

# City of East Bethel City Council Agenda

City Council Work Meeting – 7:00 p.m.  
Date: March 25, 2015



## Item

<b>7:00 PM</b>		<b>1.0</b>	<b>Call to Order</b>
<b>7:01 PM</b>		<b>2.0</b>	<b>Adopt Agenda</b>
<b>7:02 PM</b>	Page 2-46	<b>3.0</b>	<b>Ice Arena Management Services Proposal Presentations</b>
<b>8:00 PM</b>	Page 47-80	<b>4.0</b>	<b>Rental Ordinance</b>
<b>8:20 PM</b>	Page 81-90	<b>5.0</b>	<b>Rural Residential Zoning Densities</b>
<b>8:40 PM</b>	Page 91-92	<b>6.0</b>	<b>URRWMO Audit</b>
<b>9:00 PM</b>		<b>7.0</b>	<b>Adjourn</b>



# City of East Bethel City Council Agenda Information

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**Date:**

March 25, 2015

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**Agenda Item Number:**

Item 3.0

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**Agenda Item:**

Ice Arena Management RFP's

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**Requested Action:**

Receive proposal presentations for the Ice Arena Management Contract for 2016 - 2018.

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**Background Information:**

The City of East Bethel managed and operated the City Ice Arena with City Staff until 2006. From 2006 to 2008 the City contracted with the National Sports Center for management services for this facility. The National Sports Center declined to exercise their option to extend their contract at the end of the 2008 season. As a result, the City solicited other management proposals for operation of the facility and awarded a contract to Gibson Management Company, LLC for a one year period. The contract with Gibson Management was extended in 2009 to 2011 and another extension was granted in 2011 to 2014.

City professional service agreements are evaluated, generally, every 5 years and additional requests for services are solicited to ensure that the City is receiving the best value for both the cost and benefit that is being offered. This Request for Proposal (RFP) was advertised in the Anoka Union, City Website and with the League of Minnesota Cities.

There were three inquiries regarding the RFP from the following:

- 1.) National Sports Center-Blaine, Minnesota;
- 2.) Victory Management - Isanti, Minnesota; and,
- 3.) Gibson Management, LLC-Rochester, Minnesota.

The National Sports Center manages 8 sheets of ice at their Blaine location and, as stated above, operated our rink from 2006 to 2008. Even though there was communication with the NSC, they did not submit a proposal for this management contract.

Victory Management Services is a Minnesota Limited Liability Corporation. Victory Management provides businesses in the North Metro with a resource for all the tools required to increase operations and efficiencies in the operation of their business. Victory Management has also teamed up with the St. Francis Youth Hockey Association on this project to benefit the City of East Bethel, the East Bethel Ice Arena and the general hockey experience.

Gibson Management, LLC is the current management contractor of the City Arena. They have managed our facility since 2008.

The City Ice Arena was able to post a positive fund balance for the first time in 2013 and continued this trend for 2014. The financial goal of the City is to operate this facility with no taxpayer subsidies.

**Attachments:**

- Ice Arena Management RFP Proposal
- Gibson Management RFP Proposal
- Victory Management RFP Proposal

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**Fiscal Impact:**

As noted above.

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**Recommendation(s):**

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**City Council Action**

Motion by: \_\_\_\_\_

Second by: \_\_\_\_\_

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Vote Yes: \_\_\_\_\_

Vote No: \_\_\_\_\_

No Action Required: \_\_\_\_\_

# City of East Bethel

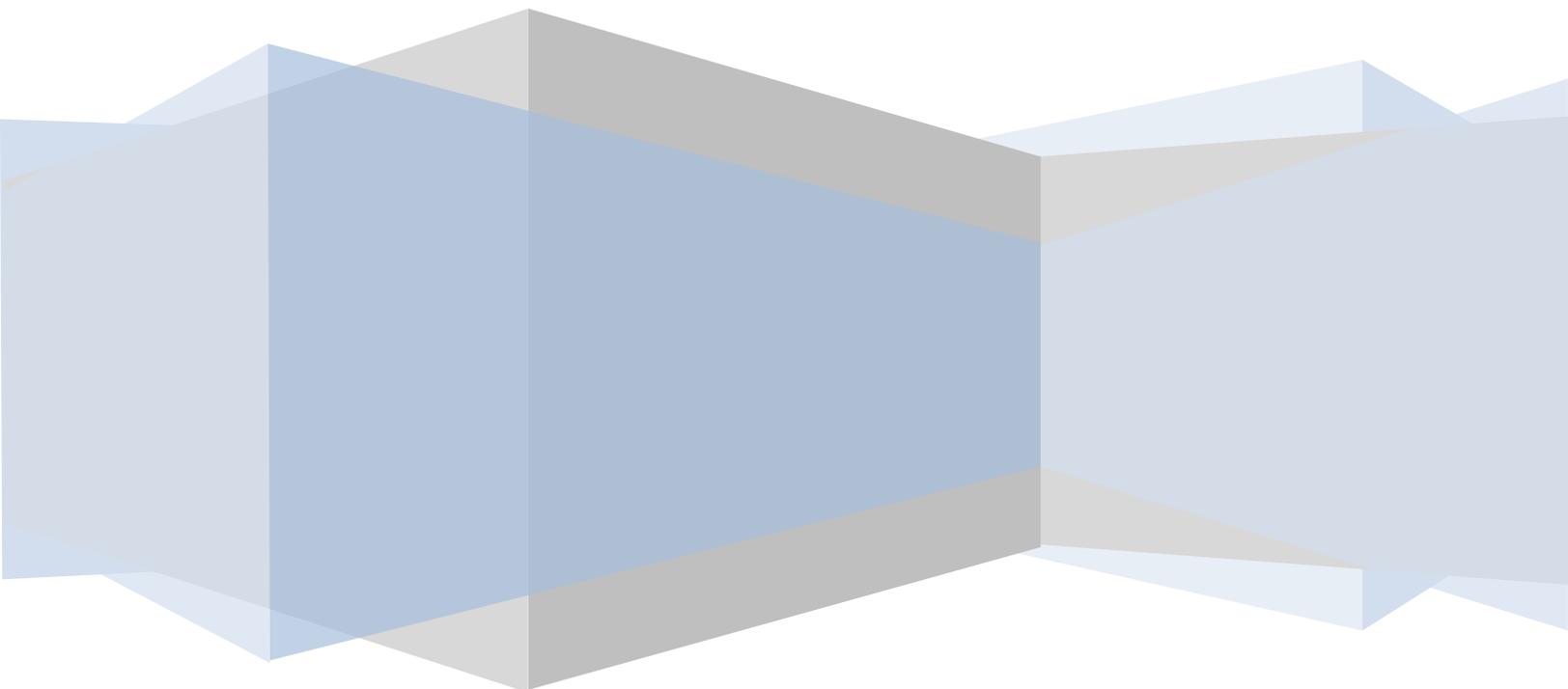
## REQUEST FOR PROPOSALS

*For*

**Ice Arena Management Services**

**CITY OF EAST BETHEL**  
**2241 221<sup>ST</sup> Avenue NE**  
***East Bethel, MN***

<b>Release Date:</b>	<b>February 17, 2015</b>
<b>Proposal must be received</b>	
<b>No Later Than:</b>	<b>March 18, 2015 at 10:00 AM</b>
<b>Council Presentation:</b>	<b>April 1, 2015 at 7:00 PM</b>



## TABLE OF CONTENTS

### **SECTION**

- I. GENERAL INFORMATION**
  - Request for Proposal Notice
  - Conditions and Stipulations
  - Scope of Work to be Performed
  
- II. CITY INFORMATION**
  - Background Information
  
- III. PROPOSAL FORMS**
  - Required Contents of Proposal
  - Proposal Evaluation

**SECTION I – GENERAL INFORMATION**

***REQUEST FOR PROPOSAL NOTICE***

***CONDITIONS AND STIPULATIONS***

***SCOPE OF WORK TO BE PERFORMED***

## REQUEST FOR PROPOSAL NOTICE

Notice is hereby given that the City of East Bethel will accept Proposals for Ice Arena Management services until **10:00 AM March 25, 2015**.

All Proposals shall be clearly identified as the Ice Arena Management Proposal for the City of East Bethel. **One (1)** hard copy and **One (1)** electronic copy of your Proposal should be forwarded to the City at the following address:

**City of East Bethel  
Attn: Jack Davis  
2241 221<sup>st</sup> Avenue NE  
East Bethel, MN 55011  
Jack.Davis@ci.east-bethel.mn.us**

An invitation to present a proposal will be provided by March \_\_\_\_\_, 2015 to those selected. Presentations of proposals will be made to City Council on \_\_\_\_\_, 2015. The award of a contract will be submitted to City Council for consideration at their \_\_\_\_\_, 2015 meeting. The City reserves the right to reject any or all Proposals, waive formalities, negotiate terms and conditions, and to select the agent and service options that best meet the needs of the City and its employees.

Prior to the submission of proposals to City Council, the City of East Bethel reserves the right, where it may serve the City's interest, to request additional information or clarifications from vendors, or to allow corrections of errors or omissions. At the discretion of the City of East Bethel, firms submitting proposals may be requested to make oral presentations as part of the evaluation process.

Inquiries or clarifications should be directed by telephone or e-mail to the following City contact:

**Jack Davis  
City Administrator  
763-367-7851  
Jack.Davis@ci.east-bethel.mn.us**

## CONDITIONS AND STIPULATIONS

You are invited to submit your Proposal for Ice Arena Management services.

Unless a specific note is made to the contrary in your Proposal or a subsequent contract, we will assume that your Proposal conforms to the City's Specifications and an award to you will bind you to comply fully with all of the following Conditions, Stipulations, and Specifications.

### **General Conditions and Stipulations**

- The City reserves the right to accept or reject any or all proposals and to waive formalities and select the agent(s) that best meet the needs of the city and its employees. The City's objective is to select a contractor who will provide the best possible service at the best possible cost while meeting the Request for Proposal specifications. The City is not obligated to award the contract based on cost alone.
- Contractor that is awarded the business shall submit an action-plan and timetable for assuming responsibilities to the City within thirty (30) days from when the Council approves the selected contractor.
- A servicing representative must be available to the City on an on-going basis.
- The Contract may be awarded for a three year period to begin on August 1, 2015 and end on July 31, 2018.

## **SCOPE AND RESPONSIBILITIES**

The City of East Bethel desires the successful contractor to perform the following services:

The Contractor agrees to furnish management services for management of the East Bethel Ice Arena and perform the following functions, duties, and obligations:

- Provide an on-site manager, all necessary operational staff and provide worker's compensation insurance covering all its employees.
- Ensure that the manager will be at the Arena full time September 1 through March 31. The manager will be at the Arena as necessary for the adequate performance of this Agreement April 1 through August 31.
- Market, sell, schedule, invoice, and ensure collection of all payments for all ice rental and dry floor events. All payments will be made directly to the City. Copies of all invoices will be provided to the City immediately upon preparation by the Contractor. All executed contracts, insurance paperwork, and payments must be provided to the City at least 10 days before a client is allowed to enter the Arena.
- Provide commercial general liability insurance coverage in the amounts of \$500,000.00 per claim, \$1,500,000.00 for any number of claims per occurrence, with the City of East Bethel named as an additional insured on the policy.
- The Contractor will be responsible for all concessions activities, including purchasing merchandise and supplies. The contractor will pay the City \$2,000 to rent the concession area and equipment.
- Market, sell, manage and ensure display of all advertising including interior and exterior signage. All executed contracts and payments will be forwarded to the City before signage is installed.
- Manage the budget for all operations, revenues, and costs.
- Prepare an annual budget with assistance from the City. Budget must be prepared and provided to the City Administrator. The draft document must be provided no later than May 31" of each year for the following year's operations.
- Manage all short term maintenance projects and activities.
- Provide guidance and planning to the City for current and planned capital improvements.
- Provide, on a monthly basis, a detailed statement to the City that includes all expenses that are to be reimbursed by the City to the Contractor.
- Maintain the interior of the Arena, the ice surface, and the exterior walkways to an agreed upon accepted standard; all emergency exits must be kept clear of ice and snow.
- Secure and protect the artificial turf from the elements in a visually attractive manner when it is not installed in the arena. When the turf is installed, all protective tarps and lumber will be stored in a visually attractive manner.
- Secure all buildings when not in use. Contractor will be liable for any damages, thefts or costs resulting from failure to lock the compressor building or from failure to arm the Arena alarm system when the Arena is unoccupied. Contractor will take full responsibility for the actions of clients that are allowed unsupervised access to the Arena.
- Provide maintenance and mechanical staff on an as-needed basis.
- Meet monthly, or as required, with City staff to discuss and resolve any issues.
- Maintain a website that is current with all scheduled activities and approved by the City for the purpose of displaying information pertinent to the operation and activity calendar of the facility.
- Provide a phone message response policy that ensures that all voice messages will be given a reply within 12 hours.
- Provide a cleaning schedule for the lobby, rest rooms and common areas that ensures the cleanliness and the positive appearance of the facility
- Indicate the number of employees to be utilized and require that they be identified as employees of the contractor when on duty.
- Provide an outline proposal for maximizing the sale of both prime and non-prime ice time, advertisement sales or other revenue generators.

The City will be responsible for the following:

- Maintain the building exterior and the property grounds including snow plowing the parking areas and mowing the grassy areas adjacent to the facility.
- Finance capital improvements necessary to ensure continued, uninterrupted operation of the Arena for all user groups.
- Provide space in the City newsletter for Arena advertising.
- Maintain insurance coverage at the statutory limits for property, boiler machinery, business interruption, and commercial general liability.
- Assist the Contractor with preparation of an annual operating budget.
- Pay all necessary Arena operating expenses. Approved expenses paid by the Contractor will be reimbursed on a monthly basis upon receipt of the detailed monthly statement from the Contractor
- Should the City be required to provide assistance or services to the Contractor over and above these basic responsibilities, the Contractor will be billed for this additional cost to the City.

## **SECTION II – CITY INFORMATION**

### ***BACKGROUND INFORMATION***

The City of East Bethel, at the northern edge of the Minneapolis-St. Paul metropolitan area is a developing Statutory City with a current population over 11,000. The form of government is Council/Administrator. East Bethel is governed by a City Council composed of a Mayor and four Council Members. East Bethel has approximately 19 benefit eligible employees.

The City is located at:

**City of East Bethel  
2241 221<sup>st</sup> Avenue NE  
East Bethel, MN 55011**

The City Ice Arena is located at:

**City of East Bethel  
20675 HWY 65  
East Bethel, MN 55011**

### **POLICY FOR RETAINING PROFESSIONAL CONSULTANTS:**

- It is the policy of the City to employ a consistent practice for selecting and retaining professional services. Contracts for professional services shall be for three (3) years, subject to termination for cause or for the convenience of the City unless other terms are specified.

**SECTION III- PROPOSAL FORMS**

***REQUIRED CONTENTS OF PROPOSAL***

***PROPOSAL EVALUATION***

## **REQUIRED CONTENTS OF PROPOSAL**

The purpose of the Proposal is to demonstrate the qualifications, service level, cost for services, competence and capacity of the firms seeking to become an agent of record for the City of East Bethel. The proposal should address all the points outlined here as required.

### **A. Firm History and Experience:**

1. Brief history of firm including size and any specialty areas.
2. Background company data, including financial references.
3. Particular expertise or involvement in Ice Arena Management.
4. Municipality experience.

### **B. Qualifications:**

1. Description of service philosophy.
2. Conceptual program structure and pricing.
3. An introduction of the account team, by name with specific roles, qualifications and experience, and distribution of responsibilities including support capabilities.
4. Action-plan and timetable for assuming responsibilities as well as future design/cost containment plan.
5. Detail of services that will be provided to the City.
6. Indicate current responsibilities of person designated to serve as lead contact for the City.

