

CITY OF ST. FRANCIS  
CITY COUNCIL WORK SESSION AGENDA  
St. Francis Area Schools District Office 4115 Ambassador Blvd. NW  
May 13, 2024  
6:00 p.m.

**1. CALL TO ORDER**

The City Council Work Session meeting was called to order at 6:00 p.m. by Mayor Joe Muehlbauer.

**2. ROLL CALL**

Members Present: Mayor Joe Muehlbauer (attending remotely) and Councilmembers Kevin Robinson, Crystal Kreklow, and Sarah Udvig.

Also present: City Administrator Kate Thunstrom and Public Works Director Paul Carpenter

**3. AGENDA ITEMS**

A. Dog Park

Public Works Director Carpenter reviewed the Staff report on a dog park in the City.

Mayor Muehlbauer asked if the funding for this from the park fund can be used for new parks or if it can also be used for park improvements. Carpenter explained that the funds that will be used for this project are funds that had been set aside by the Council. He added that they will be using grants and some stormwater funds for this as well.

Thunstrom explained that they do have a portion of park dedication fees that can be used for new parks and park improvements.

Mayor Muehlbauer shared that he loves the idea of this dog park.

Kreklow said the pictures of the design look great and shared that she believes this will be well received in the community as there are a lot of dog owners in the City who would love to have a dedicated space that they can go to.

Robinson asked what the City paid for this parcel. Thunstrom said it was around \$200,000 including legal fees, acquisition, and demolition.

Robinson noted that this park will be in the central area of the City with multiple parking lots that can access it. He said this will be a very expensive dog park. He stated he would like to see them look at all of the options of where this dog park can go. He noted that this is such a nice parcel it has so many opportunities. He

added that they received 188 survey responses. He said he is not against this dog park and really likes the idea.

Kreklow asked if the splash pad is something that they can incorporate into this design. Thunstrom shared that the splash pad, dog park, and a farmers' market are the three things that the residents have been asking about for years. She explained that this design would allow for a more natural splash pad. She shared that she and Carpenter have already met with an engineering group on this. She noted they may end up having some funds for a splash pad. She added that there are a lot of moving parts with this park that they have been working through. She said the dog park is the next cheapest thing they can get done. She noted that there are a lot of different things they want to do in and around the park they will all just be done in different phases due to financials and timing.

Carpenter shared that the Parks Commission discussed starting with the dog park to get a win for the parks as it is the most feasible solution. He said he has also been directed by the Parks Commission to begin working on the ice skating rink and the warming house to try to get a plan going so they have somewhere to start. He noted that the Parks Commission wanted there to be something that multiple different ages could use.

Kreklow shared that a resident came forward at the recent Council meeting asking for more family-friendly events and activities in the City. She noted that the City seems to be lacking in activity spaces for kids.

Thunstrom shared that the City does shed a lot of these amenities that would otherwise bring people into the City. She said they have tried to look at the pavilion at the park from a perspective of how it can best be used and rented out. She noted that they are trying to come up with ways to bring these kinds of amenities to the City so residents do not keep going to other cities for these activities.

Carpenter shared that there is also a performance stage in the Park Plan.

Udvig shared that she has heard residents talk about their desire for a dog park in the City since she moved to St. Francis. She said the dog park would get more use out of being in Community Park; however, if people really want to utilize the park then they will drive to it wherever it is. She noted that she would like the dog park to be wherever it will be most used.

Mayor Muehlbauer shared that he likes the idea of having two dog parks at some point in time. He noted that the point of having the Community Park is that it can bring the community together by having a lot of amenities in one place. He added that he has heard a lot of interest in both pickleball and frisbee golf. He noted that the ice skating rink has also been a concern of residents in the past. He said he likes the idea of the whole park in general and understands that there are many steps they have to take to get there. He noted they will need to make sure that this

location is the best place for this dog park. He explained that adding the amenities that are lower priced first is a good idea. He added that he is open to hearing more discussion on the location of the dog park.

Robinson stated that they pay a hockey club to monitor the warming house during the winter. He asked if there was a way that they could solicit any of the hockey groups to repair the boards at the hockey rink to help pay for the project. Thunstrom said they have not approached any of the hockey associations up to this point. She shared that Staff has discussed selling boards to local businesses to help with fundraising; however, they need to design to be able to determine the cost of the project to know what to sell the boards for. She said they are in the early stages of finding someone to draw up this design so they can get these costs.

