

**CITY OF HANOVER  
CITY COUNCIL MEETING  
MARCH 9, 2020 – OFFICIAL MINUTES**

**Call to Order/Pledge of Allegiance:**

Mayor Chris Kauffman called the regular meeting of Monday, March 9, 2020 to order at 7:02 p.m. Present were Mayor Chris Kauffman, Councilors Ken Warpula, Jim Zajicek and MaryAnn Hallstein. Also present were City Attorney Jay Squires, City Planner Cindy Nash, City Engineer Nick Preisler, City Administrator Brian Hagen and Accountant Jackie Heinz. Guests included Carol Dixon, Logan Vajda, Parker Vajda, Toby Heinz, Steve Vrieze, Brian Gronsberg, Dave Pinor, Claudia Pingree, Glen Albert, Sandy Albert, Bob Waldorf, Ed Sjolin, Gary Fehn, Scott Dahlke, Dean Hiller, Ed Hunter, Loren Mahler, Nancy Olson, Alicia Olson, Molly Olson, Rusty Olson, Molly Olson, Taylor Patnode, Robert Preuss, Heather Sandberg, Bryan Reitzner and Doug Voerding from the Wright County Journal Press. Absent was Councilor Doug Hammerseng.

**Approval of Agenda:**

**MOTION** by Warpula to approve the agenda, seconded by Zajicek. **Motion carried unanimously.**

**Consent Agenda:**

**MOTION** by Warpula to approve the consent agenda, seconded by Zajicek.

- a. **Approve Minutes of February 18, 2020 City Council Work Session Meeting**
- b. **Approve Minutes of February 18, 2020 Joint Council/Planning Commission Meeting**
- c. **Approve Claims as Presented:**

➤ <b>Claims</b>	<b>\$ 114,941.87</b>
➤ <b>Payroll</b>	<b>\$ 19,964.77</b>
➤ <b>P/R taxes &amp; Exp</b>	<b>\$ 7,880.21</b>
➤ <b>Other Claims</b>	<b><u>\$ 4,932.88</u></b>
➤ <b>Total Claims</b>	<b><u>\$ 147,719.73</u></b>
- d. **Res No 03-09-20-24 – Approving Non-Waiver of Statutory Liability Limits**
- e. **Res No 03-09-20-25 – Accepting Donation from Dave Malewicki**
- f. **Res No 03-09-20-26 – Approving Donation of Historic Cash Register**
- g. **Res No 03-09-20-27 – Approving Contract for Concert in the Park**
- h. **Res No 03-09-20-28 – Approving Purchase of Fire Department Hose Racking**
- i. **Res No 03-09-20-29 – Approve Purchase of Commercial Coffee Maker**

**Motion carried unanimously.**

**Citizen's Forum:**

**Rusty Olson – Retired Firefighter Recognition**

Fire Chief Dave Malewicki stated Rusty Olson joined the Fire Department in 1984 at the age of 22. He is a 2<sup>nd</sup> generation firefighter who served 35 years and 6 months. Malewicki thanked Olson for his years of service and presented him with his helmet and a plaque.

**Public Hearings:**

None

**Unfinished Business:**

**Mahler Mine IUP Application Review**

Nash stated based on input from prior meetings, plans have been revised and the Engineer and herself are comfortable with the submitted documents. The applicant agrees to the updates accept for operating prior

to 15th street rehabilitation, if 15th street could be closed during rehab, 15th street completion date and length of permit. Kauffman stated to address each issue individually, Nash stated to start with operating before the completion of 15th street. Kauffman inquired if the Industrial Park traffic uses 5th street and 15th street, Hagen stated yes. Nash stated the road will be completed in 2020 but the applicant doesn't want to wait, if the extension is not approved then reclamation would start. Zajicek inquired what trucks would be hauling, Nash stated for the reclamation process.