### **D. References:**

1. Provide the contact names and telephone numbers of three (3) clients in the State of Minnesota with whom you have had a working relationship, as a reference for the City. Include the number of participants for each group.

### **E. Conflict of Interest:**

1. Disclose any conflicts or perceived conflicts of interest.
2. Identify what procedures your firm utilizes to identify and resolve conflicts of interest.

**F. Previous engagements with the City of East Bethel:**

1. List of previous engagements with the City of East Bethel.
2. Describe what lead to the end of the engagement.

**G. Proposed Fee for Services:**

1. Explanation of compensation plans for your firm under this proposal including all services to be included in that fee.
2. The proposal should contain the proposed fee for services in either a fixed dollar amount or as a percentage of premiums paid for coverage. Fees are to be maintained at the proposed level unless approval is given by the City Council for a change in the fee structure or level.
3. List any additional service options as well as the fee structure involved.
4. Indicate any alternate billing arrangements you would be willing to consider and under what circumstances they would be most appropriate.

**H. Copies of the following items shall be furnished with the submittal:**

1. Errors and omissions coverage.
2. Business license.
3. Statement of compliance with federal and state laws.

## PROPOSAL EVALUATION

### A. Criteria

The City will evaluate proposals based on the needs of the City. The following criteria will be used in evaluating each of the Agent/Broker responses:

1. Compliance with specifications.
2. Ability to provide strong administrative support and communication to City and all relevant stakeholders
3. Cost.
4. Experience and Qualifications.

### B. Review of Proposals

City staff will evaluate the proposals based upon the factors listed above and make a recommendation to the City Council.

The successful candidate will be required to enter into a written agreement with the City of East Bethel that will include service agreements and compensation for all coverage's. This agreement could be for a period of (3) three years and will contain a review process and termination provisions. The proposed contract will be negotiated to establish incentives for the sale of advertisements and non-prime ice time.

The City of East Bethel reserves the right to retain all proposals submitted and use any idea in a proposal regardless of whether that proposal is selected.

The City will choose the proposal(s) that best fits its needs. The City is not obligated to award the contract based on cost alone nor is the City obligated to award only one contractor.



**Proposal  
for  
City  
of  
East Bethel**

Gibson's Management Company, LLC  
PO Box 18  
East Bethel, MN 55011  
[www.gibsonsmanagementcompany.com](http://www.gibsonsmanagementcompany.com)

## Table of Contents

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1.0 Executive Summary.....	1
1.1 Objectives.....	1
1.2 Mission.....	1
1.3 Keys to Success.....	1
1.3.1 New Ice Rental Procedures.....	2
2.0 Company Ownership and History.....	3
2.1 Company Ownership.....	3
2.2 Company History.....	3
2.3 Previous Experience.....	3
2.4 Bank Information.....	4
3.0 Qualifications.....	4
3.1 Service Philosophy.....	5
3.2 System Timeline.....	5
3.2.1 Future Upgrades.....	5
3.3 Services Provided.....	6
3.3.1 Potential New Business.....	6
3.4 Lead Contact.....	7
4.0 Pricing Structure & Proposed Fees.....	8
4.1 Past Fee Structure.....	8
4.2 Proposed Fees.....	8
5.0 Conflicts of Interest.....	8
6.0 Previous Engagements with City of East Bethel.....	9
7.0 Marketing and Web Based Services.....	9
8.0 Management Team.....	9
9.0 References.....	11

## **1.0 Executive Summary**

The following plan is based on years of experience, is highly focused, and promises to follow a path of potential for growth and profit for its owners, managers, and the City of East Bethel. It is based on conservative goals for future ice sales, and actual sales may be higher. The GMC, LLC company strives to provide excellent customer service which will hopefully increase revenue each year thereafter.

GMC, LLC is a small company designed to make our customers feel as if they are receiving exclusive services in a world all to themselves. The teamwork theme is based on a goal of making certain that our clients feel as if their needs are being met in a timely and efficient manner. Customer service is our primary selling point, as we want to make sure our user groups and customers feel as if their voices are being heard.

## **1.1 Objectives**

1. Have an accessible staff, with a clearly indicated manager on site for both common days and all major events.
2. Implement new communications policy to quickly resolve any questions or concerns by City or customers.
3. Improve customer satisfaction with the facility as a whole. Update and upgrade fixtures and common areas.

## **1.2 Mission**

GMC, LLC aims to offer excellent customer service and provide quality expertise at all times. Close personal attention to our clients is essential to providing a favorable experience for all customers. Adequate personnel has been hired and trained to ensure all facilities under our supervision will be maintained safely and efficiently.

## **1.3 Keys to Success**

Keys to a successful City - company partnership will include:

1. Maintaining a safe, clean, presentable arena with a quality ice sheet.
2. Quality communication methods.
3. Competitive pricing and scheduling.

4. Partnering with the youth hockey association to help them find more advertising customers.

### **1.3.1 New Ice Rental Procedures**

For the upcoming 2015-16 season, Gibson's Management Company will be implementing new procedures to rent ice at the East Bethel Ice Arena. Potential users must follow the following steps in order to rent ice at EBIA.

#### **Priority 1: St Francis High School (ISD 15)**

The Athletic Director of SFHS must submit a tentative schedule to the arena manager for GMC to review. If there are any changes required, the arena manager will make any necessary changes and send the updated schedule back to the AD. Once these changes are made, the Athletic Director will submit a final draft of the schedule to the arena manager and GMC for final review. Once this schedule is agreed upon, an invoice, contract, and schedule will be sent to the Athletic Director. This process will start in April and end no later than June 30. A signed contract, proof of insurance and first payment must be turned in a minimum of ten days prior to the first scheduled ice date.

#### **Priority 2: Youth Hockey (SFYHA / Rum River Stars)**

The SFYHA ice scheduler will receive a copy of the open hours that remain after the high school programs have selected practice times and game slots. This list of open hours will be emailed to the SFYHA ice scheduler at the beginning of July. The SFYHA ice scheduler will select all the hours that he / she feels the association will use for the upcoming season and return the desired ice times list to the arena manager in a timely manner. GMC will review these requests for approval. Once no changes are needed, the final schedule will be emailed to the SFYHA ice scheduler, along with a contract and invoice. This process should be completed by September 1 annually. A signed contract, proof of insurance, and first payment will be required to be returned a minimum of ten days prior to the first scheduled ice time.

#### **Priority 3: Other outside user groups**

Once the schedules for the top two user groups have been finalized, the schedule will be posted on the eastbethelicearena.com website. From that point, the arena manager will be pursuing leads to sell the remaining ice slots.

If at any point in the ice season either of the top two priority user groups wish to purchase more ice hours, they will need to call the arena manager to make such arrangements. If there is ever an event that requires a change in billing, i.e. school snow dates, the originally responsible party will need to refer to the ice contract and contact the arena manager with any required changes in billing.

## **2.0 Company Ownership and History**

Gibson Management Company was founded in 2008 by Todd Gibson to serve local municipalities that would like to contract the management services for recreational and ice arena facilities.

### **2.1 Company Ownership**

Gibson Management Company is a limited liability company licensed in the State of Minnesota. GMC, LLC is owned by Todd W Gibson, a full time resident of Minnesota who has over 20 years of experience working in various roles at both large and small ice venues.

### **2.2 Company History**

Gibson Management Company took over the day to day management of East Bethel Ice Arena in 2008 after the National Sports Center declined renewing a management contract that had been in place since 2006. GMC was selected as the management company mainly because GMC offered more services per dollar, and because the GMC staff had prior experience at the Arena. The initial contract was for one year, which ended July 2009. GMC was subsequently renewed for a two year period ending July 2011. Following that duration, GMC was retained again for a three year contract that expired on July 31, 2014.

GMC was awarded the contract following the last RFP for a one year bid (2014-15).

### **2.3 Previous Experience**

GMC owner, Todd Gibson, has experience working at a variety of ice sports and

recreational venues in a multitude of roles.

Island Sports Center (Pittsburgh, PA) - Asst Director of Operations. Facility features two indoor, year round ice arenas, two additional seasonal, covered outdoor arenas that kept ice during the fall and winter months and Sport Court during the warmer months. Also at the facility were a full service pro shop, multiple concessions areas, skate rental, indoor golf dome & driving range, batting cages, turf sports field, and miniature golf. The facility hosted many local, regional, and national events such as the Junior Olympics, skating shows, and USA Hockey national tournaments.

Columbia Ice Arena (Fridley, MN) and Schwan Super Rink (Blaine, MN) - Arena Manager. Responsible for preventative maintenance of the ice sheets and ice resurfacer machines. In charge of concessions ordering and staffing. Implemented ticketing policies and supervised deposits. Responsible for all day to day operations of the single sheet facility at Columbia Arena.

East Bethel Ice Arena - Arena Manager. Was responsible for all scheduling, communication, staffing, training, concessions, ticketing, ice maintenance, and daily operations for the single sheet facility.

Rochester Recreation Center - Assistant Facility Manager for City of Rochester. Oversees all events, staff scheduling, customer service issues, maintain accurate records of rentals, revenue, and attendance.

#### **2.4 Bank Information**

GMC LLC has payroll services and checking accounts at Wells Fargo in Blaine, MN  
612-316-3965

#### **3.0 Qualifications**

Gibson Management Company (GMC) offers service options to both public and private ice arena and recreation facilities. We offer a wide range of services such as consulting, part time work, ice installation and / or removal, and complete year round management of ice facilities.

Management of an ice arena can be a huge endeavor. Whether it's managing staff and payroll, or trying to keep up with new ice making technology and strategies, it's a big job for anyone. GMC has assembled a skilled team of industry professionals in the key functional roles of ice hockey trades and recreation management. This GMC team functions as a cohesive unit that provides current skills and experienced guidance to the facilities' on-site part time staff. We give City leaders their time

back, by assuming the responsibility of operating the day to day scheduling, management, and daily up keep of your municipal ice arena location. Our primary goals are to provide quality customer service to all user groups, and effectively communicate with City officials.

### **3.1 Service Philosophy**

Good leaders develop through a series of trial and error events, self reflection, training, education, and naturally, experience. GMC has team members with extensive experience in venues both smaller and larger than the East Bethel Ice Arena. The goal of GMC here is to inspire our staff to higher levels of customer service and teamwork, rather than being content to maintain a baseline.

GMC promotes a team approach with a main priority being successful communication, both among all team members, as well as between staff and customers. We will aim to take aspects of what was successful at previous facilities and incorporate those ideals at the East Bethel Ice Arena. Additionally, we desire to be progressive and help the local programs grow. We are committed to keeping a successful balance between customer satisfaction and financial responsibility.

### **3.2 System Timeline**

Upon acquisition of a new contract, GMC plans on implementing all new strategies effective immediately. The staff that is already in place will communicate with the primary user groups regarding what they would like to see improve at their home arena. If approved for attendance, we will send a representative to select St Francis Youth Hockey board meetings, so that we can meet with our users face to face on a more regular basis. We already have Facebook and Twitter accounts in place, and will continue sharing those with user groups for more modern communication options between GMC, EBIA, and user groups.

#### **3.2.1 Future Upgrades**

- Restrooms upgrades - paint all walls, update flooring, add tile, new fixtures
- Lobby improvements - TV viewing, schedule monitor, general facelife / painting
- Live arena streaming: 48" monitor, live broadcast of arena activity (including PC, 3 cameras, TV, internet link)
- Improved GMC - StFrancis scheduling communication, including a 24 hour view-only accessibility

- Concessions & vending upgrades

### **3.3 Services Provided**

Services provided will include, but not be limited to, the following:

- Provide a full time, on site Arena Manager, as well as all necessary part time staff during all ice sports months, as well as during major off season events
- Supply, staff, and manage the concessions area, while adhering to all health code requirements
- With the assistance of the City, manage an annual budget
- Manage all minor mechanical maintenance, small projects, and service fixtures as needed
- Advise the City regarding potential improvements to the facility
- Maintain a website, Facebook page, Twitter account, Google+ page, email account
- Attend monthly meetings with City officials with updates and information regarding Arena happenings
- Provide uniforms for GMC employees that will clearly indicate them as such, so that they may be easily identified
- Maintain detailed log books for cleaning tasks and routine maintenance schedules so that the staff is always accountable for keeping the arena clean, safe and presentable for all visitors
- Sell, schedule, and invoice all user groups and submit payments to the City
- Maintain the ice surface at an appropriate thickness and temperature
- Secure the building during all times when the facility is not in use
- Effectively move and store the artificial turf in a visually acceptable manner
- Implement a new communication policy that will ensure all questions and concerns are addressed in a timely manner

#### **3.3.1 Potential New Business**

Efforts will continue to be made to establish a stronger dry floor rental business. Meetings and relationships will be sought with local event planners, show

representatives, etc, An attractive, informative brochure will be distributed that highlight facility rental options.

Ideas for dry floor events:

- Receptions
- Church events
- Parties
- Flea markets and rummage sales
- Trade shows
- Team building events
- Rehearsals
- Teen events / lock in' s
- Craft shows
- AKC / kennel clubs
- Pool or dart tournaments
- MMA events
- Pageants

Ideas for new Ice Sports groups

- North Branch Area Youth Hockey - We will be in contact with NBYHA regarding purchasing ice for the 2015-16 season. They currently purchase ice as far away as Princeton, which is a longer drive for them for ice time.
- Adult Hockey Groups or open hockey

### **3.4 Lead Contact**

Lead contacts between GMC and City of East Bethel officials will be Todd Gibson and Jon Barry. Mr Barry will be the Arena Manager. He will be on-site on a full time basis, typically 5-6 days per week during the prime ice season. He will also be on site during all major off season dry floor events. He will be provided with a cell phone and email so that user groups and City representatives can access him when necessary. The Arena phone will be carried by the manager while he is both on and off site, as the arena phone is now a cellular rather than a land line.

#### **4.0 Pricing Structure & Proposed Fees**

Invoicing from GMC to the City will remain the same as the 2014-2015 contract, with higher billing amounts being submitted during higher periods of Arena activity, and lower amounts during the non-peak summer months.

#### **4.1 Past Fee Structure**

Contract 1: August 1, 2008 - July 31, 2009

- GMC operational fee \$83,000

Contract 2: August 1, 2009 - July 31, 2011

- GMC operational fee remained at \$83,000
- During this original three year time period, net operating income for the City of East Bethel increased, and the Arena fund was significantly reduced.

Contract 3: August 1, 2011 - July 31, 2014

- GMC operating fee was proposed and approved at \$88,000
- GMC made less income during this time period due to rental of concessions area, upon the request of the City of East Bethel. After Concessions rental was considered, the operations budget became \$84,000

#### **4.2 Proposed Fees**

GMC, LLC is proposing a negotiable fee of \$83,000. The addition in fees will help offset the costs of updating and upgrading the facility, as previously mentioned in "future upgrades".

#### **5.0 Conflicts of Interest**

GMC, LLC does not perceive any conflicts of interest between the company and the City. There have been no prior conflicts of interest between GMC and City of East Bethel during previous contract years.

## **6.0 Previous Engagements with City of East Bethel**

GMC, LLC has successfully been under contract with the City of East Bethel since August 2008

## **7.0 Marketing and Web Based Services**

GMC will continue maintaining a welcoming Facebook page for East Bethel Ice Arena. This page features pictures of the arena, updates about relevant events, and general information about the facility.

GMC will also maintain a Twitter account with schedule and program information.

