Meeting of the City Council
Held at the Elk River City Hall
Monday, April 7, 2025

Members Present:	Mayor John Dietz, Councilmember Jennifer Wagner, Councilmember Mike Beyer, Councilmember Cory Grupa, Councilmember J. Brian Calva
Members Absent:	None
Staff Present:	City Administrator Cal Portner, Senior Planner Chris Leeseberg, Business Services Director/Assistant City Administrator Joe Stremcha, Public Works Director/Chief Engineer Justin Femrite, and Deputy Clerk Jolene Richter

1. CALL MEETING TO ORDER
Pursuant to due call and notice thereof, the meeting was called to order at 6:30 p.m.

2. PLEDGE OF ALLEGIANCE
The Pledge of Allegiance was recited.

3. CONSIDER AGENDA
Mayor Dietz deleted Item 8.4 ERX CUP Revocation from the agenda.

Moved by Councilmember Wagner and seconded by Councilmember Beyer to approve the agenda as amended. Motion Carried 5-0.

4. CONSENT AGENDA
Moved by Councilmember Grupa and seconded by Councilmember Wagner to approve the following consent items as outlined in their respective staff reports. Motion Carried 5-0.

4.1 March 17, 2025, Minutes

4.2 Check Register

4.3 Severance Agreement and Release

4.4 Collective Bargaining Agreement 25-03 - International Union of Operating Engineers (I.U.O.E.) Local #49

4.5 Consumption and Display License: Pinewood Golf Club

4.6 Temporary Liquor License: Aegir Brewing Company

4.7 Annual Election Not to Waive the Statutory Tort Limits for Liability Insurance

4.8 Overlook Chef Job Description

4.9 Accept Bids and Award Contract for 2025 Street Improvement Project

4.10 Agreement 25-04: Sale of an Animal and Waiver of Liability Agreement

4.11 John Deere Gator XUV 845R w/Attachments

5. OPEN FORUM

No one appeared for Open Forum.

6. PRESENTATIONS, AWARDS, AND RECOGNITION

6.1 City of Elk River Volunteer of the Month

Mayor Dietz presented the March Volunteer of the Month award to Joscelyn Tatro. He highlighted the following:

- Involved with Community Table, where she helps plan and cook 400 meals each month that are distributed on the last Sunday of each month.
- Provides fundraising help and support for players as an Elk River High School Volleyball Boosters Club member.
- Volunteers in a variety of roles for River of Life Church.
- She has helped with several projects in the schools that her children attended.

6.2 Proclaim April 8, 2025, as Elk River High School Culinary Arts ChampionshipTeam Day

Mayor Dietz read and presented a proclamation to the Elk River High School Culinary Arts team. The Council handed out Elk River water bottles and towels and congratulated the team.

Moved by Councilmember Beyer and seconded by Councilmember Wagner to proclaim April 8, 2025, as Elk River High School Culinary Program Day in the City of Elk River. Motion carried 5-0.

6.3 Resolution 25-12 Acknowledge Contribution: The Bank of Elk River

Mayor Dietz presented the certificate of donation to The Bank of Elk River and thanked them for their sponsorship.

John Babcock and Bill LaVigne from The Bank of Elk River were present to accept the certificate of donation.

Moved by Councilmember Calva and seconded by Councilmember Grupa to adopt Resolution 25-12, graciously accepting the 2025 Riverfront Concert Series contribution of $26,000 by The Bank of Elk River. Motion Carried 5-0.

7. PUBLIC HEARINGS

7.1 Specht Farm (Oakwater Ridge) Residential Development: Land Use Amendment Resolution 25-13, Zoning Amendment Ordinance 25-04, and Ordinance Amendment 25-05 Establishing a PUD for the Oakwater Ridge Development

The staff report was presented.

Mayor Dietz opened the public hearing.

