City of Elk River

Meeting of the City Council
Held at the Elk River City Hall
Monday, June 2, 2025

Members Present:	Mayor John Dietz, Councilmember Cory Grupa, Councilmember J. Brian Calva, Councilmember Mike Beyer, Councilmember Jennifer Wagner
Members Absent:	None
Staff Present:	City Administrator Cal Portner, Business Services Director/Assistant City Administrator Joe Stremcha, Public Works Director/Chief Engineer Justin Femrite, Community Development Director Zack Carlton, and Records Specialist Katie Porath

1. CALL MEETING TO ORDER

   Pursuant to due call and notice thereof, the meeting was called to order at 6:33 p.m.

2. PLEDGE OF ALLEGIANCE

   The Pledge of Allegiance was recited.

3. CONSIDER AGENDA

   Mayor Dietz asked to add Item 8.8, Country Crossing Park demolition discussion, to the agenda.

   Moved by Councilmember Wagner and seconded by Councilmember Calva to approve the agenda, as amended. Motion carried 5-0.

4. CONSENT AGENDA

   Moved by Councilmember Grupa and seconded by Councilmember Calva to approve the following consent items as outlined in their respective staff reports. Motion carried 5-0.

   4.1 May 19, 2025, Minutes

   4.2 Check Register

   4.3 2025-2026 Liquor License Renewals

   4.4 Law Enforcement Services Agreement 2025-09

   4.5 FT Center Field House Improvements

4.6 Adoption of City Council Goals

4.7 Hire Police Officer

4.8 Hire Human Resources Specialist

5. OPEN FORUM
No one appeared for open forum.

6. PRESENTATIONS, AWARDS, AND RECOGNITION
There were no presentations, awards, or recognition.

7. PUBLIC HEARINGS
There were no public hearings.

8. GENERAL BUSINESS

8.1 The Keeping of Chickens on City Lots

The staff report was presented.

The Council discussed their interest in lowering the size of lots to allow chickens. Mayor Dietz and Councilmembers Grupa and Beyer were not in favor of adjusting the lot size requirements. Councilmember Calva stated he would be in favor of a minimum lot size requirement change if rules were put into place for containment and management of the chickens. Councilmember Wagner stated she would consider lowering the lot size requirements to about half of what they are currently.

Councilmember Calva moved to approve having one-acre lots for chickens with various rules confining them to yards. Motion failed for lack of a second.

8.2 Downtown Master Plan

Mike Thompson and Andrew Dresner, Bolton and Menk, gave an overview of the Downtown Plan.

Councilmember Calva asked about connecting the appearance of downtown and uptown with similar features. Mr. Thompson stated that the council could help with the plan by rezoning the area to accommodate a greater variety of housing.

James Lang, 378 Gates Ave, was concerned about traffic with increased housing in the area. He also expressed concern about the parking in the downtown area. He asked how many residents had provided feedback on the plan. Mr. Thompson responded that their initial survey had 300 responses. Mr. Lang felt that it was a low percentage of the total population and also stated he was not properly notified of the plan.

Mayor Dietz was concerned about the loss of parking, wider sidewalks, the money required to build a parking ramp, alternative parking needs during parking ramp construction, the city's ability to guide the plan, parallel parking on Main Street, and the idea of the American Legion becoming a grocery store. He was in favor of parallel parking on Jackson Ave and a mini roundabout on Parrish Ave.

Councilmember Wagner explained that she was the council representative to the Downtown Master Plan committee. The committee expressed concern about the necessary street and sidewalk repairs. She stated the committee had discussed a proposed ramp and the city would not need to fund it, it would need to be funded by a development. She felt the parking ramp would be a good opportunity for tax increment financing. She added that the parking lot is never full. She noted that the majority of parking in front of stores and restaurants seems to be by owners and employees, and she felt that the loss of parking on Main Street would be okay if the additional parking agreements are in place.