GMC will provide the City of East Bethel with photos, current information, and staff contact info for the City's official links on it's primary website.

## **8.0 Management Team**

East Bethel Ice Arena will have a full time management team, both on site and at large. Team members will be in the following primary roles:

### **Arena Manager & Scheduling Liaison: Jon Barry**

- Direct the daily operations of the facility, including supervision of building, outdoor rink, and ice resurfacers
- Oversee the scheduling and documentation of daily work assignments and staff work schedules
- Communicate with City officials on an on-going basis via phone, email, and personal visits to City Hall
- Be readily available for communication with primary user groups.
- Maintain a quality level of cleanliness in the lobby, referee room, locker rooms, shower areas, bleachers, concessions areas, as well as all other common areas
- Responsible for putting together orders for rink supplies and concessions supplies
- Oversees and supervises game management as needed for all youth and high school contests, as well as for special events and off season dry floor events.
- In charge of small projects and upkeep of basic fixtures

## East Bethel Ice Arena

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- Supervise the secure opening and closing of the facility
- Keep accurate data logs and maintain the facility's machinery, including basic ice resurfacers maintenance
- Maintain a safe, welcoming, presentable environment for customers and visitors
- Primary daily roles are to maintain a safe ice sheet and ensure arena cleanliness as top priorities
- Arena manager will be a full time, salaried position with a minimum of 45 hours on site per week during the ice season
- Assumes any additional responsibilities as required by the Owner of GMC, LLC
- Jon has attended USA Hockey STAR classes and is educated on proper ice making. Maintaining proper ice depth is essential to keeping utility bills lower.
- Work closely with SFYHA, St Francis HS boys and girls teams, as well as other user groups to efficiently and fairly schedule both prime and non prime hours.
- Seek out new users to fill additional hours, including adult groups, North Branch Area YHA, broomball groups, try-outs for off-season hockey programs, etc
- Invoice user groups in a timely manner
- Will send weekly updates to City of East Bethel, regardless of whether it is a high or low activity time of year

### **Marketing and Social Media Director: Pilar Gibson**

- Maintain East Bethel Ice Arena Facebook and Twitter accounts, including, but not limited to user group events, high school game information, and dry floor community events that would interest the East Bethel community
- Communicate with City of East Bethel City council regarding what events they would desire to have promoted via social media
- Work with SFYHA board members to grow local awareness of youth hockey program offerings
- Bachelor of Arts in Psychology at Providence College - Providence, RI 1998
- Extensive experience in the Ice Sports Programming field, including scheduling, billing, pro shop purchasing and inventory, recruiting, and marketing. Previously employed at Island Sports Center (Pittsburgh, PA) as asst Hockey Director and at National Sports Center (Blaine, MN) as an Ice Sports Programmer

**Finance Director: Todd Gibson**

- Prepare an annual budget with assistance from the City
- Holds certifications as a Certified Ice Technician (CIT), Certified Rink Administrator (CRA) and as a Certified Ice Rink Manager (CIRM) through the Serving the American Rinks program

**Operations Consultant: Bob Montrose**

- GMC administrative team / lead consultant
- 26 years experience in arena management (13 years Graham Arena Complex - Rochester, MN; 10 years Bud King Ice Arena - Winona, MN; 3 years Heartland Sports Complex - Deerwood, MN)
- B.S. Degree in Management at University of Wisconsin, River Falls
- Currently manages the second largest arena complex in Minnesota and oversees all staffing, budget, marketing, scheduling, programming, and facilitates maintenance

**Part Time Staff Members**

- Operations Specialist: Matthew Hanchulak
  - Currently holds a position as a Building Maintenance I for the City of Rochester, MN and will provide as needed support for the Arena Manager
  - Will be assisting with ice; painting, installation and removal
- Concessions Manager: Laura Doucette
- Zamboni Driver / Assistant to the Arena Manager: Mark Lobejko
- Marketing Consultant: Joanna White (B.A. SUNY - Albany of New York)
- Mechanical Consultant: Kyle Schmidt (Dunwoody College of Technology - HVAC degree, B.A. St Cloud State University)
- Concessions game day staff

**9.0 References**

Pete Carlson - Director of Operations, National Sports Center (Blaine, MN)  
763-717-3881      [pcarlson@superrink.org](mailto:pcarlson@superrink.org)

Steve Howarth - Arena Manager, Dodge County Ice Arena (Kasson, MN)

**East Bethel Ice Arena**

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507-269-1674     [smncig@gmail.com](mailto:smncig@gmail.com)

Doug Meyenburg - East Bethel Pageant Board Member  
763-434-3973

Dave Hanson - General Manager, Robert Morris University Island Sports Center  
(Pittsburgh, PA)  
412-916-1119

John Niewinski - Operations, American Airlines Center, Home of Dallas Stars NHL  
Team (Dallas, TX)  
972-345-4966

March 14th, 2015

Jack Davis  
City of East Bethel  
2241 221st Ave NE  
East Bethel, MN 55011

RE: In Response to the RFP for the Management of the East Bethel Ice Arena

Dear Mr. Davis,

Victory Management Services LLC is submitting this proposal in response to the RFP for the Management of East Bethel Ice Arena for the City of East Bethel.

Victory proposes some solutions to ongoing problems and to satisfy the need for the Ice Arena to show profitability. We are also concerned with the community and would like to see the East Bethel Ice Arena conform to a more multi-purpose facility. Our management team wants to market and increase the revenue of the business while improving customer satisfaction.

The St. Francis Youth Hockey Association and Victory Management Services have teamed up to make a turnaround in growth of the arena and to improve the community that it resides in. We are focusing on:

- Targeting other potential ice users to maximize ice time and grow revenue
- Marketing to increase our dry floor sales and unleash the capabilities of a year round facility
- Providing a clean, organized, and friendly atmosphere for the hockey associations and the community
- Increase the income of the Ice Arena to be profitable

If you have any questions or concerns on our proposal please feel free to contact Victory Management and we will happy to assist. Please contact Nicole Koller at any time to discuss.

Thank you,

Nicole Koller  
Owner  
Victory Management Services LLC  
1865 297th Ave NW  
Isanti, MN 55040



## **A. Firm History and Experience**

### **1) Brief History of Firm Including Size and any Specialty Areas**

Victory Management Services LLC was officially founded in February of 2013 as a Minnesota Limited Liability Corporation, prior to it's foundation the company was operated as a sole proprietor since 2008. The purpose of Victory Management is to provide businesses in the North Metro with a resource for all the tools required to increase operations and efficiencies.

VMS can contribute an array of skills including accounting, bookkeeping, new business startup, social media design and updating, marketing, event coordination and management. We have two full time employees, along with working closely with LJ Creative for our marketing strategies and Banquets of MN for our event coordination. Our use of employees and subcontractors is key to keeping efficient cost management while having our high quality of workmanship . We have also teamed up with the St. Francis Youth Hockey Association on this project so we can blend our experience to benefit the City of East Bethel, the East Bethel Ice Arena and the general hockey experience.

### **2) Background Company Data, Including Financial References**

Victory Management is located in Isanti, MN and primarily works locally in the Twin Cities Metro area, as well as a few clients nationwide. Our interest in the East Bethel Ice Arena is to help grow the business and bring more of a community atmosphere to the area. We service a wide variety of clients and always make sure we are able to fulfil their needs along with assisting in producing goals and profits. We have been growing since our inception and currently work with approximately 20 companies ranging from small companies to multi-million dollar corporations. We are skilled in taking underutilized business operations and building them up into successful niche industries.

Our financial references include:

Village Bank - 18770 Highway 65 Northeast, East Bethel, MN 55011 - (763) 398-8050  
US Bank - 3990 Main St NW Coon Rapids, MN 55448 -(763)-422-6610

### **3) Particular Expertise or Involvement in Ice Arena Management**

Our expertise and involvement with the ice arena management comes from our collaboration with the hockey associations and implementing a software/website that is designed for a sports/banquet setup. We are willing to get the proper certifications and ice classes completed before the ice gets put in. We also have a reliable network for getting in dry floor events and if our bid is accepted currently have clients already wanting to use the space.

### **4) Municipality Experience**

We have primarily focused on private sector business and have currently not had municipality experience.

## **B. Qualifications**

### **1) Description of Service Philosophy**

What creates the basic foundations of success for most businesses? Is it money or inventory...maybe, but I would think it is more the employees that are the building blocks. What is the process to get a business fine tuned to enhance the overall foundation. A solid team that has a diversification of skills with the motivation to get it done. Victory Management Services team is the the "Pit Crew for your Business". Our team creates and holds premium standards for communication, efficiencies, project fulfilment and outstanding customer service. We strive to be able to offer the resources to assist any business with any circumstance. We offer dedicated highly trained staff and subcontractors who are specialized in their industries to enhance and provide the best benefits of each specialization. Our "pit crew" knows how to create an atmosphere to fit the market, enhancing the customers experience, and building solid relationships to further grow the company. We use our extensive marketing techniques and alternative ideas to create a network of long-term customers. We focus on diversification and using our resources to build a business from within and then expand to further potential areas. We are always trying new marketing techniques, creating events for customers, and getting a positive and active atmosphere.

### **2) Conceptual program structure and pricing**

Our Goal with the program structure and pricing is based on three principles:

1 - Generate quick funds by maximizing ice time by decreasing price for non-prime time hours, while keeping premium prices on prime time hours.

2 - Generate income during the dry floor events by creating an environment with a multi purpose floor space and maximizing usage during non-ice months..

3 - Reinvest profits into growing an overall community center atmosphere as opposed to a single purpose facility.

With this three step program, we intend to increase cash flow and generate more consumers based on more available options instead of just an Ice Arena.

We have already been out generating dry floor sales and have had interest from particular parties including:

- Soccer
- Lacrosse
- Weddings/Banquets (Banquets of MN would like to be able to offer all available weekends to their clients)
- Ascension Fitness would like to put on a wrestling camp in the fall
- ATV/Sportsman Expo below have expressed interest
  - Larson's Cycle
  - Northway Sports
- Adult Hockey Leagues
  - MN Wild Adult Hockey League
  - Minnesota Owls
- Batting Cages
- Youth Camps
- Group Fitness
- Ice Fishing Expo
- Brew Fest
- Business Expo
- and many more.

Part of our program will be to communicate with the hockey associations once a week to go over any concerns and will offer multiple channels of communication. We will be making a presentation to the city council once a month to discuss upgrades, improvements, achievements, and anything else that may present itself.

Another part of our program is constant marketing, we already have been out talking and checking on the interest in the arena. With the bid we will also plan on implementing social media marketing, having LJ creations make a few highly visible signs to cover the existing board, we will also be using specifically targeted websites and promotions to drive traffic to the arena during all seasons. A few examples would be Groupons, Facebook, WeddingWire, The Knot, Caringbridge, and more. We strive for local businesses and local marketing so we can create growth internally in our community instead of outsourcing our funds to non-beneficial parties

### Suggested Ice Time Pricing

The suggested pricing up for negotiation with the city for the ice time will be as follows:

*Prime Time Ice - Full Rate*

*Non-Prime Time Ice Pre-Purchased* - Reduced per hour in set increments as it gets further from prime time.

*Non-Prime Time Ice* - Reduced further as the open dates get closer.

This is similar to a dutch auction and by offering this method it will increase cash flow and increase the number of Ice sports on the ice which in future years should end up having prices increase as more users come for slightly lower prices.

### Dry Floor Event Pricing

*Prime Time Friday through Sunday* - \$600.00/day

\*Provide incentives for multi-bookings

*Weekdays:*

Depending on the event amount of time, it can be prorated, the use towards the community should be taken into account at many time during dry event floor space.

### **3) Introduction of the Account Team, by Name with Specific Roles, Qualifications, and Experience, and distribution of responsibilities.**

The owner of Victory Management Services, Nicole Koller, has worked with private industries for the past 7 years and has a degree in Business Management from St. Cloud State University. Nicole will be on full time during the winter months and part time (24 hours during the summer months). Nicole will be able to be reached at the office, by email, or after hours on an emergency line that transfers from the office line.

Elizabeth Gust is an employee with Victory and she works with the business management, social media management and bookkeeping for her clients. Elizabeth will be on part-time during the entire year and she will process the event coordination, setup, and collaborate with the hockey association. She will be running social media promotions, website updates and scheduling.

Luke Johnson of LJ Creative is a marketing specialist who designs, implements, and prints our advertising and marketing campaigns for our clients. He works with many different companies over the past 5 years designing logos, marketing campaigns and can do print advertising as well.

We also work with Banquets of MN as a subcontractor for banquets, weddings, benefits and other events they currently operate 4 premier banquet halls and a sports complex, they were recently awarded the 2015 The Knot Best of Weddings and 2015 Weddingwires couples choice awards. They are interested in renting the dry floor space for their specified causes.

We will be hiring 2-3 part-time zamboni drivers and will hold workers compensation insurance on them. We will also take on part-time support staff to fill in when needed for the concessions, etc, if a hockey association volunteer is not available.

Our core competencies from our “pit crew” will enhance the culture and create a strategic and successful growth plan for the East Bethel Ice Arena and its stakeholders. Our skills blend and benefit each other and create a solid structure to build a business up with.

#### **4) Action Plan and Timetable for Assuming Responsibilities of as well as Future Design/cost Containment Plan**

Our short term plan(less than one year) consists of:

- Gaining our STAR certifications for operating the Ice Arena
- Working with the St. Francis Youth Hockey Association on four primary upgrades
  - Bathroom Remodel
  - Website Creation
  - Dry Land Practice Area
  - Upgrading the entryway and concession areas to make a better atmosphere for an all around community friendly event building
  - Paint and Repair the walls
  - Deep cleaning of the rink
- Implementing a solid website through NGIN, a website that supports sporting centers, league implementation, scheduling, and event management.
- Design and implement inexpensive upgrades to enhance the visual impact of the Ice arena.
- Create a prorated ice time price system with the City of East Bethel to help maximize ice usage and increase revenue.
- Marketing plan to gain more usage of other parties of the open ice time available.
- Marketing plan for off peak dry event floor space, We already have quite a few interested parties.
- Getting a Pro-Shop in the building to increase convenience for the consumers

Our long term plan (greater than one year) includes:

- Generating profits to reinvest in structural improvements such as:
  - Air Conditioning to increase usability during summer months
  - Removable boards and retractable bleachers to increase floor space for dry floor events such as weddings and expos
  - New turf for soccer, lacrosse and other indoor non-ice sports
  - Locker Room enhancements/creation of more locker rooms
  - Zamboni upgrade
  - Athletic gym and dry land workout area
  - Scoreboards

Victory Management will be overseeing the cost containment issues as well. We specialize in finding efficiencies and operate conservatively. We will operate, maintain, and budget as we go in efforts to gain the most benefit to the arena and to the city. Regular cleanings and maintenance are key to keeping costs reduced, while minor improvements for efficiencies will be found and implemented.

