

Study Meeting
Monday, July 06, 2015
Bloomington Civic Plaza
1800 West Old Shakopee Road
Bloomington, Minnesota 55431-3027

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| 1 | Call to Order - 9:13 PM | <p>Mayor Winstead called the study meeting that began following the conclusion of the regular meeting to order at 9:13 p.m.</p> <p>Present: Councilmembers C. Abrams, J. Baloga, T. Busse, A. Carlson, J. Oleson, and D. Lowman.</p> |
| 2 | INTRODUCTORY | None. |
| 3 | CONSENT BUSINESS | None. |
| 4 | PUBLIC COMMENT PERIOD | None. |
| 5 | HEARINGS/PUBLIC INPUT | None. |
| 6 | ORGANIZATIONAL BUSINESS | |
| 6.1 | Medical Marijuana Draft Ordinance | <p><u>Requested Action:</u> Provide input and direction to staff on an ordinance to allow medical marijuana distribution facilities as conditional uses in the B-2, B-4, C-2, C-3, C-5, CR-1, CX-2 or LX Zoning Districts.</p> <p>Planning Manager Glen Markegard stated since the Council adopted a one-year moratorium on medical marijuana manufacturing facility or dispensary applications on January 26, 2015, staff has drafted an ordinance. He introduced new Planner Liz Hayman who has served as the project manager on this project. He said Liz was previously with SRF and this is her first Council meeting. Her presentation highlighted the following slides:</p> <ul style="list-style-type: none"> ▪ Work Group ▪ Overview ▪ Project Schedule: Back to Council for a public hearing early fall 2015 ▪ State-wide Update: Opened for business on July 1. State split up the distribution facilities into eight Congressional districts. Bloomington is in Congressional District 3. Eden Prairie will be the location for the distribution facility in that district. ▪ Minnesota Standards: Manufacturing, distribution and laboratories are three different land uses. Some cities are using existing Code and some are creating new Code language. ▪ Draft Ordinance: Manufacturing – Existing Code language. No language in the draft ordinance regarding this use. ▪ Draft Ordinance: Laboratories – Very small amounts of marijuana at these facilities. Staff proposes nothing at this time. |

- Draft Ordinance: Distribution Facilities – create new Code language and a new use definition. Will be allowed where pharmacies are currently allowed. Will require a Conditional Use Permit approved by Council in the following districts: Neighborhood Commercial (B2 and B-4), Freeway and Regional Commercial (C-2, C-3, C-5 and CR-1), and Specialized Mixed Use (CX-2 and LX). Draft Performance Standards
- Draft Ordinance: Distribution Facilities – Draft Performance Standards
- Draft Ordinance: Distribution Facilities – Policy Question. *(There was Council concurrence on the proposed districts.)*
- Draft Ordinance: Distribution Facilities – Density Standard: One facility per 100,000 Bloomington residents.

Busse asked how smaller communities are dealing with this. Hayman replied she didn't think Richfield set a density standard but rather was going to rely on land use buffers.

Winstead commented this is similar to pawn shops whereby the City put a per capita limit on them. It's a way to reasonably assess the needs of a facility based on population.

Oleson asked how the State will handle smaller cities that won't have a distribution facility. Hayman said State law only allows one distribution facility per Congressional district right now and is silent on how it moves forward after that. She said it's been a slow rollout.

(There was Council concurrence on the density standard.)

- Draft Ordinance: Distribution Facilities - Policies: Types and distance for sensitive land use buffers.

Baloga asked if a Montessori school qualifies as a school or a daycare. Hayman said she believes it's considered a school but will check on that.

Carlson said the map was helpful and the school distances make a lot of sense. He asked staff to ensure there are enough appropriate locations within the city.

(There was Council concurrence on the sensitive land use buffers.)

- Draft Ordinance: Distribution Facilities - Other policy questions regarding land use.

Winstead said he's comfortable with it for now adding the ordinance can be tweaked if issues result with other distribution facilities around the state.

Carlson asked about the feedback from the Planning Commission on the spacing requirements. Hayman said their feedback was that the City should mirror State statute and not layer on any additional sensitive land uses or buffers, which results in 179 potential sites.

Winstead said staff viewed it down the lines of a pharmacy but will learn over time how other sites are being used. He said if need be, the draft ordinance can be changed.