Kauffman asked Dahlke to address the timeline. Dahlke stated they met with Xcel Energy onsite, looked at poles to be relocated and the turn lane and River Road adjustments. Dahlke further stated Xcel stated it will be 8 weeks once the plans are approved through their internal approval until work starts. Dahlke stated assuming approval tonight, the schedule listed on page 82 would be followed:

Survey	2 weeks: 3/10 – 3/20
Engineering Plans and Specs	3 weeks: 3/23 – 4/10
Plan Review for Hanover and St. Michael	3 weeks: 4/13 – 5/01
Revise Plans and Specs	2 weeks: 5/04 – 5/15
Construction Bids and Utility Coordination	2 weeks: 5/18 – 5/29
Construction Utility Locates	8 weeks: 6/01 – 7/24
No Work Week of 2020 Harvest Festival	1 week: 7/27 – 8/02
Construction Reclaim / Repave (Closed to Traffic)	2 weeks: 8/03 – 8/14
Restoration and Turf Establishment (Closed)	1 week: 8/17 – 8/21
Construction Reclaim / Repave (Open to Traffic)	4 weeks: 8/03 – 8/28
Restoration and Turf Establishment (Open)	1 week: 8/31 – 9/04

Zajicek asked Gary Fehn for clarification on why trucks have been hauling. Fehn stated he was under the understanding they could haul stockpiled material but not mine, Kauffman agreed. Hallstein stated she disagreed. Kauffman inquired if they were hauling now, Fehn stated they shut down last week when contacted by Hagen. Zajicek inquired if they were hauling before hours, Fehn stated it's not them but the other trucks using 15th. Kauffman stated nothing can be done about the St. Michael side.

Preisler stated the work is laid out in a linear fashion, locates are variable, the work itself won't take 8 weeks but to get on the schedule will, weather could play a large factor. Kauffman stated review with Hanover should take one week, Preisler stated yes. Warpula stated not to rush the work, Fehn stated there is no control with Xcel. Dahlke stated they want 15th street completed so the Saturday hours discussion can happen. Warpula suggested no hauling on 15th street until the road rehabilitation is complete, they could use River Road to 5th street. Fehn stated yes, that would work. Warpula stated the timeline looks good. Hallstein stated 5th street is a 9-ton road so it would be okay. Hagen stated River Road was improved to 10 ton from 8th street to 15th street. Warpula stated the road should be closed for 2 weeks, it will irritate residents, but the work will be completed faster. Dahlke stated it would be open for emergency vehicles only. Warpula inquired if both sides would be completed at the same time, Fehn stated yes. Dahlke stated you get the best product that way. Hallstein stated St. Michael would have to agree to a temp haul route change, Nash stated yes.

Nash stated the next item is the closure length. Hallstein stated the road would be completed this year and the haul route changed. Kauffman stated work would be completed according to the provided timeline or sooner with the trail next year. Zajicek inquired why the trail and road couldn't be constructed at the same time. Dahlke stated it is two separate operations with different equipment and different crews. Kauffman stated it's not the same contractor doing the work. Warpula stated he is against waiting one year for the trail but worth it. Zajicek inquired when the trail completion date is, Nash stated July 15th, 2021, but

Fehn is asking for July 24, 2021. Warpula inquired the width of the new road, Preisler stated 2 – 11' lanes with 2' shoulders.

Kauffman stated the next item is the termination date and suggested if Fehn complies after 10 years they can renew the permit. Warpula asked what the guidelines are, if meeting items A, B, C and D then it's automatically renewed. Nash stated if guidelines aren't met along the way they are given a change to remedy, if still not meeting and don't comply then the permit is pulled. Squires stated the permit could be for 20 years and current council or future council can revoke or do 10 years then have the council in 10 years approve or revoke, it's hard to bind the hands of future council. Dahlke stated with the phasing plan and projections, 10 years won't get the project done. Dahlke stated their biggest fear is once the public hearing notice goes out and the process begins again, it's not viable for them. Kauffman suggested a 15 year and Fehn is on their own the last 5 years. Zajicek stated if Fehn is meeting the guidelines after 10 years then no one would be complaining. Warpula stated not to require Fehn to complete another EAW. Zajicek inquired why Planning Commission stated 10 years, Nash stated that Planning Commission didn't state a specific reason but rather to see how it goes. Kauffman stated if conditions aren't met then it's pulled. Nash stated residents don't want the expanded mining area or 15th street noise. Hallstein stated she is not pro housing development either, but Hanover has changed more for those who moved here in the last 10 years. Hallstein further stated if Hanover was under Met Council, which we're not, before houses are built all material must be extracted. Nash stated extraction must happen, but not necessarily all the material. Zajicek suggested going with 20 years and review at 10 years. Squires stated to define review, council can't impose new conditions but only review the current conditions. Hallstein inquired what the property is zoned as. Fehn stated it's classified as commercial, costing roughly \$700 / acre in property taxes which is \$55,000 - \$60,000 per year, which the city gets half off, plus a new road and \$1.2 million dollars. Fehn further stated we don't know what the economy will do and it's too big of a risk coming back in 10 years and council says no. Fehn further stated a contract is normally three pages long, this one is 20 pages, Cindy has everything very tight.