## **5) Detail of Services that will be Provided to the City**

The following services will be included in our management contract and may be negotiable:

- Operations
  - We currently are above the minimum insurance requirements by the city, we currently and will minimally carry commercial general liability insurance coverage in the amounts of \$1,000,000.00 per each claim, \$2,000,000.00 for any number of claims per occurrence, and have the City of East Bethel named as additional insured on the policy.
  - Full-time on-site arena manager and all necessary staff to operate the arena. We also have and will have workers comp insurance covering all of our employees
  - Ice in, maintaining ice using city machinery, and ice out.
  - Clean and maintain lockers, lobby, entrance, kitchens, offices, seating and common areas daily.
  - Maintain the basic maintenance for the facility.
  - Manage all maintenance projects, manage subcontractors, general contractors, and maintenance workers. Coordinate billing with the city.
  - Meet with the City Council once per month to go over rink operations, improvements, upgrades, etc.
  - Provide business cards and signs with rink contact information to make sure communication is flowing with consumers.
- Accounting
  - Manage and control the budget, prepare the annual budget for the city council, and provide monthly financial statements to the city.
  - Provide Accounts Payable and Accounts Receivable data to the city.
- Marketing and Sales
  - Create a website with NGIN, sports dedicated website. Maintain schedule, update events, and other related features daily.
  - Update social media marketing, roadside marketing, update the City's electronic board weekly with new information.
  - Develop marketing strategies to get more usage from off peak hours and from dry floor events.
  - Assist hockey association in selling advertising and in management of concessions.
- Accountability

- Provide excellent customer service to our customers with fast responses, multiple communication channels, and physical being involved in arena operations.
- Attend and meet with the City Council once a month to provide status updates, and key information that is necessary for operations.
- Keep staff on specific days during the summer to allow for communication during the off season of hockey and to enhance the ability to sell dry floor events.
- Assist with setup, takedown, and operations of dry floor events.

**6) Indicate Current Responsibilities of Person Designated to Serve as Lead Contact for the City**

Nicole Koller will be the lead contact for the City. She is the owner of the business and is very organized and pushes hard for excellent communication. She will be on-site full time and have the knowledge or information when the city needs it. Elizabeth Gust(Betsy) will also serve as a contact for the city. She will be there as well between 15 and 32 hours a week and will be kept up to date and informed.

**C) References**

**1) Provide the Contact Names and Telephone Numbers of 3 clients in the State of Minnesota with whom you have had a working relationship, as a reference for the city.**

“To whom it may concern:

We here at RoadSknz a Custom Mirror Finish Stainless Steel Fabricator hired Nicole Koller and Victory Management about two years ago as our new record, marketing and bookkeeping company. We are all impressed by the way she has turned around and streamlined our systems.

Niki has brought our company to a new level and gotten us up to speed with the latest technologies available. She is constantly aware of the latest changes to the tax and reporting requirements that seem to change on a monthly basis. I have recommended her to other companies that we do business with as we feel that they too could benefit from her expertise. She is constantly learning and applying that knowledge to help our business. We are now on Facebook and marketing at trade shows.

Niki’s organizational skills allow us to concentrate fully on our business and not have to worry about if we are keeping our books properly and reporting on time.

We count on our relationship with Victory and consider Niki an important part of our future plans and expansions.

Please feel free to contact me with any questions.”

Steven Pearson, President of RoadSknz Custom Truck Accessories  
612-867-9226

Jeff Nelson, President of Lind-Nelson Construction and Isanti Storage LLC  
612-282-3006

Greg Comer, CEO of Home Safety Solutions, Inc. and Amain Investments LLC  
612-685-9999

Angela Sauro, Owner of Coon Rapids Dairy Queen and Gelbman Investments  
651-206-9205

**D) Conflicts of interest**

**1) Disclose any conflicts or perceived conflicts of interest**

The owner of Victory Management Services is a relative of one of the City Council Members.

**2) Identify what procedures your firm utilizes to identify and resolve conflicts of interest.**

The family member of the owner of Victory Management Services has agreed to abstain from any voting involving the Ice Arena and the Ice Arena Management until his term expires in less than 2 years. This allows the conflict of interest to be alleviated and to allow a fair and equal business partnership. Victory Management Services along with the St. Francis Youth Hockey Association have a mutual goal of enhancing the Arena to better the community and feel that the conflict of interest is minimal compared to the qualifications, ideas and effort that will be put into the Arena Management.

**E) Previous Engagements with the City of East Bethel**

Our company has had no previous engagements with the City of East Bethel.

**F) Proposed Fee for Services**

Proposed Compensation:

Term: Three(3) year term starting on August 1st, 2015, with the option to renew the contract after 3 years for an extended time period.

Budgeted Base:

Ninety Four Thousand Seven Hundred Dollars (\$94,700.00) paid at a monthly rate of \$7891.67 dollars

Rink Manager Salary Apr - Jul	\$33000 Based on 40+Hrs/Wk Aug-Mar, 24 hrs/week
Event Coordinator Salary 15hrs/Week	\$12000 Based on Year Round Part Time Avg.
Zamboni Driver Wages	<u>\$25000</u> based at maximum 77 hours/Week
Total Wages	\$70000
Marketing	
In House Print	\$550.00
Roadside Signage	\$3250.00
Website -Sports NGIN	\$6525.00
Social Media	\$5000.00
Dry Event Advertising	<u>\$5000.00</u>
Total Budgeted Marketing	\$20325.00
Upgrades & Maintenance	
Ex)Paint, Drywall, Supplies	
Deep Cleaning Supplies	\$4375.00
Total Budgeted Base	\$94700.00

\*\*\*Please note that I would suggest that the City of East Bethel "Own" the website so when and if the contract changes the City does not lose money invested in the website. If the City of East Bethel is interested in having our management company "Manage" their website, the website can be taken out of my above base compensation. I just feel this will benefit the city with cost efficiencies in the long run while not having to remake/design/purchase a website every renewal.

Incentive Compensation:

Revenue Incentives:

- After \$210,000.00 in ice rental revenue has been secured, the additional amount shall be split 30% Management Company, 20% Hockey Associations and 50% to the city with requirements that the city must reinvest 30% back into the ice arena improvement funds.
- After \$2000.00 in advertising revenue is secured, the additional amount shall be split 10% Management Company, 40% Hockey Associations, and 50% to the city with requirements that the city must reinvest 30% back into the ice arena improvement funds.

- Concessions to be operated by the Hockey Association.
- Dry Floor Rental after \$1500.00 shall be secured in a year will be split 50% to the management company and 50% to the city with requirements that 30% of the cities portion must be reinvested into the ice arena improvement funds.
- Pro Shop Rental, if privately ran, after \$1500.00 shall be secured in a year will be split 50% to the management company and 50% to the city with 30% of the cities portion being reinvested in the ice arena improvement funds.

**G) Copies of the following items shall be furnished with the submittal**

**1) Errors and Omissions Coverage**

Our insurance is in its annual renewal, I do not have a copy of the certificate of insurance yet, we copied the insurance policy and included it, and will submit the certificate of insurance when we receive it.

**2) Business License**

Will Secure a business license in East Bethel upon approval of contract.

**3) Statement of compliance with federal and state laws**

We are currently compliant with all applicable federal, state, and local laws, statutes, rules, regulations, and ordinances.

2702 Ireland Grove Road  
Bloomington, IL 61709-0001

**Named Insured**

AT2

000476 3125

V-05-7350-FAB9 F U

KOLLER, NICOLE  
1865 297TH AVE NW  
ISANTI MN 55040-6912

**Policy Number** 93-B5-S734-1

Policy Period	Effective Date	Expiration Date
12 Months	MAR 3 2015	MAR 3 2016

The policy period begins and ends at 12:01 am standard time at the premises location.

**Agent and Mailing Address**

STEVE RIEBEL INS AGENCY INC  
12688 BASS LAKE RD  
MAPLE GROVE MN 55369-6380

PHONE: (763) 559-8956



**Office Policy**

**Automatic Renewal** - If the **policy period** is shown as **12 months**, this policy will be renewed automatically subject to the premiums, rules and forms in effect for each succeeding policy period. If this policy is terminated, we will give you and the Mortgagee/Lienholder written notice in compliance with the policy provisions or as required by law.

Entity: Individual

NOTICE: Information concerning changes in your policy language is included. Please call your agent if you have any questions.

To obtain a copy of your policy, please contact your State Farm Agent.

0107-ST-1-1001

**RENEWAL DECLARATIONS (CONTINUED)**

Office Policy for KOLLER, NICOLE  
 Policy Number 93-B5-S734-1

**SECTION I - PROPERTY SCHEDULE**

Location Number	Location of Described Premises	Limit of Insurance* Coverage A - Buildings	Limit of Insurance* Coverage B - Business Personal Property	Seasonal Increase-Business Personal Property
001	1865 297TH AVE NW ISANTI MN 55040-6912	No Coverage	\$ 8,200	25%

\* As of the effective date of this policy, the Limit of Insurance as shown includes any increase in the limit due to Inflation Coverage.

**SECTION I - INFLATION COVERAGE INDEX(ES)**

Cov A - Inflation Coverage Index: N/A  
 Cov B - Consumer Price Index: 238.3

**SECTION I - DEDUCTIBLES**

Basic Deductible \$1,000

**Special Deductibles:**

Money and Securities	\$250	Employee Dishonesty	\$250
Equipment Breakdown	\$1,000		

Other deductibles may apply - refer to policy.

Prepared  
 JAN 15 2015  
 CMP-4000

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Office Policy for KOLLER, NICOLE  
 Policy Number 93-B5-S734-1

**SECTION I - EXTENSIONS OF COVERAGE - LIMIT OF INSURANCE - EACH DESCRIBED PREMISES**

The coverages and corresponding limits shown below apply separately to each described premises shown in these Declarations, unless indicated by "See Schedule." If a coverage does not have a corresponding limit shown below, but has "Included" indicated, please refer to that policy provision for an explanation of that coverage.

COVERAGE	LIMIT OF INSURANCE
Accounts Receivable	\$50,000
On Premises	\$15,000
Off Premises	\$5,000
Arson Reward	\$15,000
Back-Up Of Sewer Or Drain	Included
Collapse	Coverage B Limit
Damage To Non-Owned Buildings From Theft, Burglary Or Robbery	25% of covered loss
Debris Removal	Included
Equipment Breakdown	\$5,000
Fire Department Service Charge	\$5,000
Fire Extinguisher Systems Recharge Expense	\$10,000
Forgery Or Alteration	Included
Glass Expenses	\$5,000
Money And Securities (Off Premises)	\$10,000
Money And Securities (On Premises)	\$1,000
Money Orders And Counterfeit Money	\$100,000
Newly Acquired Business Personal Property (applies only if this policy provides Coverage B - Business Personal Property)	\$250,000
Newly Acquired Or Constructed Buildings (applies only if this policy provides Coverage A - Buildings)	Included
Ordinance Or Law - Equipment Coverage	Included

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 JAN 15 2015  
 CMP-4000

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Continued on Reverse Side of Page

**RENEWAL DECLARATIONS (CONTINUED)**

Office Policy for **KOLLER, NICOLE**  
 Policy Number **93-B5-S734-1**

Outdoor Property	\$5,000
Personal Effects (applies only to those premises provided Coverage B - Business Personal Property)	\$5,000
Personal Property Off Premises	\$15,000
Pollutant Clean Up And Removal	\$10,000
Preservation Of Property	30 Days
Property Of Others (applies only to those premises provided Coverage B - Business Personal Property)	\$2,500
Signs	\$2,500
Unauthorized Business Card Use	\$5,000
Valuable Papers And Records	\$50,000
On Premises	\$15,000
Off Premises	
Water Damage, Other Liquids, Powder Or Molten Material Damage	Included

**SECTION I - EXTENSIONS OF COVERAGE - LIMIT OF INSURANCE - PER POLICY**

The coverages and corresponding limits shown below are the most we will pay regardless of the number of described premises shown in these Declarations.

COVERAGE	LIMIT OF INSURANCE
Dependent Property - Loss Of Income	\$5,000
Employee Dishonesty	\$10,000
Utility Interruption - Loss Of Income	\$10,000
Loss Of Income And Extra Expense	Actual Loss Sustained - 12 Months

Prepared  
 JAN 15 2015  
 CMP-4000

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Office Policy for KOLLER, NICOLE  
Policy Number 93-B5-S734-1

0307-ST-1-1001

**SECTION II - LIABILITY**

COVERAGE	LIMIT OF INSURANCE
Coverage L - Business Liability	\$1,000,000
Coverage M - Medical Expenses (Any One Person)	\$5,000
Damage To Premises Rented To You	\$300,000
AGGREGATE LIMITS	LIMIT OF INSURANCE
Products/Completed Operations Aggregate	\$2,000,000
General Aggregate	\$2,000,000

Each paid claim for Liability Coverage reduces the amount of insurance we provide during the applicable annual period. Please refer to Section II - Liability in the Coverage Form and any attached endorsements.

Your policy consists of these Declarations, the BUSINESSOWNERS COVERAGE FORM shown below, and any other forms and endorsements that apply, including those shown below as well as those issued subsequent to the issuance of this policy.

**FORMS AND ENDORSEMENTS**

- CMP-4100 Businessowners Coverage Form
- FE-6999.1 \*Terrorism Insurance Cov Notice
- CMP-4819 Unauthorized Business Card Use
- CMP-4223 Amendatory Endorsement
- CMP-4705 Loss of Income & Extra Expnse
- CMP-4710 Employee Dishonesty
- CMP-4709 Money and Securities
- CMP-4899 Back-Up of Sewer or Drain
- CMP-4704 Dependent Prop Loss of Income
- CMP-4703 Utility Interruption Loss Incom
- FD-6007 Inland Marine Attach Dec
- \* New Form Attached

Prepared  
JAN 15 2015  
CMP-4000

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RENEWAL DECLARATIONS (CONTINUED)

Office Policy for KOLLER, NICOLE  
Policy Number 93-B5-S734-1

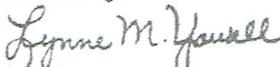
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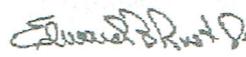
This policy is issued by the State Farm Fire and Casualty Company.

Participating Policy

You are entitled to participate in a distribution of the earnings of the company as determined by our Board of Directors in accordance with the Company's Articles of Incorporation, as amended.

In Witness Whereof, the State Farm Fire and Casualty Company has caused this policy to be signed by its President and Secretary at Bloomington, Illinois.

  
Secretary

  
President

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**NOTICE TO POLICYHOLDER:**

For a comprehensive description of coverages and forms, please refer to your policy.

Policy changes requested before the "Date Prepared", which appear on this notice, are effective on the Renewal Date of this policy unless otherwise indicated by a separate endorsement, binder, or amended declarations. Any coverage forms attached to this notice are also effective on the Renewal Date of this policy.

Policy changes requested after the "Date Prepared" will be sent to you as an amended declarations or as an endorsement to your policy. Billing for any additional premium for such changes will be mailed at a later date.

If, during the past year, you've acquired any valuable property items, made any improvements to insured property, or have any questions about your insurance coverage, contact your State Farm agent.

Please keep this with your policy.

Prepared  
JAN 15 2015  
CMP-4000

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Continued on Next Page

Page 6 of 7



# City of East Bethel City Council Agenda Information

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**Date:**

March 25, 2015

\*\*\*\*\*

**Agenda Item Number:**

Item 4.0

\*\*\*\*\*

**Agenda Item:**

Rental Ordinance Discussion

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**Requested Action:**

Review a draft Rental Ordinance and, provide direction to Staff as to Council’s preferences for addressing this matter.

\*\*\*\*\*

**Background Information:**

Council has previously discussed the need for Rental Ordinance. As more rental properties have become available instances have arisen that may require an ordinance that would cover issues of the concerns and protections of renters and lessees.

In addition to a Rental Ordinance, Council may wish to include in the discussion an Ordinance amendment that would enable the City to secure services to perform property maintenance activities on abandoned, cited or unkempt vacant properties to prevent neighborhood blight and eliminate situations that create public nuisances or unsanitary conditions.

The adoption of a Rental Ordinance would serve as a protection to renters and could establish minimum dwelling standards related to health and safety. Additional Staff time would be required for inspections and tracking of rental properties.