Steve Bona, Capstone Homes - Recapped what was discussed at the Parks and Recreation Commission. He explained that they were proposing two acres for park dedication from the bluff to the waterfront with at least one acre of buildable land for a playground and shelter,. Half of the lowland riverfront is included as park dedication credit, and they decreased the HOA parkland with water access to 2.5 acres. Now they have about 0.4 acres of upland to work with, which increases the acres in the lower HOA field to 23 acres, and the cash contribution has stayed the same. He further explained that Capstone will be trying to get to a point where they can build the park sooner rather than later; they think they could get it in at Phase 2 of the project. He stated there was a discussion that they could get funding privately to get the park funded and built, but they needed to work through the details. Mr. Bona stated that in the master plan, the original trail system down from the corner of the Specht Farm was originally proposed as park dedication, but that is not park dedication anymore. He explained they thought they were going to rework the trail system, but have decided to leave the linear trail system and will be leaving as many of the trees along the trail system as they can.

Mr. Bona addressed the lot sizes and explained that these products must be looked at as an alternative to attached townhomes. Capstone chose the Liberty-style detached homes, which are slab-on-grade and narrower, but explained that it needs to be at a certain price point to be affordable as well. He explained that the increase from 40-foot lots to 50-foot lots had already increased the price of their product, which would put them in the range of $375 to $435 for this product. If they move to 52-foot lots, they would lose 10 lots, resulting in about $5 million in revenue loss. They would have to try to make up this loss somewhere else. He further stated that they have done the 40-foot lots in other cities, and there has never been a parking problem. Comparing Liberty style to Miske Meadows with single-family homes is not a good comparison because this product is not a single-family home product; it is an alternative to attached townhomes. He also stated that having this product versus the attached townhomes means avoiding the HOA fees, which makes them more affordable as well.

Mayor Dietz closed the public hearing.

Councilmember Calva stated he doesn't have a problem with the 50-foot lots and appreciates the quality of Capstone. He asked Mr. Bona if he could describe the lots of Legacy Bay Farms in St. Michael. Mr. Bona explained that the Legacy Bay Farms is very similar to the Specht development proposal. Councilmember Calva expressed his concerns about the driveway size and asked if they could offer a tear-drop-style driveway with 18 feet towards the top and decreasing to 16 feet at the street. He thinks it would be doing the future homeowners a favor if they widened the driveway. Mr. Bona stated they could, but that would increase the price as well due to additional pavement.

Councilmember Wagner stated she would support the 50-foot lot but also would support the 16-foot driveway and leave it up to the homeowner to extend the driveway if they would like.

Councilmember Beyer explained that he is excited about the project and knows that he has already expressed his concerns regarding highway safety, and appreciates Capstone for moving forward with pursuing the highway challenges. He further explained that he would support the 50-foot lots. He drove by the 40-foot lots and thought they did a good job with them.

Councilmember Grupa explained that traffic was his main concern, too, but he understands it is in phases. He explained that he is disappointed due to the fact that he agreed to the 50-foot lot instead of the 55-foot lot because of the park dedication that was originally discussed. He is disappointed that the other park is now removed and that the park on the bluff area is now smaller. He thinks something else will need to be done regarding the parks.

Mayor Dietz stated that he does appreciate Capstone's work but has some concerns. He expressed that the park dedication is a disappointment and does not think it is efficient enough to have a 1-acre park for 500 homes, and does not agree with giving park dedication land for floodplain land. He further explained that he did not agree with all the lots being 50-foot lots. He compared the development with Miske Meadows, which has 11% of the lots being 50 feet, and explained that if they allowed the same, then 60 of the lots would be 50-foot and the rest would be 55-foot lots.

Councilmember Wagner asked for direction on the park situation, which was stated by Councilmember Grupa. Councilmember Grupa explained that he agreed to the 50-foot lot with the 5-acre park and would like direction if they are still open to discussion regarding the park situation. He further stated that if they agree to this current plan and there are no changes to consider regarding the park, he will be voting no on the PUD.

Mr. Bona explained that Capstone was willing to do the 5-acre park, but they received a call from Commissioner Dave Anderson, who stated the Park Commission had changed their mind, and they did not want the 5-acre park anymore, and they would like to go back to the bluff and the lower park and talk about the lower field which was originally going to be an HOA park.