Warpula inquired the condition of the road in 20 years. Preisler stated 15th street will last 20 years with proper maintenance. Dean Hiller – 1283 Irvine Drive – inquired when 15th street would be replaced if the mining expansion doesn't pass. Hagen stated it's not identified since the application was received as the existing pit was nearing its end. It was decided to wait until the pit was done. Hagen further stated if the expansion doesn't go through then the City would need to look at when funding is available. Hiller inquired if the City is paying \$100,000 and Fehn is paying the rest to rehabilitate the road, Kauffman stated yes. Hiller stated there should be a warning given to correct actions, Kauffman stated Fehn would have 3 weeks to correct. Squires stated they have right of due process. Hiller inquired how much of the hauling is mining and how much is hauling. Fehn stated there is no recycle right now, with the new permit it depends on projects acquired.

Hallstein asked Fehn if he has a good relationship with staff that he can call for clarification, it's important to be pro-active due to other projects. Fehn stated yes, he's been here for 14-15 years and has a good relationship, just like last week. Kauffman stated Fehn has clean, good looking trucks. Fehn stated they run new trucks with mufflers to help with noise. Warpula inquired what the Saturday hours are, Nash stated none, once 15th street is completed it will be revisited. Nash further stated item #12 under General Conditions will be amended to add in a temp haul route is approved of River Road to 15th street until October 15th unless completed earlier. Nash stated in section 6 Financial Securities, the amount for the letter of credit is \$169,125.00. Nash further stated the amount will go up and down based on inflation or reclamation activities. Warpula inquired how the amount is calculated. Preisler stated it's a calculation using different units and factors. Warpula inquired if the amount would be cash or a letter of credit. Nash stated a letter of credit.

**MOTION** by Kauffman to approve Res No 03-09-20-31, seconded by Warpula. **Motion carried unanimously.**

**Concept Plan: Mercantile Pass**

Nash stated Planning Commission is recommending lots 1 and 4, but are not in favor of the apartments, Planning Commission feels they're not needed until a later time and there aren't enough amenities for apartments. Reitzner stated he was working on a job in Brainerd and stopped at the Bill's Superette in Royalton and thought that type of convenience store would be perfect in Hanover, it has 200' of coolers, fresh meats, produce and a restaurant. Reitzner stated the multi-family portion of the project is the most important and would be an asset to the community. Reitzner further state the 110-unit apartment building is custom designed to fit and would only a glimpse of the building would be seen from County Road 19. Reitzner further stated the 110-unit building is a \$20 million dollar project with market rate rents and isn't available to section 8. Reitzner stated applicants would be required to complete background, financial, employment and credit checks, there would be security cameras to see who is coming and going at all hours, it would be safer than the neighborhood you live in. Reitzner stated the 66 unit would be assisted living care and would be easily filled. In the drawings the green areas are manicured lawns, a much-needed asset, access is being worked on with Hennepin County and a traffic study would need to be done.