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**Attachments:**

- 1. Draft Rental Ordinance
- 2. Residential Rental License FAQ’s and Guidelines
- 3. Sample Ordinance – St. Francis
- 4. Sample Ordinance - Cambridge

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**Fiscal Impact:**

To be determined

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**Recommendation(s):**

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**City Council Action**

Motion by: \_\_\_\_\_

Second by: \_\_\_\_\_

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Vote Yes: \_\_\_\_\_

Vote No: \_\_\_\_\_

No Action Required: \_\_\_\_\_

## **PROPOSED ORDINANCE NO. XX**

### **AN ORDINANCE REGULATING RENTAL PROPERTIES IN THE CITY OF EAST BETHEL**

The City Council of the City of East Bethel, Minnesota ordains as follows:

**INTENT:** The Rental Housing Ordinance is intended to protect the public welfare and improve the City's housing stock by inspecting every rental dwelling. The inspection will not only be of the inside and outside of the rental building, but also any accessory buildings and the rental property. If the property has a septic system, the septic system shall pass a compliance inspection and be current on the pumping of the septic tank. Septic tanks must be pumped every three years.

#### **Section 1. - License required; definitions.**

- (a) License. No person shall allow to be occupied or let to another for occupancy a unit or units in a rental dwelling for which a license has not been granted by the city.
- (b) Definitions. Unless otherwise expressly stated, the following terms shall, for the purposes of this article, have the following meanings: Rental dwelling means any structure or portion thereof which is designated or used for residential occupancy by one or more persons who are not the owner or a member of the owner's family. Rental dwelling includes commercial living facilities, not governed by state licensing requirements.

#### **Section 2. - Application.**

- (a) Before any license shall be issued or renewed, the owner of the rental dwelling shall complete an application. The following persons shall be authorized to sign and submit the application:
  - (1) If the owner is a natural person, by the owner thereof.
  - (2) If the owner is a corporation, by an officer thereof.
  - (3) If the owner is a partnership, by a partner thereof.
- (b) The application shall be made on a form prescribed by the city and shall include:
  - (1) The name and address of the owner of the rental dwelling.
  - (2) The name and address of any operator or agent actively managing the rental dwelling.
  - (3) If the operator or agent is a business entity, the application shall include the names, telephone numbers and addresses of individuals who will be involved in such management, together with a description of the scope of services and manner of delivering these services by the manager.
  - (4) If the applicant is a corporation, the name and address of all officers.
  - (5) If the applicant is a partnership, the name and address of all partners.
  - (6) If the rental dwelling is being sold on a contract for deed, the name and address of the vendees.
  - (7) The legal address of the rental dwelling.
  - (8) Owner, agent or manager that notices of violation should be directed to pursuant to this article.

#### **Section 3. - License issuance.**

- (a) The city may issue a license in its discretion if the building and the application are found to be in compliance with the provisions of this article and with the Property Maintenance Code set forth in the East Bethel City Ordinances, provided that all real estate taxes and municipal utility bills for the premises have been paid. Real estate taxes will not be considered to be unpaid for purposes of this section while a proper and timely appeal of such taxes is pending.
- (b) No license shall be issued or renewed for a nonresident owner of a rental dwelling, unless such owner designates in writing to the city inspector the name of such owner's resident agent, who is responsible for maintenance and upkeep and who is legally constituted and empowered to receive service of notice of violation of the provisions of the city ordinances, to receive orders and to institute remedial action to effect such orders and to accept all service or process pursuant to law. The city inspector

shall be notified in writing of any change of resident agent. This requirement may be waived if, in the city inspector's determination, the owner not living in one of the above specified counties is nonetheless sufficiently accessible for the purposes of this article.

#### **Section 4. - Term of license.**

Licenses will be issued for a two year period, and the license term shall commence on January 1, XXX or the date issued and expired on December 31, XXX

#### **Section 5. - License fees.**

- (a) The license fees shall be established by resolution. The license fee shall be collected for each building and unit in a rental dwelling.
- (b) Except in the first year of the program, if an application for a license is made after January 1, XXX a late fee as established by resolution, will be added to the initial license fee. For each subsequent 30-day period an additional late fee will be imposed.

#### **Section 6. - Posting of license.**

The licensee shall post a copy of the license in the dwelling in the kitchen or garage or other place that can be viewed at the time of inspection.

#### **Section 7. - Transfer of license.**

A license is transferable for a fee to any person who has actually acquired legal ownership of the rental dwelling. The transfer shall be effective for the unexpired portion of the license period, provided that a transfer application is filed with the city prior to the actual change of legal ownership and that the transferee is not disqualified from holding the license. A license shall terminate upon an owners failure to apply for a transfer prior to change of legal ownership. The fee for the license transfer shall be established by resolution.

#### **Section 8 – Prior to Issuance of Residential Rental License**

1. The septic system must pass a compliance inspection.
2. The septic tank must have been pumped in the past three years.
3. A permit application must be completed by the owner or owner's agent.
4. The permit fee must be paid.
5. The house, accessory buildings and the property must pass the residential rental inspection that is conducted by the City of East Bethel Building Department and meet all applicable State and City codes.

#### **Section 9 – Inspections on existing Rental Units**

The City will conduct rental inspections every two years.

#### **Section 10 - Conduct on licensed premises.**

- (a) Disorderly premises. The licensee shall be responsible for ensuring that persons occupying or present at the rental dwelling conduct themselves in such a manner as not to cause the premises to be disorderly as regulated under Minnesota Statutes.
- (b) Enforcement authority. The City Administrator or designee shall be responsible for enforcement and administration of this article. Authority to take any action authorized by this article may be delegated to the City Administrator's authorized designee.
- (c) Notice of violation. Upon determination by the city that a rental dwelling was deemed to be a disorderly premises, notice of the violation shall be given to the licensee or designee. The notice shall include a directive for the licensee to take steps to prevent further violations. All notices given by the city under this section shall be served on the licensee or designee, sent by mail to the licensee's last known address, or, by posting the notice in a conspicuous place at the rental dwelling.

- (d) Second instance. If a second instance of a disorderly premises occurs within the annual license term the city shall notify the licensee or designee of the violation and shall also require the licensee to submit a written report of the actions taken and proposed to be taken by the licensee to prevent further disorderly use of the premises. This written report shall be submitted to the city within five days of receipt of the notice of disorderly premises and shall detail all actions taken by the licensee in response to all notices of disorderly premises within the license term.
- (e) Third instance. If a third instance of a disorderly premises occurs within the annual license term the rental dwelling license for the premises may be denied, revoked, suspended, or not renewed in accordance with section 9 of this ordinance.
- (f) Instances defined. For purposes of this section, second and third instances of disorderly premises shall be those which:
  - (1) Occur at the same rental dwelling unit; or
  - (2) Involve tenants at the same rental dwelling unit; or
  - (3) Involve guests or invitees at the same rental dwelling unit; or
  - (4) Involve guests or invitees of the same tenant; or
  - (5) Involve the same tenant.
- (g) Eviction proceedings. No adverse license action shall be imposed where the instance of disorderly premises occurred during the pendency of eviction proceedings (unlawful detainer) or within 30 days of notice given by the licensee to a tenant to vacate the premises, where the disorderly use was related to conduct by that tenant or by other occupants or guests of the tenant's unit. Eviction proceedings shall not be a bar to license action, however, unless they are being diligently pursued by the licensee.
- (h) Evidence of disorderly premises. A determination of disorderly premises shall be made upon substantial evidence. It shall not be necessary that criminal charges be brought in order to support a determination of disorderly premises. Moreover, a dismissal or acquittal of any such criminal charge will not operate as a bar to license action under this article.
- (i) Council action not exclusive. Enforcement actions provided in this article shall not be exclusive. The city council may take any action with respect to a licensee, a tenant, or the licensed premises as is authorized by the City Code or state law.

## **Section 11. - Suspension, revocation, denial, nonrenewal.**

- (a) Hearing. An action to deny, revoke, suspend, or not renew a license under this article shall be initiated by the city by giving written notice to the licensee of a hearing before the city council to consider such denial, revocation, suspension or nonrenewal. The written notice shall specify all violations and shall state the date, time, place and purpose of the hearing. The hearing shall be held no less than ten days and no more than 30 days after giving the notice. In such hearing the city council shall give due regard to the frequency and seriousness of violations, the ease with which such violations could have been cured or avoided and good faith efforts to comply with city requirements. Following the hearing, the city council in its sole discretion may deny, revoke, suspend, or decline to renew the license for all or any part or parts of the rental dwelling, or may grant a license upon such terms and conditions as it deems necessary to accomplish the purposes of this article. Further, an action to deny, revoke, suspend, or not renew a license based upon violations of this article may be postponed or discontinued at any time if it appears that the licensee has taken appropriate measures which will prevent further instances of disorderly use. The city council shall issue its decision upon written findings.
- (b) Reason for action. The city council may revoke, suspend, deny or decline to renew any license issued under this article upon any grounds it deems appropriate including, but not limited to, the following:
  - (1) False statements on any application or other information or report required by this article to be given by the applicant or licensee.
  - (2) Failure to pay any application fee, penalty, re-inspection, or reinstatement fee required by this article and resolutions.

- (3) Failure to correct deficiencies noted in notices of violation in the time specified in the notice.
- (4) Any other violation of this article.
- (c) Reinstatement of license. Upon a decision to revoke, deny, or not renew a license, no new application for the same rental dwelling will be accepted for a period of time specified in the written decision of the city council, not exceeding one year. Any such new application must be accompanied by a reinstatement fee, as specified by resolution, in addition to all other fees required by this article.
- (d) No new rentals. A written decision to revoke, suspend, deny, or not renew a license shall specify the part or parts of the rental dwelling to which it applies. Thereafter, and until a license is reissued or reinstated, no rental units becoming vacant in such part or parts of the rental dwelling may be re-let or occupied. Revocation, suspension or nonrenewal of a license shall not excuse the owner of a rental dwelling from compliance with the terms of this article for any other unit or units in the rental dwelling which remain occupied.
- (e) Failure to comply. Failure to comply with any term of this article during a period of revocation, suspension, or nonrenewal is a misdemeanor and is also grounds for extension of the term of such revocation or suspension or continuation of nonrenewal, or for a decision not to reinstate the license, notwithstanding any limitations on the period of suspension, revocation or nonrenewal specified in the city council's written decision.

### **Section 12. - No retaliation.**

No licensee shall evict, threaten to evict, or take any other punitive action against any tenant by reason of good faith calls made by such tenant to law enforcement agencies relating to criminal activity, suspected criminal activity, suspicious occurrences, or public safety concerns. This section shall not prohibit the eviction of tenants from a dwelling unit for unlawful conduct of a tenant or invitee or violation of any rules, regulations or lease terms other than a prohibition against contacting law enforcement agencies.



## Rental Property Frequently Asked Questions

### **What is Rental Property?**

Single-family, duplex, triplex, apartments, condominiums, townhomes, manufactured homes, or another residential rental dwelling that is used for; Residential occupancy by one or more persons who are not the owner or a member of the owner's family. For the purpose of this ordinance, family is defined as follows: Family means those persons legally related to each other in a linear relationship such as spouses, grandparents, parents, children, grandchildren and siblings. Family does not include branching relationships such as aunts, uncles or cousins.

### **Why is the City considering implementing a Rental Ordinance**

- 1) Concern has been expressed in the community regarding property maintenance standards as practiced at some sites located in the community. There is a community perception that these locations are often rental properties and that they are not maintained.
- 2) The City needed to license rental property to enforce property maintenance standards.

### **Who would need to obtain a residential rental license?**

Every person who owns property and operates it as residential rental property needs to secure a license every two years (calendar year- January 1<sup>st</sup> to December 31<sup>st</sup>) for the right to conduct this business within the community. The license must be secured each year and the premises must be inspected at least once every two years.

### **How would I get licensed?**

- 1) Pick up an application at City Hall or request that we send you an application.
- 2) Fill out the Rental Housing application in full and return it to the City with the required payment.
- 3) Arrange an inspection of each rental unit. A rental license is not approved until the property and house/ unit has been inspected and approved. All corrections must be made before a license will be issued.

### **What if I do not obtain or renew my license?**

The program makes it clear that the renting out of residential property is a regulated business activity in the City of East Bethel. You must have a license to conduct this business. Failure to obtain the required rental license means that you are no longer authorized to conduct that business and you will be in violation of City Ordinance.



## Proposed Residential Rental Housing Guidelines

### **INTENT OF THE RENTAL HOUSING ORDINANCE:**

The Rental Housing Ordinance is intended to protect the public welfare and improve the City's housing stock by inspecting every rental dwelling. The inspection will not only be of the inside and outside of the rental building, but also any accessory buildings and the rental property. If the property has a septic system, the septic system shall pass a compliance inspection and be current on the pumping of the septic tank. Septic tanks must be pumped every three years.

### **PRIOR TO ISSUANCE OF A RESIDENTIAL RENTAL LICENSE THE FOLLOWING ITEMS WOULD BE REQUIRED;**

1. The septic system must pass a compliance inspection.
2. The septic tank must have been pumped in the past three years.
3. A permit application must be completed by the owner or owner's agent.
4. The permit fee must be paid.
5. The house, accessory buildings and the property must pass the residential rental inspection.

### **PROPOSED PROCESS FOR SETTING UP THE INSPECTION APPOINTMENT:**

After the owner/agent has paid for the rental permit an appointment for inspection can be made. The owner shall have prepared the home/unit, accessory buildings and the property prior to the inspection. Access needs to be provided to all spaces, including the garage, attic and all mechanical equipment. All obstructions and necessary personal items should be removed prior to the inspection. The heating system should be up and running at the time of inspection. 24 hour notice is required prior to an inspection.

### **PROPOSED INSPECTION PROCEDURE:**

The owner/agent and renter may accompany the building inspector on the inspection. The inspection is based upon a visual inspection. The inspector will not remove cover plates and/or access doors requiring the use of tools, and does not require the owner to do so unless the building inspector believes it is necessary to ensure public health and safety. All rooms must be accessible for the inspection.

## **SAFETY REQUIREMENTS:**

These are some of the safety requirements that will be required in all residential rental homes/units.

1. All rental homes/units must have at least one 5 lbs. class ABC fire extinguisher. The fire extinguishers must have been inspected and approved (yearly) by a qualified person and shall be mounted on a wall in an approved location. Each fire extinguisher shall be readily accessible and must not be cancelled in a closet or out of sight.
2. Each sleeping room shall have an approved egress window.
3. Each sleeping room shall have a working smoke detector installed at or near the ceiling.
4. A carbon monoxide detector shall be installed within 10 feet of each sleeping room.
5. Security locks on exterior ground floor windows and doors (inside key type deadbolts are prohibited).
6. Every basement shall have an approved egress window or door. Where basements contain one or more sleeping rooms, emergency egress windows shall be required in each sleeping room, but not required in adjoining areas of the basement due to egress window(s) in the sleeping room(s). All egress windows must be in compliance with IRC section R310.
7. All electrical, heating systems, fireplaces and plumbing must be in a safe working condition. Any work found to be installed without a permit or in a condition which makes it unsafe shall be require to be corrected by a licensed professional. Permits are required before starting construction, and all work shall be inspected.