Councilmember Beyer stated that the Park Commission thought the land on the bluff was more valuable than the 5-acre park.

Mayor Dietz explained that the park situation has been discussed back and forth many times between Capstone, staff, the Council, and the Park and Recreation Commission.

Councilmember Wagner stated that the park piece was one of the most difficult pieces, but stated that we are past that. She expressed that there have been meetings in between meetings, and it is a bit frustrating because they see different scenarios every time. She will still support the 50-foot lots but thinks in the future, this process could go smoother.

Mr. Bona stated that after the last work session, they received the approval to go ahead with the park plans, and now it is difficult to hear the park concerns and to have to go back and change at this point.

He did express his appreciation for all the time that has been put into this as well, and they would like to be a good partner and will continue to do the best they can.

Moved by Councilmember Wagner and seconded by Councilmember Calva to adopt, Resolution 25-13 approving a Land Use Amendment updating the city's Comprehensive Plan to align with the proposed residential and commercial areas, subject to the condition that the associated Zone Change (ZC 24-06) and Ordinance Amendment (OA 24-05) are approved by the City Council. Motion Carried 5-0.

Moved by Councilmember Wagner and seconded by Councilmember Beyer to adopt Ordinance 25-04, amending the city's zoning map to designate parcels for Highway Commercial and Planned Unit Development (PUD) uses consistent with the development proposal and subject to the following conditions:

1. **The associated Land Use Amendment (LU 24-05) resolution shall be approved and recorded.**
2. **The Ordinance Amendment (OA 24-05) establishing the PUD standards must be approved by the City Council.**
3. **The Zone Change shall be recorded in conjunction with the future plat approvals related to the Oakwater Ridge PUD.**

Motion Carried 5-0.

Moved by Councilmember Calva and seconded by Councilmember Beyer to approve Ordinance 25-05 amendment to establish the Oakwater Ridge Planned Unit Development (PUD), subject to the following amended conditions:

1. **The City Council must approve the associated Land Use Amendment (LU 24-05) and Zone Change (ZC 24-06).**
2. **An Environmental Assessment Worksheet (EAW) must be reviewed in accordance with all state and local policies and receive a negative finding for an Environmental Impact Statement (EIS).**
3. **MnDOT and the city shall approve an access location and configuration that supports the traffic needs of the proposed development.**
4. **The DNR must provide written approval of the work proposed within the Wild and Scenic River District.**
5. **Along the property line with the Oliver Kelley Farm, the developer shall provide the following: vegetative screening and a private property sign every 500 feet along the non-wooded boundary and one private property sign at every other rear and side property line intersection.**
6. **The developer must also work with the Kelley Farm to resolve any encroachment concerns resulting from the existing fence.**
7. **The cost of sewer and water trunk extensions to the development shall be financed by the developer. If the oversizing of water pipes is required, Elk River Municipal Utilities (ERMU) will reimburse the developer for the cost to oversize the infrastructure.**

8. **All proposed streets, trails, and sidewalks shall follow the city's engineering design standards.**
9. **Lots 65 feet and wider must include two trees in the front yard. One tree must be an overstory variety, the second tree can be ornamental, evergreen, or deciduous.**
10. **Lots that are less than 65 feet wide must plant one overstory tree in the front yard.**
11. **All homes must have a minimum garage size of 440 square feet (20x22).**
12. **All homes will require a minimum side-yard setback of 7.5 feet.**
13. **The front-yard setback for 75- and 100-foot-wide lots will be 30 feet.**
14. **The front-yard setback for 50- and 65-foot-wide lots will be 25 feet.**
15. **The maximum driveway widths, as measured at the curb line or back of the sidewalk, are as follows: 50-foot lots – 16 feet wide, 65-foot lots – 20 feet wide, and 75 to 100-foot lots – 30 feet wide.**
16. **The development must incorporate an internal monotony code to ensure the home facades vary throughout the subdivision. Neighboring homes and the 3 closest homes across the street must vary in façade design or color. No two homes in this group of six shall match.**
17. **The developer shall complete the design and installation of all 10-foot-wide trails above the bluff that runs along the Mississippi River.**
18. **The developer will design and engineer a 10-foot-wide trail, beginning with the termination of the upland trail, that should be provided to the city to support a future construction project.**
19. **The developer will provide a 2+ acre bluff-top park and must provide documentation that there is at least 1 acre of buildable, upland area in the park.**
20. **The developer shall dedicate the floodway land below the bluff to the city for park purposes. An outlot will be reserved for future use by the HOA.**
21. **The remainder of the park dedication requirements will be satisfied with a cash dedication of $536,000. This will be prorated on a per-lot basis and payable with the final plat.**
22. **Civil plans submitted with the preliminary plat must identify parallel, off-street parking areas near the bluff top park.**
23. **Staff and the developer shall work together to resolve addressing and street alignment concerns.**