Zajicek inquired if access onto 19 would be controlled, Reitzner stated yes. Warpula inquired what the goal is for tonight. Nash stated to give feedback on the concept plan so the applicant can incorporate councils feedback for future approval. Nash further stated an EAW and traffic study will be required. Warpula stated Planning Commission liked lots 1 and 4, and not lots 2 and 3. Reitzner stated the rooftops are needed to make the project work, there is a lot of expense. Reitzner inquired what is the fear of an apartment building and assisted living facility. Kauffman stated there was a lot of resistance when the Bridges Facility was built. Kauffman inquired about building condos, then there's ownership. Reitzner stated then there's associations as well. Hallstein stated she is not pro or con, but why not approve. When people move to Hanover they choose to live here, she wants people to buy into Hanover. Kauffman stated Hanover residents prefer houses over apartments. Claudia Pingree – 11711 Riverview Road NE – stated people in their 50's and up don't want a house, they want a good quality apartment to live in which Hanover doesn't offer. Heather Sandberg – 11578 Riverview Road NE – stated the Hanover Comp. Plan has no apartments laid out in the City. Reitzner stated the location is an ideal place, it's not in the middle of a neighborhood and will transition out to agriculture. Warpula stated people don't want Hanover to grow, Reitzner stated people want to live here. Kauffman stated the City wants smart development, not no development.

Hallstein inquired what the rental price per unit would be. Reitzner stated \$1,200 - \$1,500 per unit. Hallstein stated a person would need to make \$65,000 to qualify. Hallstein inquired if this development meets the density requirements, Nash stated the multi-family density is between 4 and 12 units per acre, this project is 20 units per acre. Hallstein inquired about doing apartments on the Schendels property north of the Industrial park. Nash stated you could but there would be a lot of property vacant to comply. Zajicek inquired if the smaller unit would be assisted living and some independent living. Reitzner stated there are moving pieces but could be both. Reitzner suggested sitting with staff and coming up with a zoning for apartments. Kauffman inquired if the apartments are needed. Reitzner stated yes, sewer and roads must be installed and there is over \$1 million into preparation. Hallstein inquired what plan B if the apartments aren't approved. Reitzner said he's not sure, this project is roughly 26 acres with a lot of green space, the rooftops will enhance the commercial and lots 2 and 3 will drive the commercial. Zajicek inquired if Reitzner plans to acquire the 3 lots to the South of the planned project, Reitzner stated possibly.

Zajicek inquired about renderings of the proposed apartments or a property already built that could be looked at. Reitzner stated no, there isn't any. Kauffman inquired is there was a partner, Reitzner stated there is an accredited user for the Superette site and is currently doing renderings. Hallstein stated there is no opposition on the commercial areas, not sure if apartments can be nice enough for Hanover to like. Sandberg stated the project is being pitched to 55+, can't pitch until there is a developer. Hallstein stated at this time the Planning Commission and Council aren't supportive of apartments. Zajicek commended Reitzner on a nice plan, it is an ideal spot for apartments and would like independent senior living and memory care to be available.

**Res No 03-09-20-30 – Awarding Bid for 2020 Pavement Improvement Project**

Preisler stated he is bringing a letter of recommendation to award the 2020 pavement improvement project to Omann Contracting Companies out of Albertville in the contract amount of \$179,096.69. Warpula inquired when the start date is. Preisler stated depending on the haul route, the contract reads to be completed by the end of June but could start early. Preisler further stated 3 culverts need to be replaced, the project could take 2 weeks total. Warpula inquired about notices to the residents. Preisler stated WSB would work with the City. Warpula inquired about the shoulders of the road, Preisler stated there will be no shoulders, will go up to grass.

**MOTION** by Warpula to approve Res No. 03-09-20-30, seconded by Hallstein. **Motion carried unanimously.**

**New Business:**

None

**Reports**

Hallstein

- Attended the LMC Webinar about engaging the public through social media, the City is doing what we should be

Warpula

- Attended the LMC Conference 2 weeks ago, had great speakers

Hagen

- Not going on vacation at the end of March
- The Public Works applicants have been scored and first round interviews will be scheduled
- The March work session will be moved to Monday, March 23, Time TBD

**Adjournment**

**MOTION** by Hallstein to adjourn at 9:13 p.m., seconded by Warpula. **Motion carried unanimously.**

APPROVED BY:

\_\_\_\_\_  
Chris Kauffman, Mayor

ATTEST:

\_\_\_\_\_  
Brian Hagen, City Administrator