## SECTION 6

### RENTAL HOUSING LICENSING

(Ord. 188, Effective 1/18/14)

#### SECTION:

- 4-6-1: Purpose
- 4-6-2: Application
- 4-6-3: Definitions
- 4-6-4: License
- 4-6-5: Inspection Criteria
- 4-6-6: Responsibilities of Owners and Occupants
- 4-6-7: Maximum Density
- 4-6-8: General Requirements
- 4-6-9: Minimum Standards for Basic Equipment and Facilities
- 4-6-10: Minimum Standards for Light and Ventilation
- 4-6-11: Dwellings Unfit for Human Habitation
- 4-6-12: Ordinance Implementation
- 4-6-13: Penalties and Violations

**4-6-1: PURPOSE.** It is the purpose of this Ordinance to assure that rental housing in the City of St. Francis is decent, safe and sanitary and is so operated and maintained as not to become a nuisance to the neighborhood or to become an influence that fosters blight and deterioration or creates a disincentive to reinvestment in the community. The operation of rental residential properties is a business enterprise that entails certain responsibilities. Operators are responsible to take such reasonable steps as are necessary to assure that the citizens of the City who occupy such units may pursue the quiet enjoyment of the normal activities of life in surroundings that are: safe, secure and sanitary; free from crimes and criminal activity, noise, nuisances or annoyances; free from reasonable fears about safety of persons and security of property; and suitable for raising children.

With respect to rental disputes and except as otherwise specifically provided by the terms of this Ordinance, it is not the intention of the City to intrude upon the fair and acceptable relationship between tenant and landlord. The City does not intend to intervene as an advocate of either party, or to act as an arbiter, or to be receptive of complaints from a tenant or landlord which are not specifically and clearly relevant to the provisions of this Ordinance. In the absence of such relevancy, with regard to rental disputes, it is intended that the contracting parties exercise such legal rights as are available to them without the intervention of the City.

**4-6-2: APPLICATION.** Every non-owner occupied rental dwelling unit and its premises used whole or in part as a home or residence, for a family or person, shall conform to the requirements of this Ordinance irrespective of when such building was

constructed, altered or repaired. This Ordinance establishes minimum standards for erected rental dwelling units, accessory structures and related premises. All dwelling units must also comply will all other applicable standards found in the City Code.

**4-6-3: DEFINITIONS.**

1. Approved. When used in reference to the design and capabilities of physical systems of a dwelling, shall mean having passed the inspection of the Compliance Officer. The basis for passage of such inspection shall be an analysis of the effective state codes and an analysis of the degree to which the systems meet the standards established by such codes. It shall be the objective of the Compliance Officer, unless otherwise specified, to establish minimum qualifications for approval of such system, which qualifications can maintain substantial compliance with the effective state codes and can be achieved in a reasonably economical and practical manner.
2. Building. Any structure built for support, shelter or enclosure of persons, animals, chattel or movable property of any kind, and includes any structure.
3. Compliance Officer. The City Building Official or other designee of the City Administrator authorized to administer and enforce this article.
4. Dwelling. A building or portion thereof, designated exclusively for the residential occupancy, including one-family, two-family, multiple family dwellings, and manufactured houses, but not including hotels, motels, nursing homes, residential care facilities, or assisted living facilities.
5. Dwelling, Multiple Family. A building designed with two (2) or more dwelling units exclusively for the occupancy of two (2) or more families living independently of each other, but sharing hallways, main entrances, and exits.
6. Dwelling Unit. A residential building or portion thereof intended for occupancy by one (1) or more persons with facilities for living, sleeping, cooking and eating but not including but not including hotels, motels, nursing homes, residential care facilities, or assisted living facilities.
7. Family. An individual or two (2) or more persons related by blood, marriage, adoption, domestic partnership, or foster care or a group of not more than three (3) persons not so related maintaining a common household and using common cooking/kitchen and bathroom facilities.
8. Garbage. Animal and vegetable wastes resulting from the handling, preparation, cooking and consumption of food.

9. Habitable Room. A room or enclosed floor space used or intended to be used for living, sleeping, cooking or eating purposes, excluding bathrooms, water closet compartments, laundries, furnace rooms, unfinished basements (those without required ventilation, required electric outlets and required exit facilities), pantries, utility rooms of less than fifty (50) square feet of floor space, foyers, communicating corridors, stairways, closets, storage spaces and workshops, hobby and recreation areas in parts of the structure below ground level or in attics.
10. Heated Water. Water heated to a temperature of not less than one hundred twenty (120) degrees Fahrenheit, or such lesser temperature required by government authority, measured at the faucet outlet.
11. Kitchen. A space which contains a sink with counter working space, adequate space for installing cooking and refrigeration equipment and adequate space for the storage of cooking utensils.
12. Lease. An agreement to rent. For use as a verb, see Rent.
13. Occupant. Any person sleeping, cooking and eating in a dwelling unit.
14. Operator. The owner or his agent who has charge, care, control, or management of a building, or part thereof, in which dwelling units are let.
15. Owner. Any person who alone, jointly, or severally with others, shall be in actual possession of, or have charge, care or control of, any dwelling or dwelling unit within the city as title holder, as employee or agent of the title holder, or as trustee or guardian of the estate or person of the title holder. Any such person representing the actual title holder shall be bound to comply with the provisions of this article to the same extent as the title holder.
16. Permissible Occupancy. The maximum number of persons permitted to reside in a dwelling unit.
17. Plumbing. All of the following supplied facilities and equipment in a dwelling: gas pipes, gas burning equipment, water pipes, steam pipes, garbage disposal units, waste pipes, water closets, sinks, installed dishwashers, lavatories, bathtubs, shower baths, installed clothes washing machines, catch basins, drains, vents and any other similar fixtures and the installation thereof, together with all connections to water, sewer and gas lines.
18. Premises. A platted lot or part thereof or unplatted parcel of land occupied by any dwelling or non-dwelling structure, including any such building, accessory structure or other structure thereon.
19. Refuse. All organic and non-organic waste, including garbage and rubbish.

20. Rent. Consideration paid for the use of premises, including, but not necessarily limited to, money, services and property. As a verb, the term "rent" means to get or give the use of premises in return for such consideration or any combination thereof. The term "rent" does not include arrangements whereby a relative, as defined in Minnesota Statutes 273.124, subd. 1 (c), occupies a dwelling for no consideration or for consideration that includes no more than maintenance of the dwelling or premises, and which arrangement is detailed and sworn to in affidavits filed by each adult occupant of the dwelling and each person who is an owner of the dwelling.
21. Rental Dwelling. A non-owner occupied building or portion thereof let for rent or lease, designed or used predominantly for residential occupancy of a continued nature, including single-family dwellings, attached or detached, and multiple family dwellings, but not including hotels, motels, nursing homes, residential care facilities, or assisted living facilities.
22. Rental Dwelling Unit. A non-owner occupied single residential accommodation let for rent or lease which is arranged, designed, used or, if vacant, intended for use exclusively as a domicile for one family. Where a private garage is structurally attached, it shall be considered as a part of the building in which the dwelling is located.
23. Repair. To restore to a sound and acceptable state of operation, serviceability or appearance.
24. Rodent Harborage. Any place where rodents can live, nest or seek shelter.
25. Rubbish. Solid wastes consisting of both combustible and noncombustible wastes, such as paper, cardboard, tin cans, grass and shrubbery clippings, wood, glass, brick, plaster, bedding, crockery and similar materials.
26. Supplied. Paid for, furnished by, provided by or under the control of the owner, operator or agent of a dwelling. Whenever the terms "dwelling," "dwelling unit," "premises," and "structure" are used in this article, they shall be construed as though they were followed by the words "or any part thereof."
27. Toilet. A toilet, with a bowl and trap made in one piece, which is connected to the city water and sewer system or other approved water supply and sewer supply.

**4-6-4: LICENSE.**

- A. License Required. No person, firm or corporation shall operate a rental dwelling unit without first having obtained a license to do so from the City as provided for

in this Ordinance. Each license shall be good for two (2) years and expire on January 31<sup>st</sup> on the second year after issuance, except as otherwise described in Section 4-6-12 regarding the process for the first renewal. License renewals for the following years shall be filed on or before January 15<sup>th</sup> prior to the license expiration date.

B. Application. Applications for rental licenses shall be made in writing to the City by the owner of the rental dwelling unit(s) or his/her designated agent. The applicant shall supply:

1. The name, address and telephone number of the dwelling owner, the owning partners if a partnership and/or that of the corporate officers if a corporation.
2. The name, address and telephone number of the designated resident agent, if any.
3. The name, address and telephone number of the management representative.
4. The name, address and telephone number of the vendee, if the dwelling is being sold through a contract for deed.
5. The legal address of the dwelling.
6. The type of dwelling.
7. The type and number of dwelling units within the dwelling.
8. Number of occupants.
9. A description of the procedure through which tenant inquiries and complaints are to be processed.
10. An acknowledgement that the owner or designated agent has received a copy of this Ordinance.
11. Certification of Taxes and Utilities Paid: Prior to approving an application for a rental housing license, the property owner shall provide certification to the City that there are no delinquent property taxes, special assessments, interest, or City utility fees due upon the parcel of land to which the rental housing license application relates.

C. Fees.

1. License fees for renewal of licenses under this Ordinance shall be due on January 15<sup>th</sup> immediately prior to the license expiration date. In cases of new unlicensed dwellings, license fees shall be due upon issuance of the certificate of occupancy. In cases of licensing for periods of less than one (1) year, license fees shall be prorated monthly.
  2. The amount of license fees shall be as set forth in the City's official fee schedule. The licensee shall not be entitled to a refund of any license fee upon revocation or suspension of the license. However, the licensee shall be entitled to a refund of any license fee, prorated monthly, upon proof of transfer of legal control or ownership.
- D. Inspection Required. No license shall be issued or renewed under this Ordinance unless the rental dwelling and its premises conform to the ordinances of the City and the laws of the State. The City may require an inspection of such dwelling and premises to make that determination. Failure to schedule or allow such inspection is a violation of this Ordinance.
- E. Posting of License. Every licensee of a rental dwelling shall cause to be conspicuously posted in the main entryway or other conspicuous location therein the current license of the respective rental dwelling for all multiple family buildings.

**4-6-5: INSPECTION CRITERIA.** The City may inspect any rental unit if it falls within one or more of the following criteria:

- A. Such a unit has been abandoned by the owner or the owner of such unit cannot be found.
- B. The rental dwelling unit license has been suspended, revoked or denied.
- C. Water, gas, or electric service to such unit has been discontinued as a result of nonpayment.
- D. The unit is on a parcel of land which is on the list of delinquent taxes filed by the County Auditor with the court administrator of the district court pursuant to Minnesota Statutes Section 279.05.
- E. The City has probable cause to believe that there exist within such unit one or more violations of the requirements of this ordinance.
- F. The unit of property within which the unit is located has, within the preceding six (6) months, renewed a license after suspension or revocation.

- G. The unit is the subject of a pending notice of the City's intent to suspend or revoke the rental license.
1. The Compliance Officer is hereby authorized, in conformity with this Ordinance, to inspect all rental dwelling units to enforce this section and all applicable safety codes.
  2. The Compliance Officer is authorized to inspect all rental dwelling units in dwellings, whether having a rental license hereunder or not. The inspection may include the building or structure containing the rental dwelling unit, the land upon which it is located and accessory uses or structures related to the rental dwelling unit. All inspections authorized by this section shall be limited to those which are done for the purpose of seeking compliance with the applicable safety codes, and shall take place only at reasonable hours or as may otherwise be agreed upon by the owner and the Compliance Officer.
  3. The City shall give notice to the owner of any violations of the applicable safety codes which are discovered during any inspection.

**4-6-6: RESPONSIBILITIES OF OWNERS OR OCCUPANTS.** No owner or other person shall occupy or let another person occupy any rental dwelling unit, unless the premises are clean, sanitary, fit for human occupancy and complies with all applicable legal requirements of the State and the City, including the following requirements:

- A. License. The owner of a rental dwelling unit shall obtain and license and shall pass the required inspection prior to any occupancy of the rental dwelling unit.
- B. Maintenance.
1. Shared or Public Areas. Every owner of a rental dwelling unit shall maintain in a clean, sanitary and safe condition, the shared or public areas of the building and premises thereof.
  2. Occupied Areas. All occupants of a rental dwelling unit shall maintain in a clean, sanitary and safe condition that part or those parts of the building and premises thereof that she/he occupies and controls.
- C. Storage and Disposal of Garbage and Rubbish.
1. All occupants of a rental dwelling unit shall store and dispose of all their rubbish in a clean, sanitary and safe manner.

2. All occupants of a rental dwelling unit shall store and dispose of all their garbage and any other organic waste which might provide food for insects and/or rodents in a clean, sanitary and safe manner.
3. Every owner of a rental dwelling unit shall supply facilities of adequate size for the sanitary and safe storage and disposal of rubbish and garbage.
4. Every owner of a rental dwelling unit shall supply facilities of adequate size for the sanitary and safe storage and collection of recyclables.

D. Pest Control.

1. Pest Extermination. Every owner of a rental dwelling unit shall be responsible for the extermination of vermin infestations and/or rodents on the premises. Every occupant of a dwelling unit containing more than one dwelling unit or an occupant of a nonresidential building containing more than one unit shall be responsible for the extermination whenever his unit is the only one infested. Notwithstanding, however, whenever infestations caused by the failure of the owner to maintain a building in a reasonable rodent-proof or reasonable vermin-proof condition, extermination shall be the responsibility of the owner. Whenever infestation exists in two (2) or more of the units in any building, extermination thereof shall be the responsibility of the owner. Whenever extermination is the responsibility of the owner, the extermination must be performed by a licensed pest control contractor.
2. Rodents.
  - a. No occupant of a rental dwelling unit shall accumulate boxes, lumber, scrap metal, or any similar materials in such a manner that may provide a rodent harborage in or about any dwelling unit or building. Stored materials shall be stacked neatly.
  - b. No owner of a rental dwelling unit shall accumulate or permit the accumulation of boxes, lumber, scrap metal, or any other similar materials in such a manner that may provide a rodent harborage in or about shared or public areas of a building or its premises. Materials stored by the owner or permitted to be stored by the owner shall be stacked neatly.
  - c. No owner or occupant of a rental dwelling unit shall store, place or allow to accumulate, any materials that may serve as food for rodents in a site accessible to rodents.

- E. Sanitary Maintenance of Fixtures and Facilities. Every occupant of a rental dwelling unit shall keep all supplied fixtures and facilities therein in a clean and sanitary condition and shall be responsible for the exercise of reasonable care in the proper use and operation thereof.
- F. Minimum Heating Capability and Maintenance. In every rental dwelling unit, when the control of the supplied heat is the responsibility of a person other than the occupant, a temperature of at least sixty-eight (68) degrees Fahrenheit, or such lesser temperature required by government authority, shall be maintained at a distance of three (3) feet above the floor and three (3) feet from exterior walls in all habitable rooms, bathrooms and water closet compartments from September through May.
- G. Minimum Exterior Lighting. The owner of a multiple family rental building shall be responsible for providing and maintaining effective illumination in all exterior parking lots and walkways.
- H. Driveways and Parking Areas. The owner of a rental building shall be responsible for providing and maintaining in good condition paved and delineated parking areas and driveways for tenants.
- I. Yards. The owner of the building shall be responsible for providing and maintaining the yards of premises consistent with all applicable provisions in the City Code.
- J. Exterior Storage. Owners and occupants of rental dwelling units shall comply with the City's exterior storage requirements as regulated by Section 10-16 of the Zoning Ordinance.
- K. Public Nuisances. Owners and occupants of rental dwelling units shall comply with the City's public nuisance ordinance as provided for in Chapter 8 of the City Code.
- L. The property owner shall be responsible for payment of all property taxes, City utility fees, special assessments, and interest. Delinquent utility accounts shall be subject to Chapter 3 of the City Code.

**4-6-7: MAXIMUM DENSITY.** No person shall occupy nor permit or let to be occupied any rental dwelling unit for the purpose of living therein, which does not comply with the following requirements. The maximum permissible occupancy of any dwelling unit shall be determined as follows:

- A. For the first occupant, one hundred fifty (150) square feet of habitable room floor space and for every additional occupant thereof, at least one hundred (100) square feet of habitable room floor space.