- Licensing: (City Attorney Sandra Johnson)
Licensing is the only mechanism available to the City to regulate, inspect and monitor day-to-day operations. The current act is quite strict. It addresses pills, vapor and liquid; no recreational marijuana. The City will want to codify it locally so it can have stricter standards. Federal law prohibits marijuana so the transactions need to be handled using cash. The City wants to keep strict standards because patients will go there with cash to pay for a month's supply. Licensing is permitted at the local level and it will allow the City Council to keep control. This is going to be considered a closely regulated retail activity. She said the City's Licensing Examiner Doug Junker also collaborated on this draft ordinance.

Winstead said it appears as though staff did their research. He said the City will put it on the books and watch to see what happens around the state.

City Manager Jamie Verbrugge said the benefit of doing it now allows Bloomington to lay out the parameters before it's forced to do so. He complimented staff on their efforts.

Johnson said staff will communicate this proposal to all interested parties. She said it will be helpful to get feedback from the Minnesota Department of Health and the industry. It will be presented at a public hearing before the Planning Commission and will likely come before the Council again in September.

6.2 Hyland Greens

Requested Action: Provide input on the community engagement process and draft values for future use of Hyland Greens.

Community Services Director Diann Kirby presented this item. She said per the Council's direction at the June 8th study meeting, staff has prepared information for Council input on alternatives for Hyland Greens including redevelopment of the property, conversion to a park, and a hybrid approach that would incorporate a park within a private residential development. Her presentation highlighted the following:

- 5 Options: Council's interest on June 8 was to pursue (3) options: Convert the property to a park, sell the property, or develop a hybrid approach involving a park within a private development.
- Proposed Guiding Principles for Public Engagement Process: (A-H)
- Community Engagement Process: Public meetings, individual stakeholder meetings with BAA Golf, Golf leagues (12), Normandale Hylands United Method Church, and neighborhood residents.
- Community Task Force: (Potential members). She asked Council if they wanted any other members included on the task force and how potential members should be solicited.
- Proposed Charge: Develop recommendations regarding a re-use strategy specific to three options: Full park utilization, full development re-use, and a hybrid approach but there could be more.
- Proposed Timeline: Anticipates Task Force will complete its work in January 2016.

Council comments/inquiries:

Baloga commented the City hasn't yet had a discussion with Three Rivers Park District to see if they're interested in this land. They've had an interest in golf so the City needs to ask them. He said the Met Council needs to be engaged in this also. If a regional park is to be considered, perhaps they would be interested in providing some funding. Verbrugge said staff will mention it to Bloomington's Met Council representative.

Abrams inquired as to the timing of the July 27 presentation compared to when Council will be receiving the results of the citizen survey. Kirby replied the City has received the draft results from both the Citizen and the Business surveys. Staff anticipates presenting that information to Council in August.

With regard to the principles, Abrams said some of them strike her as being more like goals. She said "D" either has intent to it or it could be rephrased in such a way that it doesn't seem as though the action is included in what otherwise should be considered basic truths that people should be using as they're having conversations on this subject. She likes "F" but said it's aspirational. When offering people with wide open boxes, staff needs to be as clear as possible even if that means limiting the options. She would prefer the principles be shorter and well framed.

Winstead said the list of principles needs to be discussed at this level. He said "D" warrants some intense conversation by the Council, as it could mean selling a City asset and then deciding what to do with the money.

Lowman agreed the list of principles should be shortened. He asked if the task force member list is too long. Kirby said there were concerns with the size of it but said it would be good to get a lot of feedback on this issue. Lowman recommended staff pare the list down.

Verbrugge stated it's better to have a larger group than a smaller one, as this is a big issue. If someone were to get cut out of the task force, it could give the appearance that there's a lack of transparency on the City's part. He believes nine members would be very manageable.

Winstead said staff should hone in on making the principles succinct.

Abrams stated the Council needs to formulate a charge to the task force; that it will take them a significant amount of time and they'll be representing the community on this important assignment.

Lowman agreed there needs to be a charge or a mission for the task force.

Verbrugge asked if the Council wanted the task force to recommend a path for the Council to take or just have them evaluate the three options and provide a report on them.

Winstead asked if the charge could be Hyland Greens doesn't work so what should be done with it. He said he received a call from the investment arm of the former Minnesota Golf Academy that was run by Doug Tenpas that went down. He said the financial backers were very interested in moving forward with something similar to what Tenpas proposed. While Minnesota Golf Academy was a failure in and of itself, there is still a private investment group including professional golfers that would love to see a state of the art teaching academy on a golf course. He said they called today and there might still be a possibility for such an operation at Hyland. As a result, Kirby should meet with them to see if it's a viable option that should be put back on the table. There could be a public/private opportunity here. He forwarded the name to Kirby. He said they have another example of a golf facility that could come forward. He asked the Council if they wanted to put that option back into the mix. Kirby said she could set up a meeting with them.