Robinson suggested reaching out to Oak Grove to ask them about when they did a similar project. He also suggested getting sponsorships for the dog park. He said they could even name the park after one of their sponsors.

Thunstrom explained that the hockey boards as sponsorships are standard and most cities have them but it comes down to getting the design done so they know where to go with this. She shared that they hope to have a lot more work on this coming forward; however, they are not to this point yet where they can start working on these types of things.

Robinson asked where the City stands on restoring the removed playground items that have been removed over the years. He asked how this fits into the Park Plan. Carpenter explained that the one item that was removed from DeGardner Park they are getting to restore it now. He added that Rum River Park has aged out and the Parks Commission will be discussing how they move forward with this park. He shared that there is \$25,000 in the budget for maintenance. He reiterated that if they want to apply for grants for any of these parks, they will first need to have a plan and design before they are able to move forward. He stated they are currently working on this plan.

Thunstrom explained that park dedication fees have their restrictions; however, they are now dedicating some of these funds to parks which is creating opportunities for creativity and maintenance. She explained that they are going to be giving a project update later in the meeting to discuss some potential opportunities to sell off the current City Hall building to generate some income that goes towards other projects.

Robinson asked how much money they have in the levy. Thunstrom stated they allotted \$200,000 and then gave it an additional \$150,000 from ARPA funds for this year.

Thunstrom reiterated that the dog park is a cheap option to get started with as they continue to work out the rest of the plans for the park.

Carpenter added that a lot of these projects are lining up to begin in 2025. He noted there will be a lot more work to do with the bigger projects and the dog park will be a small win to get started.

Robinson asked if there are any liability concerns with the dog park. Carpenter said no and explained that the key is to have the correct rules for the park. He stated he has already researched this and vetted it out. He noted the dog owners are solely responsible for their dogs in the dog park.

Robinson asked if they are planning on having a fence enclosure around the dog park. He said if the area was fenced this could allow dog owners to let the dog off the leash to run around; however, there is a permanency to having a fence in this area.

Kreklow noted that people who may not have pets of their own may be drawn to Community Park as they want to see the dogs who are using the dog park. She noted the importance of the centralized location for this dog park.

Carpenter added that they can look at different multi-use pavilion designs that would allow for the space to be rented for graduations or other parties. He shared that there is a very similar facility in Ramsey at Elmcrest Park which is a very unique space. He explained that for any amenity, there are many things that are needed. He shared that the City concept plan does allow for all of these amenities; however, they do not have the funding at this time for all amenities.

Mayor Muehlbauer shared that he had a resident reach out to him about the lack of pickleball courts in the City. He said he does not know what order they should go in with all of these projects. He noted that affordability will be a major factor. He asked if there is a timeline of when Staff would like to know for sure that Council would like to move forward with the dog park. Thunstrom said the only push to do the dog park sooner rather than later is that they currently have the ability to tie this into an existing road project which would save money to do both projects at once. She explained that the cost provided is based on the ability to tap into other projects and if they do not tap into this then the project will end up being more expensive.

Kreklow asked if they expect pickleball to grow and to continue to be an interest. She said she would not want to spend money and resources on pickleball courts if the popularity of them is going to die down and will not be used for years to come.

Udvig stated that pickleball is big and is continuing to grow. She said this is going to be something that is cost-effective and can give the residents.

Thunstrom explained that frisbee golf would require a lot of land and Bethel already has an expansive frisbee course. She added that pickleball courts are smaller than tennis courts, so they are easier to fit into a smaller space. She noted that pickleball

is a trend, but she sees it continuing to grow.

Robinson asked if the tree clearing as part of the Park Plan is for clearing the trees that are already down or cutting down more trees. Carpenter said they are trying to do this in stages. He explained that they will be taking the underbrush out and leaving anything over eight inches.

Robinson asked if the dog park will be taking up the parcel that the City bought or if the City already owned part of this land. Thunstrom said they already owned part of the parcel and they bought about three more acres.

Mayor Muehlbauer said he would like to capitalize on the amenities that they already have in the park that would make this a nice dog park. He added that he likes the location of the park in proximity to Community Park. He asked what the cost difference would be if they did not do the dog park project along with the road project. Carpenter said that the clearing work that needs to be done in this area needs to be done no matter what.