- B. In no event shall the total number of occupants exceed two (2) times the number of habitable rooms, less kitchen, in the dwelling unit.

**4-6-8: GENERAL REQUIREMENTS.** No person shall occupy, as owner/occupant, or let to another occupy, any rental building or rental dwelling unit which does not comply with the following requirements, unless specifically exempt:

- A. **Minimum Ceiling Height.** In order to qualify as habitable, rooms shall have a clear ceiling height of not less than seven (7) feet; except, that in attics or top half stories used for sleeping, study, or similar activities, the ceiling height shall be not less than seven (7) feet over at least one-half (1/2) of the floor area. In calculating the floor area of such rooms in attics or top half stories, only those portions of the floor area of the room having a clear ceiling height of five (5) feet or more may be included.
- B. **Access through Sleeping Rooms and Bathrooms.** No dwelling unit containing two (2) or more sleeping rooms shall have a room arrangement such that access to a bathroom or water closet compartment intended for use by occupants of more than one sleeping room can be gained only by going through another sleeping room. A bathroom or water closet compartment shall not be used as the only passageway to any habitable room, hall, basement or cellar of any dwelling unit.
- C. **Foundations, Exterior Walls and Roofs.** The foundation, exterior walls, and exterior roof shall be substantially watertight and protected against vermin and rodents and shall be kept in sound condition and repair. The foundation element shall adequately support the building at all points. Every exterior wall shall be free of deterioration, holes, breaks, loose or rotting boards or timbers, and any other condition which might admit rain or dampness to the interior portion of the walls or to the interior spaces of the building. The roof shall be tight and have no defects which admit rain, and roof drainage shall be adequate to prevent rainwater from causing dampness in the walls. All exterior wood surfaces, other than decay resistant woods, shall be protected from the elements and decay by paint or other protective covering or treatment. If the exterior surface is unpainted or determined by the compliance officer to be paint blistered, the surface shall be painted. If the exterior surface of the pointing of any brick, block or stone wall is loose or has fallen out, the surface shall be repaired.
- D. **Windows, Doors And Screens.** Every window, exterior door, and other exterior openings shall be substantially tight and shall be kept in sound condition and repair. Every window, door and frame shall be constructed and maintained in such relation to the adjacent wall construction as to completely exclude rain, wind, vermin and rodents from entering the building. Every openable window

shall be supplied with mesh screens, and shall be equipped with an approved lock if located less than six (6) feet above adjacent grade.

- E. Floors, Interior Walls and Ceilings. Every floor, interior wall and ceiling shall be adequately protected against the passage and harborage of vermin and rodents, and shall be kept in sound condition and good repair. Every floor shall be free of loose, warped, protruding or rotted flooring materials. Every interior wall and ceiling shall be free of holes and large cracks and loose plaster and shall be maintained in a tight, weatherproof condition. Toxic paint and materials with a lasting toxic effect shall not be used. The floor of every toilet room, bathroom, and kitchen shall have a smooth, hard, nonabsorbent surface and shall be capable of being easily maintained in a clean and sanitary condition.
- F. Rodent proof. Every structure and the premises upon which it is located shall be maintained in a rodent free and rodent proof condition. All openings in the exterior walls, foundations, basements, ground or first floors, and roofs, which have a one-half inch (1/2") diameter or larger opening, shall be rodent proofed in an approved manner. Interior floors or basements, cellars, and other areas in contact with the soil shall be paved with concrete or other rodent impervious material.
- G. Fences. All fences shall consist of metal, wood, masonry, or other decay resistant material. Fences shall be maintained in good condition both in appearance and in structure. Wood material, other than decay resistant varieties, shall be protected against decay by use of paint or other preservatives. All fences shall be subject to the provision of Section 10-20 of the St. Francis Zoning Ordinance.
- H. Grading And Drainage. During the period of May through October, every yard, court, passageway, and other portions of the premises on which a building stands shall be graded and drained so as to be free of standing water that constitutes a detriment to health and safety.
- I. Landscaping. Every yard of a premises on which a building stands shall be provided with lawn or combined ground cover of vegetation, garden, hedges, shrubbery, and related decorative materials, and such yard shall be maintained consistent with prevailing community standards. Multiple family dwelling sites shall be maintained in accordance with an approved city landscape plan and shall be supplied with an irrigation system.
- J. Screening. In multiple family dwelling sites, all outside trash disposal facilities, recycling containers, and outside or rooftop mechanical equipment shall be screened from view by an opaque fence or wall high enough to completely screen the equipment.

- K. Safe Building Elements. Every foundation, roof, floor, exterior and interior wall, ceilings, inside and outside stair, every porch and balcony, and every appurtenance thereto, shall be safe to use and capable of supporting loads required by the occupancy.
- L. Facilities to Function. Every supplied facility, piece of equipment or utility required under city ordinances and every chimney and flue shall be installed and maintained and shall function effectively in a safe, sound, and working condition.
- M. Discontinuance of Service or Facilities. No owner, operator, or occupant shall cause any service, facility, equipment, or utility, which is required under this Ordinance, to be removed, shut off or discontinued from any occupied building or portion thereof, except for such temporary interruptions as may be necessary while actual repairs or alterations are in process, or during temporary emergencies.

**4-6-9: MINIMUM STANDARDS FOR BASIC EQUIPMENT AND FACILITIES.**

No person shall occupy, as owner/occupant, or let to another occupy, any rental building or rental dwelling unit for the purposes of living, sleeping, cooking and eating therein which do not comply with the following requirements:

- A. Kitchen Facilities.
  - 1. Every dwelling unit shall have a room or portion of a room in which food may be prepared and/or cooked and which is connected to an approved sewer system.
  - 2. Every dwelling unit shall have an approved kitchen sink in good working condition and properly connected to an approved water supply system, and which provides at all times an adequate amount of heated and unheated running water under pressure, and which is connected to an approved sewer system.
  - 3. Every dwelling unit shall have cabinets and/or shelves for the storage of eating, drinking, and cooking equipment and utensils and of food that does not require refrigeration for safekeeping, and a counter or table for food preparation. Said cabinets and/or shelves and counter or table shall be adequate for the permissible occupancy of the dwelling unit and shall be of sound construction and furnished with surfaces that are easily cleaned and that will not impart any toxic or deleterious effect to food.
  - 4. Every dwelling unit shall have a stove or similar device for cooking food, and a refrigerator or similar device for the safe storage of food at or below forty (40) degrees Fahrenheit, which are properly installed with all necessary connections for safe, sanitary and efficient operation. Provided,

that such stove, refrigerator or similar device need not be installed when a dwelling unit is not occupied or when the occupant is expected to provide same upon occupancy, in which case, sufficient space and adequate connections for the installation and operation of said stove, refrigerator or similar device must be provided.

- B. Toilet Facilities. Within every rental dwelling unit there shall be an uninhabitable room which is equipped with an approved toilet in good working condition. Such room shall have an entrance door which affords privacy. Said toilet shall be equipped with easily cleaned surfaces, shall be connected to an approved water system that at all times provides an adequate amount of running water under pressure to cause the toilet to be operated properly, and shall be connected to an approved sewer system.
- C. Lavatory Sink. Within every rental dwelling unit there shall be an approved lavatory sink. Said lavatory sink may be in the same room as the flush water closet, or if located in another room, the lavatory sink shall be located in close proximity to the door leading directly into the room in which the said water closet is located. The lavatory sink shall be in good working condition and shall be properly connected to an approved water supply system and shall provide at all times an adequate amount of heated and unheated running water under pressure, and shall be connected to an approved sewer system.
- D. Bathtub or Shower. Within every rental dwelling unit there shall be an uninhabitable room which is equipped with an approved bathtub or shower in good working condition. Such room shall have an entrance which affords privacy. Said bathtub or shower may be in the same room as the flush water closet, or in another room, and shall be properly connected to an approved water supply system and shall provide at all times an adequate amount of heated and unheated water under pressure, and shall be connected to an approved sewer system.
- E. Stairways, Porches and Balconies. Every stairway inside or outside of a rental dwelling and every porch or balcony shall be kept in safe condition and sound repair. Stairs, handrails and guards shall conform to the current Building Code.
- F. Access to Rental Dwelling Unit. Access to or egress from each rental dwelling unit shall be provided without passing through any other rental dwelling unit.
- G. Door Locks. No owner shall occupy nor let to another for occupancy any rental dwelling or rental dwelling unit unless all exterior doors of the dwelling or dwelling unit are equipped with safe, functioning locking devices as follows:
  - 1. Building Entrances. For the purpose of providing a reasonable amount of safety and general welfare for persons occupying multiple family dwellings, an approved security system shall be maintained for each

multiple family building to control access. The security system shall consist of locked building entrance or foyer doors, and locked doors leading from hallways into individual dwelling units. Dead-latch type doors shall be provided with lever knobs (or doorknobs) on the inside of building entrance doors and with key cylinders on the outside of building entrance doors. Building entrance door latches shall be of a type that are permanently locked from the outside and permanently locked from the inside.

2. Interior Dwelling Unit Entrances. Every door that is designed to provide ingress or egress for a dwelling unit within a multiple family building shall be equipped with an approved lock that has a deadlocking bolt that cannot be retracted by end pressure; provided, however, that such door shall be openable from the inside without the use of a key or any special knowledge or effort.

**4-6-10: MINIMUM STANDARDS FOR LIGHT AND VENTILATION.** No person shall occupy, as owner/occupant, or let to another occupy, any rental building or rental dwelling unit, for the purpose of living therein, which does not comply with the following requirements:

- A. Habitable Room Light and Ventilation. Except where there is supplied some other device affording adequate ventilation and approved by the compliance officer, every habitable room shall have at least one window facing directly outdoors which can be opened easily. The minimum total of openable window area in every habitable room shall be the greater of ten (10) percent of the floor area of the room or ten (10) square feet. One-half (1/2) of the required window area shall be openable.
- B. Uninhabitable Room Ventilation. Every bathroom and water closet compartment, and every laundry and utility room shall contain at least fifty (50) percent of the ventilation requirement for habitable rooms contained in Section 4-6-10.A; except, that no windows shall be required if such rooms are equipped with a ventilation system which is approved by the compliance officer.
- C. Electric Service, Outlets and Fixtures. Every rental dwelling unit and all public and common areas shall be supplied with electric service, functioning over current protection devices, electric outlets, and electric fixtures which are properly installed, which shall be maintained in good and safe working condition, and which shall be connected to a source of electric power in a manner prescribed by the ordinances, rules, and regulations of the City and by the laws of the State. The minimum capacity of such electric service and the minimum number of electric outlets and fixtures shall be as follows:

1. Rental dwellings containing one (1) or two (2) rental dwelling units shall have at least the equivalent of sixty (60) ampere, three-wire electric service per dwelling unit.
  2. Rental dwelling units shall have at least one branch electric circuit for each six hundred (600) square feet of dwelling unit floor area.
  3. Every habitable room shall have at least one floor or wall type electric convenience outlet for each sixty (60) square feet or fraction thereof of total floor area and, in no case, less than two (2) such electric outlets; provided, however, that one ceiling or wall type fixture may be supplied in lieu of one required electric outlet.
  4. Every bathroom, kitchen, laundry room, and furnace room shall contain at least one (1) supplied ceiling or wall type electric light fixture, and every bathroom, kitchen, and laundry room shall contain at least one (1) electric convenience outlet. The electric convenience outlet in the bathroom shall be a GFCI outlet.
  5. Every public corridor and stairway in every rental dwelling shall be adequately lighted by natural or electric light at all times so as to provide effective illumination in all parts thereof. Every public corridor and stairway in structures containing not more than two (2) dwelling units may be supplied with conveniently located light switches controlling an adequate lighting system which may be turned on when needed, instead of full time lighting.
  6. A convenient switch or equivalent device for turning on a light in each rental dwelling unit shall be located near the point of entrance to such unit.
- D. Smoke and Carbon Dioxide Protection. Smoke and carbon dioxide alarms shall be provided in conformance with the current Building Code.

**4-6-11: DWELLINGS UNFIT FOR HUMAN HABITATION.**

- A. Any rental dwelling or rental dwelling unit which is damaged, decayed, dilapidated, unsanitary, unsafe, or vermin or rodent infested, or which lacks provision for basic illumination, ventilation or sanitary facilities to the extent that the defects create a hazard to the health, safety or welfare of the occupants or of the public may be declared unfit for human habitation. Whenever any rental dwelling or rental dwelling unit has been declared unfit for human habitation, the compliance officer shall order the dwelling or dwelling unit vacated within a reasonable amount of time and shall post a placard on the dwelling or dwelling unit indicating that it is unfit for human habitation and any operating license previously issued for such dwelling shall be revoked.

- B. It shall be unlawful for such rental dwelling or rental dwelling unit to be used for human habitation until the defective conditions have been corrected and written approval has been issued by the compliance officer. It shall be unlawful for any person to deface or remove the declaration placard from any such rental dwelling or rental dwelling unit.
- C. The owner of any rental dwelling or rental dwelling unit which has been declared unfit for human habitation, or which is otherwise vacant for a period of sixty (60) days or more, shall make the dwelling or dwelling unit safe and secure so that it is not hazardous to the health, safety and welfare of the public and does not constitute a public nuisance. Any vacant dwelling open at doors or windows, if unguarded, shall be deemed to be a hazard to the health, safety and welfare of the public and a public nuisance within the meaning of this ordinance.
- D. If a rental dwelling unit has been declared unfit for human habitation and the owner has not remedied the defects within a prescribed reasonable time, the dwelling may be declared a hazardous building and treated consistent with the provisions of State Statutes.

**4-6-12: ORDINANCE IMPLEMENTATION.** All rental housing shall file for the first license by January 15, 2014. All even numbered addresses shall file for the first renewal by January 15, 2016. All odd numbered addresses shall file for the first renewal by January 15, 2017. After first renewals, the procedure shall follow as described in Section 4-6-4.

**4-6-13: PENALTIES AND VIOLATIONS.** Any person who violates any provision of this Section shall be guilty of a misdemeanor. Every license issued under the provisions of this Section is subject to suspension or revocation by the City should the licensed owner or the owner's duly authorized agent fail to operate or maintain a licensed dwelling or unit therein consistent with the provisions of the ordinances of the City and the Laws of the State. The City shall appoint a person responsible for administration of this section who shall have the authority to investigate licensees and to suspend or revoke licenses. Revocations and suspensions may be appealed to the City Council within thirty (30) days of notice.

## SECTION 7

### VACANT BUILDING REGISTRATION

(Ord. 194, Adopted 4/7/14, Effective 5/11/14)

#### SECTION:

- 4-7-1: Purpose and Findings
- 4-7-2: Definitions
- 4-7-3: Vacant Building Registration
- 4-7-4: Maintenance of Vacant Buildings
- 4-7-5: Inspection of Vacant Buildings
- 4-7-6: Penalties

**4-7-1: PURPOSE AND FINDINGS.** The City of St. Francis is enacting this section to protect the public health, safety and welfare by establishing a program for the identification and regulation of vacant buildings. The City finds that vacant buildings are a major cause and source of blight in residential and non-residential neighborhoods. Neglect of vacant buildings, as well as use of vacant buildings by transients and criminals creates a risk of fire, explosion or flooding for the vacant building and adjacent properties. There is a substantial cost to the City for monitoring vacant buildings. This cost should not be borne by the general taxpayers of the community; but, rather, these costs should be borne by owners of the buildings.