Abrams said this is a rich opportunity and the City needs to be highly creative on repurposing this asset.

Baloga said an objective needs to come before the principles. He thinks the composition of the task force is over weighted towards golf.

Verbrugge said staff will talk to the investors to determine if they have a viable option, which would then be represented for Council consideration. He said it was staff's presumption in preparing this item that the Council had determined it was no longer willing to subsidize golf operations at the level necessary to maintain golf at Hyland so therefore it will be ended and a decision will need to be made on how to repurpose it. He said the three options Kirby presented are consistent with that presumption.

Winstead said cities aren't the best at marketing their municipal golf courses.

Regarding vetting the viability of a private investor, Oleson said the City needs to be upfront about what it means to be fiscally responsible and should indicate the course needs to be on its own as soon as possible. He said he would be skeptical about moving forward with a private investor if they're expecting there will be ongoing City/taxpayer revenue to assist them.

Winstead concurred there would be no City subsidy but believes this investor group warrants a meeting with City staff.

Verbrugge said that can take place before the task force meetings begin. Staff will rework the principles and goals so they can be communicated as the foundation for the charge to the task force. He asked Council if they wanted the task force to provide a recommendation or an evaluation of options when this comes back later this month.

Carlson said not a recommendation but an evaluation of the options and said all of the options could be put back on the table. He would prefer the information be brought to the Council with a recommendation later.

Verbrugge asked the Council if it would be okay if the task force recommended a preferred option without communicating it as a recommendation. Council agreed but said as long as it's a preferred option and is not binding.

Winstead said some of the principles are more items that need to be considered in the evaluation of options. He said being fiscally responsible is a must; it's a principle.

Verbrugge said the facilitator should be someone who doesn't have skin in the game and suggested someone from the outside to act as a neutral third party that would cost approximately \$10,000-\$15,000 for 4-6 meetings.

Carlson said he thought there are enough people not interested in golf to lead this conversation.

Oleson said that would be alright if staff has had enough training to lead this discussion. However, it's a big deal and Council needs to get a quality report back from the task force.

Baloga expressed concern regarding the compensation of the task force. He said this is a citywide concern; not just for golfers. He believes the task force is over weighted towards people with an interest in golf.

Abrams suggested having a BAA Golf representative and a general user and asked about having a member of the disabled community represented.

Oleson agreed with having a BAA golf representative and a general user on the task force and suggested including a ULI (Urban Land Institute) member, as they would be a neutral representative with expertise.

Verbrugge noted there isn't a business community representative on the list and there should be.

Abrams suggested a representative from Bloomington Public Schools.

Winstead said he would be comfortable having a City staff person leading the discussion. He asked about the number of voting members on the task force. Kirby replied there would be nine.

Oleson suggested the general user could be a senior.

Abrams asked about the method being used to recruit task force members. Verbrugge said Council could nominate people and vote on them in August. Staff could identify them as being from the community or have them fill out an application.

Winstead said people will respond when the word gets out that a task force will be considering what should be done with Hyland Greens.

Verbrugge said if development is a realistic option, this timeframe would allow staff the time to put out an RFQ (Request for Qualifications) and conduct the developer selection so that one could be on board by the middle of next year. He said Council will need to decide if golf operations are going to continue in 2016 while this process is going or not.

Kirby said staff is looking at needing approximately \$300,000-\$400,000 to keep both Dwan and Hyland operating in 2016.

Winstead said there will be no development occurring at Hyland in 2016 no matter which option is chosen so the decision from the City's perspective will be for the Council to determine if Hyland should go dark or operate at a loss.

Baloga said the budgeting process will drive the decision and suggested the Council review the task force charge at the next Council meeting. He also requested a copy of Kirby's slide presentation.

Busse said it could be announced at the July 27 Regular Council meeting that the City is looking at forming a task force.

Verbrugge said a study meeting could be added at the end of the July 27 meeting to revisit the refinements with a public presentation at the first meeting in August. The task force members could then be appointed in late August.

7 ADJOURN

Mayor Winstead adjourned the study meeting at 10:36 p.m.

Barbara Clawson
Council Secretary