Motion Carried 3-2. Mayor Dietz and Councilmember Grupa opposed.

8. GENERAL BUSINESS

8.1 Discuss Work Session Items

The staff report was presented.

No additional items were added.

8.2 LSE Architects Letter of Engagement - Northbound and Cannabound

The staff report was presented.

Mayor Dietz asked what if we engage with the architect, and the property that they are looking at is not acquired. Mr. Stremcha stated that they then will pivot to an alternate site, the preliminary conceptual drawings will be null and void, and the architect will keep $15,000 of the retainer.

Mayor Dietz asked if we had any alternate sites in mind. Mr. Stremcha stated that they have three potential prospective sites.

Mayor Dietz asked about the estimated costs, saying there would not be enough in the Liquor Store Fund. Mr. Stremcha explained that bonding is an opportunity, with the payments being paid in increments of time or an intergovernmental fund loan to help support the payment.

Mayor Dietz confirmed that no tax money would be used for this project. Mr. Stremcha stated that it was correct.

Moved by Councilmember Wagner and seconded by Councilmember Grupa to approve the Letter of Engagement for professional architectural services with LSE Architects. Motion Carried 5-0.

8.3 Update Contract Amount for the 2024 Downtown Small Area Plan

The staff report was presented.

Councilmember Wagner added that the subcommittee has had two extensive meetings and are asking for a construction schedule to be provided so they know what areas are going to be worked on and for how long in order for the businesses to be able to plan. There is concern from the downtown businesses regarding the project.

Moved by Councilmember Beyer and seconded by Councilmember Grupa to approve a $3,000 increase to the approved contract for the 2024 Downtown Small Area Plan. Motion Carried 5-0.

8.4 ERX CUP Revocation

This item was deleted from the agenda.

9. COUNCIL LIAISON UPDATES

9.1 Council Liaison Updates

The Councilmembers provided updates as outlined in the respective advisory board's minutes.

10. MOTION TO ADJOURN REGULAR MEETING

Moved by Councilmember Beyer and seconded by Councilmember Wagner to adjourn the meeting of City Council. Motion Carried 5-0.

The regular meeting adjourned at 7:40 p.m. Mayor Dietz called the work session to order at 7:47 p.m.

11. WORK SESSION

11.1 Discuss Mississippi Road Trail Status

The staff report was presented.

The Council discussed the appraised value differences and the options going forward.

The Council directed staff to bring it back to the next council meeting with the attorney in attendance for legal guidance.

11.2 Joint Meeting with Multipurpose Facility Commission

Council Present: Mayor John Dietz, Councilmembers J. Brian Calva, Cory Grupa, Mike Beyer, and Jennifer Wagner

Multipurpose Facility Advisory Commission Members Present: Commissioners Mike Westgaard, Jim Hecker, Jeb Kotzian, and Kara Walker.

Staff Present: City Administrator Cal Portner, Assistant City Administrator/Business Services Director Joe Stremcha, Community Event Center Manager Katie Harstad, Assistant Manager Jen Katke, Administrative Assistant Laura Estby, and Deputy Clerk Jolene Richter

Commissioner Westgaard called the joint meeting with the Multipurpose Facility Commission to order at 7:55 p.m.

