
- What Type of Buffer should the City have from other cannabis businesses?

Councilmember Jacobs stated that she would like to use 250 feet to schools and city areas/parks.

Councilmember Buesgens clarified that it makes no sense to have a buffer, but to focus on enforcement. She further clarified that we do not have a buffer for bars, restaurants, and tobacco shops because of the limited size of the City. She would like there to be no buffer.

Councilmember James would like to see a buffer for Microbusiness. She does not know what that would look like.

Mayor Márquez Simula stated that she does not feel we need a buffer, but would rather like to focus on restricting the signage and making sure that signage does not appeal to children.

Councilmember Spriggs has concerns with smoking of the product inside or around others. He further commented that the use of cannabis in parks is not allowed.

City Manager Chirpich clarified that there are regulations involved with the Clean Indoor Air Quality Act.

- What should the hours of operation be?

Coordinator Forney and Director Kloiber also clarified that liquor stores are currently regulated, and this is what the State of MN recommends for Cannabis.

- Should the City limit the location or timing of Temporary Cannabis Events?

Councilmember Buesgens would like to know the process at the State Level. She is concerned about second-hand smoking issues, and that we already have a ban on smoking in parks. Councilmember Buesgens would be treated the same way as an event that is looking to serve beer or liquor.

The consensus of the Council would be to treat consumption at an event the same as liquor.

- Should the City regulate where low potency edibles are sold/storage standards?

Coordinator Forney clarified that there are regulations established by the State. Currently any retailer can sell low potency cannabinoids and dictates the storage and display.

Consensus of the Council was to limit tobacco stores and stores designed to sell product; these businesses should be 21+ establishments. There was additional discussion about these items being sold in gas stations and that this would impact currently sold low potency items in a secured display.

Should the City alter its public places ordinance?

The direction from the Council is that there should continue to be nosmoking in parks, and to have staff will follow up with designating the library as a restricted area for smoking as well.

Coordinator Forney stated that staff is looking forward to working on this project for Council.

5. Discussion on Zoning Updates.

City Manager Chirpich informed the council that this a matter of awareness for the Council as Staff is work on fixing some continuity issues within the code. The planning department is now in a place to clean up uses and definitions, and processes. Staff will be streamlining these items for the council to review and there is a crossover with the next item related to ADU's.

The council consensus was that there is a need to update code and updates should be discussed with the Planning Commission prior to council approval.

6. Discussion on Accessory Dwelling Units (ADU).

City Manager Chirpich relayed that staff have received feedback identifying barriers and restrictions that currently exist related to ADU's. City Planner Bouche compiled a lot of research related to this topic for the council to review. Overall, there has not been an uptick in ADU's being built with Cities passing ordinances to support them. There is a economic and space restrictions that limit the building of new free standing ADU's. Smaller lot sizes would be more appropriate for ADU options that are not new ADU's.

The model ordinance allows for this on any lot size or zoning, it would focus on the use and not the zoning if it complies with the rest of the standards.

Staff would like to update impervious surface standards and stay within the setback regulations currently set. Additionally, there would need to be updates to the parking requirements for the property, Staff are trying to uphold the previously set standards for off-street parking.

Councilmember Jacobs is concerned that most of the homes in Columbia Heights are small and that this is appalling to think that there would be equal size homes that would exist on the block and would increase the rental cap capacity.

Councilmember James feels that keeping setbacks the way they are and 1000 and no more than 50% of the home size.

Mayor Márquez Simula stated that she was concerned about a detached ADU needing to have contiguous access to the driveway for emergency access.

Councilmember Spriggs feels that this might afford some profitability if the unit is sold down the line, and inquired how this impacts the rental density cap. He would like to see more restrictions related to licensing and not a rental density cap.

City Manager Chirpich clarified that this item is not going to impact the rental density cap as the existing home needs to be owner occupied and that if sold the same rules would apply. He stated that this initiative will in no way impact the housing crisis. It will impact how someone might be able to increase the access to intergenerational housing opportunities. City Manager Chirpich stated that this is not a magic bullet, but it is a piece of the puzzle. There will be a staff review to move forward with the ADU regulation process.

Consensus of the Council was to move forward with the updates proposed by City Planner Bouche. Councilmember Jacobs additionally stated that she does not feel that any of the proposals is adequate.

7. Youth Commission Update to City Code.

City Manager Chirpich informed Council that staff had reviewed council input related to the Youth Commission at the May Work Session and has created a draft ordinance updating the language to reflect appointment of Youth Commission members to act as a liaison to specific boards and commission.

Mayor Márquez Simula stated that she felt this update is a good flex, and it would be great to try to see this in action.

Councilmember Buesgens would like to discuss the ability of the Youth Commission to being a voting member.

Mayor Márquez Simula stated that she would like to move forward with the ordinance as written and continue to adapt as needed.

Council consensus was to move forward with the ordinance as written at the next meeting, and to have staff keep up to date on emerging trends with other cities and the school board.

8. Legal Newspaper Information.

City Manager Chirpich addressed the concern of the council with the City's legal newspaper, Life, moving to a paid subscription. Information was provided as to why this was still the best option as far as costs, and time of publication. Additionally, the City will

have a subscription for Life that will be available at City Hall and legal publications will not be behind a paywall on the Life website or the MN Newspaper Association site.

Councilmember James would like to inquire about a subscription for the Recreation program.

9. Council Corner.

Mayor Márquez Simula surveyed the council to see if they had any items to discuss for Council Corner.

Mayor Márquez Simula updated the council about information that she found out at the LMC Conference about adding solar power car ports to the Liquor Store 3 property with EV car charging ports.

Additionally, Mayor Márquez Simula would like to discuss the 6 hour parking limit in the City. She would like to see about updating the ordinance, and to focus on the actual reasons for needing to move a car.

Mayor Márquez Simula would also like to have an update on the boulevard trees on Central Avenue, the sidewalk on the corner of Gould inspected and to have email signature be consistent for branding purposes.

Councilmember Spriggs would like to see additional links added for social media and code red for everyone's signature line.

City Manager Chirpich stated that will work on getting everyone on the same page from a branding perspective for emails signatures. He also informed the council that MNDOT is speaking with City Engineer Kahn related to the impacts to the Central Avenue corridor. Additionally, City Manager Chirpich informed council that Wings Financial is moving into the lower vacant space at Ratio.

10. Old Business.

There was no old business to discuss.

ADJOURNMENT

Meeting adjourned at 9:20 pm

Respectfully Submitted,



Sara Ion, City Clerk/Council Secretary