Robinson asked if they would need electricity for lighting in this area. Carpenter explained that there is lighting right along the driveway going into the parking lot and this will be the only lighting needed in the area for now.

Udvig asked if there will be hours for the dog park. Thunstrom said it would follow typical park hours of closing at dusk.

Mayor Muehlbauer stated he does not want to rush into this; however, he does want to capitalize on the cost savings of doing this at the same time as the road project.

Council consensus was reached to move forward with the dog park plans.

#### B. Oak Grove Request

Carpenter reviewed the Staff report in regard to the letter of request from Oak Grove asking to extend their water and wastewater agreements.

Mayor Muehlbauer shared that he thought they charged the same rates to Oak Grove and Oak Grove was charging an administrative fee on top of the rates for the processing of the billing. He asked if this was correct. Carpenter said he is not familiar with how Oak Grove did this on their side. He noted that he can find out.

Thunstrom explained that Oak Grove has one meter and St. Francis bills their one rate to this one meter and then Oak Grove breaks it down to the residents.

Mayor Muehlbauer asked if this makes those residents be in a higher tier and pay more. Thunstrom said she did not know.

Mayor Muehlbauer stated this seems like a no-brainer as they want more security for their plant. He noted this is also helping to mend the relationship between the two cities.

Robinson asked if this agreement has a cancellation clause and if this request will change it at all. Carpenter explained that the implication is still in the agreement.

Council consensus was reached to agree to Oak Grove's request.

### C. Project Updates

Thunstrom reviewed the Staff report with the Council and gave an update on ongoing projects. She shared that there have been people interested in purchasing the current City Hall building but asked the Council if they want to sell the building or hold on to it and lease it out.

Mayor Muehlbauer shared that his thoughts for the building were to open a City dispensary in it; however, with the proximity to the daycare, it is likely not a possibility. He said he does not see a lot of other uses for this building outside of rental community space. He noted he would rather see it sold and have the money reinvested back into the community. He added that Thunstrom can take the lead on when would be the best time to sell the building.

Kreklow shared her concern about the real estate market starting its downward trend in the summer. She also shared a concern about potentially locking themselves into some non-compete language around the area. She suggested they could turn the building into a senior center or add pickleball courts that can be rented out. She noted that if they did keep the building there are lots of possibilities with what they could do with it. She said she does not think they would be able to get all of the money back that they paid for the building when they go to sell it, so she thinks they should keep it and turn it into something that the community wants.

Mayor Muehlbauer noted they had thought about putting this out on the market and if the market starts going down they could just decide to hang on to the building and use it for community use. He added that if they do decide to keep the building there will be continued maintenance. He said he likes the idea of adding pickleball courts to the building. He noted that if they do hold on to the building, there will be additional costs to make it into a community or senior center. He said he is open to any idea of what they can do with the building.

Udvig said the City is in a nice position with this in that they would not have to sell the building in a hurry and they have time to figure out what they want to do with it. She added that there are groups in the City that may be able to use this space for meetings. She noted they should brainstorm some ideas of what they would be able to utilize this space for before they think about selling.

Kreklow asked if a community center was on the list of survey results of things that residents wanted in the City. Udvig said yes.

Mayor Muehlbauer said when he thinks of a community center, he thinks of something like a YMCA where there are many things that people can do. He noted that he does not think the residents know the costs that would be associated with opening a community center.

Udvig suggested they could label it as a community space rather than a community center.

Robinson asked if they could keep part of the building. He asked about the current appraised value of the building. Thunstrom shared that the building next door sold for \$350,000. She added that the City could keep the whole building and lease out portions of it. She noted that this would put it back on the tax rolls if it was leased to a private business.

Robinson asked if the City would want to be in the rental business.

Mayor Muehlbauer said if they do decide to rent it out they would have to come up with a rent amount and the business would have to be willing to pay the set number so it would make sense to the City.

Thunstrom shared that she can tell the parties who are currently interested in purchasing the building that the City has not yet decided what they want to do with it. She said they have plenty of time to make this decision.

Mayor Muehlbauer asked if there is a number that a buyer could offer that would be too good for the City to turn down. Thunstrom said \$500,000 or above.