Councilmember Calva asked who would maintain the wider sidewalks for snow removal. Councilmember Wagner responded that the businesses would continue to maintain the sidewalks outside their business.

Mr. Carlton added that parking issues have been top of mind since the first meeting. The removal of on-street parking may be mitigated through parking agreements, parking time limits, and staging. He also stated that the zoning of businesses in the downtown area could be used to guide the plan.

Councilmember Calva asked about Mr. Lang's concern with traffic increases near Gates Avenue. Mr. Carlton responded that, as the plan was developed, traffic and impact studies would be performed.

Councilmember Grupa added that the area near Railroad Drive needed the most urgent attention.

Councilmember Beyer stated that the Downtown Master Plan came with a lot of 'if' and 'would depend on' many factors. Each phase of the plan would need to come before the council for approval and the city may already have too many apartment buildings. Parts of the plan would change or not come into fruition.

Mr. Carlton agreed that Railroad Drive was a primary area for redevelopment.

Councilmember Wagner stated that the proposed plan has gained some media attention, including an article in the Minneapolis/St. Paul Business Journal and local developer interest.

Councilmember Grupa stated the city needs to create more spaces for new businesses to develop in the downtown area.

Moved by Councilmember Wagner and seconded by Councilmember Calva to adopt the 2024 Downtown Master Plan. Motion carried 4-1. Mayor Dietz opposed.

The council requested the public works director to attend the June 16, 2025, meeting to review the downtown improvement, including redoing sidewalks and streets, so staff could begin planning.

8.3 Select Consultant for the Jackson Street Water Tower Historic Park Agreement 2025-10

The staff report was presented.

Moved by Councilmember Wagner and seconded by Councilmember Calva to approve the selection of Mend Collaborative to prepare the plans for the Jackson Street Water Tower Historic Park Agreement 2025-10. Motion carried 5-0.

Moved by Councilmember Beyer and seconded by Councilmember Wagner to select Councilmember Calva to serve on the project team for the project. Motion carried 5-0.

8.4 Appoint Community Event Center Commissioners

The staff report was presented.

Moved by Councilmember Grupa and seconded by Councilmember Wagner to appoint Kara Walker as an at-large non-resident as a non-business owner or worker (full-time) within the city limits representative with a term ending 2/28/26. Motion carried 5-0.

Moved by Councilmember Wagner and seconded by Councilmember Calva to approve the following appointments:

(1) Jim Hecker as a city resident and member in good standing of the Elk River senior center with a term ending 2/28/27.
(2) Councilmember Beyer as a sitting member of the city council with a term ending 12/31/28.
(3a) Mike Westgaard as an at-large resident representative with a term ending 2/28/26. Motion carried 5-0.

The Council instructed staff to advertise as a vacancy - at-large resident or non-resident as a business owner or worker (full-time) within the city limits representative with a term ending 2/29/28.

8.5 Liquor License Renewal: The Confluence LLC dba Edge Bar & Boutique

Moved by Councilmember Calva and seconded by Councilmember Grupa to approve the 2025-2026 liquor license renewal of an On-Sale 3.2% License with strong beer permission and a Wine License to The Confluence LLC dba Edge Bar & Boutique valid through June 30, 2026. Motion carried 4-0. Councilmember Wagner abstained due to conflict of interest.

8.6 Pinewood Contract for Deed Amendment, Agreement 2025-11

Moved by Councilmember Grupa and seconded by Councilmember Calva to approve an amendment to the Pinewood Golf Course Contract For Deed Agreement 2025-11. Motion carried 5-0.

8.7 Discuss Work Session Items

Mr. Portner asked the Council if they wanted staff to develop a policy for receiving petitions from residents. The Council felt that it would be beneficial to have a written policy.

8.8 Country Crossing Playground Equipment Replacement

Mayor Dietz requested that the demolition of the Country Crossing playground be postponed. He asked if the playground could be downsized instead of completely removed.