11.2 Multipurpose Facility Advisory Commission Powers and Duties

The staff report was presented.

The Council and the Multipurpose Facility Advisory Commission discussed the purpose of the commission. It was agreed that the commission's roles have changed over the years along with the changing of staff roles at the community center, and as of late, the commission meetings have been more about staff communicating to the commission than making decisions.

Ms. Harstad stated they have been conducting Business Retention and Engagement meetings, which serve the purpose of communicating between user groups.

Commissioner Kotzian expressed concern about disbanding the commission. He stated they have had a commission for over 30 years, and Ms. Harstad has been here for 8 months, and explained that they would like to see Ms. Harstad was there a little longer before they agreed to disband the commission. He explained he would like to see the commission in more of a board of directors role than to be involved in the day-to-day decisions.

Councilmember Grupa asked what type of things they would like to be part of in the decision-making. Commissioner Kotzian gave an example of putting pickleball courts in the field house and explained the commission may have more ways to reach out to the community in ways that staff may not have access to, or those who may not feel comfortable reaching out to staff can reach out to commission members.

Mayor Dietz asked if they should have a 5-member board that is not affiliated with anything. The commission seemed to agree to more of a board setting, but agreed that it is important to have a senior center representative as a member.

Mayor Dietz asked if they would have to amend the ordinance. Mr. Portner stated yes.

Councilmember Wagner explained that history is important and valuable. She further explained that unless there is transparency, everyone takes what they hear and runs with it. She thinks there is value in the commission for transparency purposes and thinks it is important to have that transparency, as not being a staff-led group, and where the public knows they have a buffer or someone else to go to with questions or discussions other than staff. She further explained that there is still a lot of work to be done. She would like to keep a board, whether it is a user group board or a board of directors. She is open to that discussion, but thinks it is important.

The Council directed the Commission to discuss the responsibilities of the board and what they would like, its bylaws, and come up with a new name, then bring it back to the Council.

11.2 FT Center Financial Report

The staff report was presented.

11.2 FT Center 2026 Ice, Turf, and Room Rental Rates

The staff report was presented.

Mayor Dietz asked if youth hockey would like to know in July. Commissioner Westgaard stated that June would be better. Mayor Dietz stated they should get the ice rates established by June so youth hockey can move forward with their planning.

The Council agreed that the rates presented were a good start.

12. MOTION TO ADJOURN

Moved by Councilmember Wagner and seconded by Councilmember Beyer to adjourn the work session of the City Council. Motion Carried 5-0.

The work session adjourned at 8:49 p.m.

13. CLOSED MEETING - PID #75-00455-0310

Council Present: Mayor John Dietz, Councilmembers J. Brian Calva, Cory Grupa, Mike Beyer, and Jennifer Wagner

Staff Present: City Administrator Cal Portner, Public Works Director/Chief Engineer Justin Femrite, and Deputy Clerk Jolene Richter

Mayor Dietz called the closed meeting to order at 8:53 p.m.

Mayor Dietz read the following statement:

13.1 Statement to be read by the Mayor:

"The City Council will be holding a closed meeting per MN Statute 13D.05, subd. 3(c)(5) to develop or consider offers relating to the possible sale or purchase of real property at:

18116 Naples St NW - PID 75-00455-0310

13.2 Motion Calling Closed Meeting

Moved by Councilmember Wagner and seconded by Councilmember Beyer to open the closed meeting. Motion Carried 5-0.

13.3 Hold Closed Meeting

The closed meeting was held.

13.4 Motion to Adjourn Closed Meeting

Moved by Councilmember Beyer and seconded by Councilmember Grupa to adjourn the meeting of City Council. Motion Carried 5-0.

The meeting adjourned at 9:06 p.m.

Minutes prepared by Jolene Richter.

14. INFORMATION

14.1 February Financial Reports

John J. Dietz, Mayor

Tina Allard, City Clerk