Kreklow asked if they were to keep a portion of the building and sell off the other part if they would then be far enough from the daycare to open a dispensary. Mayor Muehlbauer said that would be a possibility; however, they would have to subdivide the property which could be a difficult process.

Mayor Muehlbauer shared his reasoning for wanting a City dispensary as it would be another way, like the liquor store, to generate revenue to lessen the burden on taxpayers.

Thunstrom said the current Bottle Shop manager would be a great manager to expand into the dispensary.

Thunstrom reviewed the Patriot Parkway project. She shared that it has come to the point where the City cannot afford to build all of this infrastructure. She said they will still be going through the preliminary plat process; however, the City does not have funds for the infrastructure.

Robinson asked if the coffee shop in this area will still be happening. Thunstrom said they will have to wait and see what happens on this lot. She explained that the coffee shop took a chance with this property as they knew there was not a road yet. She added that Staff has tried to direct them to multiple other sites, yet they are still hanging onto this one. She said they can pursue State or Federal funding for this.

Thunstrom reviewed the Vista Prairie project. She stated that the groundbreaking is currently scheduled for June 10.

Robinson asked if they plan to have a groundbreaking ceremony. Thunstrom explained that they are waiting until after all of their loans have closed.

Robinson asked if the Chamber of Commerce is involved with this. Thunstrom said no.

Thunstrom shared that they have a pre-construction meeting scheduled for June 5 where they will be able to get some more information on the groundbreaking.

Thunstrom reviewed the Rum River Inn status. She shared that they are not sure if the building can be saved at this point. She said she is working with an engineering team on this. She added that the State has determined this as a historic building. She shared the two options for the buildings are to renovate it or tear it down. She added that there are grant opportunities for this building. She shared that the foreclosure of this will be done in June. She asked the Council how they want to move forward with this building.

Mayor Muehlbauer asked what kind of issues could come about with this building sharing a lot with the hardware store. Thunstrom explained that she has worked with HKGi and if they were to tear down the building then everything on the lot would need to be demolished in order to rebuild on it. She noted that this is a very complex lot and the lot lines for the hardware store are very messy, including the right-of-way.

Thunstrom explained that if they had someone to come in and redevelop this property then the City could ask them to put the right-of-way by the curve in the road rather than at a straight line. She noted that if this were to be torn down it would be a very complex site for someone to put something back on it.

Udvig said if someone comes in and tears the building down to rebuild on this lot then this would likely be an investment there would not be a return. She shared that she gets calls and emails from residents asking if anything can be done about the Rum River Inn and she has to tell them that there is not much they can do at this time.



Robinson asked about the foreclosure parameters. Thunstrom explained that since the building was vacant the bank could have done a five-week foreclosure redemption period; however, this is a court action that would take more money so instead they did it through publication, which is a six-month process. She shared that she has had conversations with a realtor on if the bank would consider a short sale on the building. She said the bank has not entertained this. She added that the bank is thinking that this building is worth a lot more than it is. She noted that an appraiser will come out to assess the property before they try to get this on the market.

Robinson asked about the benefit for the City if they go through this process. Thunstrom explained that getting the grants and doing the studies will only give them hope and give the developer a head start on the project. She noted that this may not be enough to get someone to want to buy the property. She added that now that the building has been deemed historic, it does open up some tax credits and loans.

Thunstrom explained that if they can get some grants for this project then they may be able to do some work on this building. She shared that they could do a use study that would show developers what the property can be used for. She noted that she has a meeting set on Thursday in regard to the grant piece of this. She shared the uses that would be allowed for this property.

Robinson asked if this is something that Staff wants to continue to spend time working on. Thunstrom explained that it was bittersweet when the State deemed this a historic building. She said it is a tough site but if they can get help on this and they can do it cheap enough, it would be worth doing something; however, if it is something that would require a lot of time and money then she thinks they need to step back and let it go. She noted that they only have so much capacity for projects right now concerning all of the other ongoing projects. She reiterated that she will be learning more about the possibilities at her grant meeting on Thursday.

Council consensus was reached to direct Staff to move forward with the discussed direction on the current City Hall building and the Rum River Inn.

#### **4. ADJOURNMENT**

There being no further business, Mayor Muehlbauer adjourned the City Council Work Session at 7:49 p.m.