Mr. Femrite stated that any damaged apparatus have already been removed and will continue to be removed as they break as components are no longer available to repair or replace the play equipment.

Mayor Dietz asked if the basketball court could be lined for pickleball. Mr. Femrite stated pickleball courts have exact standards that the basketball court may not meet.

Councilmember Grupa agreed that he did not want to see the playground equipment removed.

Mayor Dietz asked if the Parks and Recreation Commission could give an update to the Council on which parks needed repairs or replacement after they had finished conducting their park study.

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 Grupa to adjourn the meeting of City Council. Motion carried 5-0.

The regular meeting adjourned at 8:04 p.m. Mayor Dietz called the work session to order at 8:04 p.m.

11. WORK SESSION

11.1 165th Avenue and Trunk Highway 10 Access Improvements

The staff report was presented.

Matt Barker and Steve Bona from Capstone were in attendance. Mr. Barker asked the council if they would consider splitting the $1,275,000 cost of the necessary road improvements to access Trunk Highway 10 (TH 10) from 165th Avenue. This would be the main access point for the proposed development. Capstone needs an access permit in order to start construction on their development.

Mr. Barker reviewed the attempts Capstone had made to work with the state and federal governments to secure funding. While MnDOT is planning safety improvements along TH 10, the 165th intersection is not in the plan for funding.

Councilmember Calva asked if a J-Turn was the only option and stated he was not in favor of J-Turns.

Mayor Dietz asked Mr. Femrite if he remembered an instance of the Council contributing money towards a developer's project. Mr. Femrite stated that there have not been any requests like this within the past 15 years however, no other projects have needed to access TH 10.

Councilmember Beyer asked if projects along country roads have a cost-sharing agreement with the county. Mr. Femrite stated that, as far as he can recall, the developer pays for projects along county roads.

Mr. Femrite stated he felt that the request was not unfair. He added that the city would not need to make adjustments to the intersection if not for this development.

Councilmember Calva asked how long this financial contribution would take to pay for itself? Mr. Femrite stated the return on investment would happen through an increased tax base of homeowners buying into the development.

Councilmember Beyer stated that access is a big safety concern, so something has to happen. Was there any benefit for the people on the other side of the road? If the city is footing part of the bill, it should benefit someone else besides the Capstone property.

Councilmember Calva asked where the funds would come from. Mr. Femrite suggested Municipal State Aid funds.

Councilmember Calva asked if there were any temporary solutions so that the 8-10-year project could get underway. Mr. Barker stated that there was some access from Yale Street but the water and sewer would need to come along 165th Avenue.

Mayor Dietz stated a majority of the taxes collected would go toward public safety, and it would take many years to recoup the cost.

Councilmember Wagner asked about the plan for the Jarvis Street intersection. Mr. Femrite stated that MnDOT has not yet informed the city of their plans for improvement.

Councilmember Wagner commented that, including other local road improvement projects, there would be three J-Turns very near each other. She asked if TIF funding could be used for this type of project. Mr. Carlton stated he would work with the developers to research this option.

Councilmember Grupa asked if this would improve access to Oliver Kelley Farm. Mr. Femrite stated it would not affect their access.

Councilmember Grupa suggested the city pay $500,000 toward the project if the developer paid the engineering fees of $275,000 as well as $500,000 of the cost.

Mr. Bona stated that Capstone cannot increase their share.

Councilmember Calva reminded the developer that the only reason they were standing there was because he had been one of three votes in favor of their development.

After much discussion, Mayor Dietz stated the council was undecided on splitting the cost of the improvements. He stated a decision would be made at the June 16, 2025, City Council meeting. He would be interested in exploring the option of TIF and is concerned about the public response to paying for this improvement. He reiterated that the city would not need to make these road changes if not for the development.

12. MOTION TO ADJOURN

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

The meeting adjourned at 8:50 p.m.

Minutes prepared by Katie Porath.

John J. Dietz, Mayor

Tina Allard, City Clerk