**4-7-2: DEFINITIONS.** For the purposes of this Section, the terms defined in this subsection have the meanings given them and shall apply in the interpretation and enforcement of this article.

- A. "Abandoned property" means property not lawfully occupied that the owner has surrendered, voluntarily relinquished, disclaimed, or ceded all right, title, claim, and possession, with the intention of not reclaiming it.
- B. "Building" is any roofed structure used or intended for supporting or sheltering any use or occupancy. Building, for purposes of this Chapter, shall include a portion of a building that is separately titled such as a condominium or townhouse unit that is part of a larger building structure.
- C. "Compliance official" means the City Administrator and the City Administrator's designated agents authorized to administer and enforce this section.
- D. "Owner" or "property owner" is the owner of record of a property on which a building is located according to County property tax records, those identified as owner or owners on a vacant building registration form, a holder of recorded or an unrecorded contract for deed, a mortgagee or vendee in possession, a

mortgagor or vendor in possession, an assignee of rents, a receiver, an executor, a trustee, a lessee, or other person, firm or corporation in control of the freehold of the premises or lesser estate therein. Owner also means any person, partnership, association, corporation or fiduciary having a legal or equitable title or any interest in the property or building. This includes any partner, officer or director of any partnership, corporation, association or other legally constituted business entity. All owners shall have joint and several obligations for compliance with the provisions of this section.

- E. "Responsible party" is an owner, entity or person acting as an agent for the owner who has direct or indirect control or authority over the building or real property, upon which the building is located, or any other person or entity having a legal or equitable interest in the property. Responsible party may include but is not limited to a realtor, service provider, mortgagor, leasing agent, management company, or similar person or entity.
- F. "Unoccupied building" is a building which is not being used for legal occupancy as defined in the St. Francis City Code.
- G. "Vacant building" means a building, other than a building under construction pursuant to a valid building permit that is unoccupied for sixty (60) consecutive days.

**4-7-3: VACANT BUILDING REGISTRATION.**

- A. Application. The owner or responsible party shall register a vacant building with the City no later than sixty (60) days after the building becomes vacant. The registration shall be submitted on a form provided by the City and shall include the following information supplied by the owner or responsible party.
  - 1. The name, address, telephone number and email address, if applicable, of each owner and each owner's representative.
  - 2. The names, addresses, telephone numbers and email addresses, if applicable, of all known lien holders and all other persons or entities with any legal interest in the building.
  - 3. The name, address, telephone number and email address, if applicable, of a local agent or person responsible for managing or maintaining the property.
  - 4. Property identification number and street address of the premises on which the building is situated.

5. The date the building became vacant, the period of time the building is expected to remain vacant, and a written property plan and timetable as described in Section 4-7-3.D for returning the building to lawful occupancy or use, or for demolition of the building.
  6. The status of water, sewer, natural gas and electric utilities.
- B. Notification. The owner shall notify the compliance official within thirty (30) days of changes in any of the information supplied as part of the vacant building registration.
- C. Administrative Registration. If the compliance official determines that a building has been vacant for at least sixty (60) days and has not been registered by its owner or responsible parties, the compliance official may administratively register the building and attempt to notify the owner of that registration based on such information as is reasonably available to the compliance official. Properties registered administratively will be charged a registration fee and an administrative fee as established in the City's fee schedule.
- D. Property Plan. The property plan identified above in Section 4-7-3.A.5 shall meet the following requirements:
1. General Provisions. The plan shall comply with all applicable regulations as determined by the building official. It shall contain a timetable regarding use or demolition of the buildings on the property. All actions necessary for compliance with this section shall be completed within thirty (30) days after the building is registered.
  2. Maintenance of Building. The plan shall identify the means and timetable for addressing all maintenance and nuisance-related items identified in the application or arising since application, or as identified by the building official including correcting all conditions to be in compliance with Section 4-7-4 of this Code. Any repairs, improvements or alterations to the property shall comply with State Building Code provisions and applicable City regulations.
  3. Plan Changes. If the property plan or timetable for the vacant building is revised in any way for any purpose, the revisions shall be submitted to the City in writing and meet the approval of the compliance official.
  4. Demolition. Vacant buildings that are hazardous or substandard may be demolished pursuant to Minn. Stats. §§ 463.15 through 463.261. As part of a property plan, the owner may request or consent to demolition of a structure and the City may commence abatement and cost recovery proceedings for the abatement in accordance with Section 8-2-2 of the City Code and Minn. Stats. § 429.101.

- E. Fees. The owner of vacant buildings or responsible parties shall pay a fee at the time of registration. In subsequent years, fees shall be due on the anniversary date of the original registration. The fees must be paid in full prior to the issuance of any building permits. The registration fee will be in an amount set forth in the City's fee schedule. The amount of the registration fee shall be reasonably related to the City's costs incurred in the administration and enforcement of the vacant buildings registration and monitoring program described in this article.
- F. Assessment. If the registration fee or any portion is not timely paid, the City Council may certify the unpaid fees against the property in accordance with Minn. Stats. § 429.101.

**4-7-4: MAINTENANCE OF VACANT BUILDINGS.** The owner or responsible party shall comply with all City ordinances and additionally ensure the property is maintained to the following standards:

- A. Appearance. All vacant buildings shall be maintained as required in Chapter 8 of the City Code. All vacant buildings shall be maintained and kept as to appear to be occupied.
- B. Security. All vacant buildings shall be secured from unauthorized entry. Security shall be ensured by normal building amenities such as windows and doors having adequate strength to resist intrusion. All doors and windows shall remain locked. There shall be at least one operable door into every building and into each room within the building. Exterior doors, walls, windows, and roofs shall be without holes or significant structural defects.
- C. Temporary Securing. Untreated plywood or similar structural panels or temporary construction fencing may be used to secure windows, doors, and other openings for a maximum period of thirty (30) days.
- D. Emergency Securing. The compliance official may take immediate steps to secure a vacant building at his or her discretion in emergency circumstances with such costs for securing at the expense of the property owner plus any administrative fees as set forth in the City's fee schedule.
- E. Fire Safety.
  - 1. Owners of non-residential vacant buildings shall maintain all fire protection systems, appliances, and assemblies in operating condition.
  - 2. The owner of any vacant building shall remove all hazardous material and hazardous refuse that could constitute a fire hazard or contribute to the spread of fire.

- F. Plumbing Fixtures. Plumbing fixtures and pipes shall be maintained in sound condition and good repair. The water system shall be protected from freezing.
- G. Electrical. Electrical service lines, wiring, outlets, or fixtures shall be maintained in good condition or repaired.
- H. Heating. Heating systems shall be maintained in good condition or repaired.
- I. Discontinuance of Utilities. Utilities may be discontinued in a vacant building but the plumbing, electrical, and heating systems and fixtures shall be maintained or repaired as to be capable of competent operation when utility services are restored.
- J. Termination of Utilities. The Compliance Official may order the termination of water, sewer, electricity, or gas service to the vacant building. Prior to the termination of any utility service, written notice must be given to the owner. The Compliance Official may authorize immediate termination of utilities in emergency circumstances. No utility terminated by order or action of the Compliance Official may be restored without consent of the Compliance Official.
- K. Exterior Maintenance. The owner must comply with all applicable property maintenance regulations and City Codes including but not limited to the maintenance of vegetation as required by Section 8-2-3 and ice and snow removal as required by Section 7-2-1.

**4-7-5: INSPECTION OF VACANT BUILDINGS.**

- A. Inspection. Registration of a vacant building shall constitute consent by the owner or responsible party to the City to go upon the property for inspection purposes. The compliance official may inspect any vacant building in the City for the purpose of enforcing and assuring compliance with this article and other applicable regulations. Upon the request of the compliance official, an owner or responsible party shall provide access to all interior portions of the building(s) and the exterior of the property in order to complete an inspection. If the owner or responsible party is not available, is unresponsive, or refuses to provide access to the interior of the building, the City may use any legal means to gain entrance to the building for inspection purposes.
- B. Notice of Violation. All violations found by the compliance official during the inspection in Section 4-7-4.A shall be corrected by the owner within the period of time established by the compliance official in the notice of violation. The period to correct the violations shall follow the procedure established in Section 2-11-3 of the City Code.

- C. Re-occupancy Inspection. Prior to any re-occupancy or reuse, the owner or responsible party shall request an inspection of the vacant building by the compliance official to determine the building is fit for human occupation consistent with the Minnesota State Building Code. All applicable building permit fees as needed shall be paid prior to building occupancy.

**4-7-6: PENALTIES.** Any person or responsible party who violates the provisions of this Chapter is subject to penalty as provided under Section 2-1-2 of this Code. Nothing in this section, however, is deemed to impair other remedies available to the City under this Code or state law including, but not limited to, Minn. Stats. §§ 463.15 through 463.261 and City Code Section 2-11.

**CHAPTER 99: REQUESTS FOR RENTAL HOUSING INSPECTION**

Section	Page
99.01	Purpose..... 98
99.02	Definitions..... 98
99.03	Inspections and fees..... 99
99.04	Summary action remedies..... 100
99.05	Owner’s right to appeal..... 100
99.06	Assessment of unpaid fees or fines..... 100

**§ 99.01 PURPOSE.**

It is the purpose of this subchapter to provide a mechanism for a Tenant, Owner, or Neighborhood Association to request the City of Cambridge to inspect a Rental Dwelling or Living Unit for let for occupancy for compliance with building code, fire code, and the City’s housing maintenance code so as not to become a nuisance to the neighborhood and/or community.

**§ 99.02 DEFINITIONS.**

For the purpose of this subchapter, the following definitions apply unless the context clearly indicates or requires a different meaning.

**CITY ADMINISTRATOR.** The City Administrator or the City Administrator’s designee.

**LET FOR OCCUPANCY or TO LET.** To permit possession or occupancy of a dwelling or living unit by a person who is not the legal Owner of record thereof, pursuant to a written or unwritten lease, or pursuant to a recorded or unrecorded agreement whether or not a fee is required by the agreement.

**LIVING UNIT.** A single unit providing complete, independent living facilities for one or more persons including permanent provisions for living, sleeping, eating, cooking and sanitation.

**NEIGHBORHOOD ASSOCIATION (Housing Related).** "Housing-related neighborhood organization" means a nonprofit corporation incorporated under chapter 317A that:

(1) designates in its articles of incorporation or bylaws a specific geographic community to which its activities are limited; and

(2) is formed for the purposes of promoting community safety, crime prevention, and housing quality in a nondiscriminatory manner.

For purposes of this chapter, an action taken by a Neighborhood Association with the written permission of a residential Tenant means, with respect to a building with multiple dwelling units, an action taken by the neighborhood organization with the written permission of the residential Tenants of a majority of the occupied units.

**NO OCCUPANCY ORDER.** The rental dwelling cannot be used for sleeping, eating, cooking, or living.

**OWNER.** Any person, agent, operator, firm or corporation having a legal or equitable interest in the property; or recorded in the official records of the state, county or municipality as holding title to the property; or otherwise having control of the property, including the guardian of the estate of any such person, and the executor or administrator of the estate of such person if ordered to take possession of real property by a court, or any person representing the actual Owner.

**RENTAL DWELLING.** Any apartment, general housing unit, or single family dwelling let for occupancy.

**TENANT.** Tenant means a person who is occupying a dwelling in a residential building under a lease or contract, whether oral or written, that requires the payment of money or exchange of services, all other regular occupants of that dwelling unit, or a resident of a manufactured home park.

**VIOLATION.** A deficiency of any state or city health, safety, housing, building, fire prevention, or housing maintenance code applicable to the building.

#### § 99.03 INSPECTIONS AND FEES

- (A) Responsibility. It is the responsibility of the Owner to be in compliance with City ordinances and State laws.
- (B) Maintenance standards. Every rental dwelling must maintain the standards in the City Housing Code Chapter 97, in addition to any other requirement of the ordinances of the City or the laws of the State of Minnesota.
- (C) Inspections and Fees.
  - (1) The City Administrator is authorized to make inspections at the request of a Tenant, Owner, or Neighborhood Association to ensure compliance with building code requirements, fire code requirements, and city ordinances such as the City's Housing Code.
  - (2) All designated agents authorized to make the requested inspection may enter at reasonable times any rental dwelling with the Tenant's or Owner's permission. If any Owner, operator, occupant or other person(s) in charge of a rental dwelling refuses to permit access and entry to the rental dwelling, or any part thereof, the designated agent may, upon showing that probable cause exists for the inspection, seek a court order directing compliance with the inspection in order to secure entry.
  - (3) The requested inspection will be conducted and a fee charged in accordance with the City's Licenses, Fees, and Permits Ordinance.
    - (a) If violations are not corrected and reinspections are required, a fee will be charged for each subsequent re-inspection occurring after the due date for compliance with an order. The amount of the re-inspection fee will be set by ordinance of the City Council.

- (b) The violation and/or re-inspection fees prescribed above are to be billed directly to the Owner of the property.
- (c) The City Administrator may waive a re-inspection fee in case of error, mistake, injustice, or other good cause.
- (d) Failure to attend a scheduled inspection date or failure to pay any fees associated with inspections may have additional penalties and/or fines as outlined in Chapter 38 of the City Code.

#### **§ 99.04 SUMMARY ACTION REMEDIES**

When the conduct of any Owner/licensee or their agent, representative, employee or lessee or the condition of their rental dwelling is detrimental to the public health, sanitation, safety and general welfare of the community at large or residents of the rental dwelling as to constitute a nuisance, fire hazard or other unsafe or dangerous condition and thus give rise to an emergency, the City Administrator has the authority to issue a No Occupancy Order or close off individual units or such areas of the rental dwelling.

Notice of No Occupancy Order must be posted at the location of the rental dwelling and at the units or areas affected and shall indicate the units or areas affected. Upon notice of a No Occupancy Order, the City Administrator may impose terms and conditions as necessary to remedy the nuisance, fire hazard, or other unsafe or dangerous condition.

#### **§ 99.05 OWNER'S RIGHT TO APPEAL**

Any person aggrieved by a decision or action of the City Administrator shall be entitled to appeal to the City Council by filing a notice of with the City Administrator. The appeal must be filed within ten (10) days of the City Administrator's decision. The City Administrator will schedule a date for a hearing before the City Council and notify the aggrieved person of the date.

The hearing must be conducted in the same manner as if the aggrieved person had not received summary action. The decision of the City Administrator is not voided by the filing of such appeal. Only after the Council has held its hearing will the decision or action of the City Administrator be affected.

#### **§ 99.06 ASSESSMENT OF UNPAID FEES OR FINES**

Any unpaid violation fine or reinspection fees may be assessed against the property in the manner set forth in §38.07 of the City Code.



# City of East Bethel City Council Meeting Agenda Information

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**Date:**

March 25, 2015

\*\*\*\*\*

**Agenda Item Number:**

Item 5.0

\*\*\*\*\*

**Agenda Item:**

Rural Residential Densities

\*\*\*\*\*

**Requested Action:**

Discuss recommendations of the Planning Commission as they relate to changes to residential density regulations as required in Sections 41-14 and 56, 57 in the City Zoning Ordinance

\*\*\*\*\*

**Background Information:**

The City Zoning Ordinance was amended on September 5, 2007 to restrict densities in unsewered residential areas to one unit per 10 acres or four units per 40 acres with no lot exceeding 2.0 acres. Since the adoption of this amendment there have been no subdivision plats filed in the City of East Bethel that do not have access to sewer service. The 2009 -2010 Recession was the major factor for the absence of subdivision plat filings in the City. However, as we emerge from the Recession, the “one in ten” density minimums have been a detriment for the lack of rural subdivision plats and development in the City.

We have had five legitimate inquiries regarding Rural Residential Subdivisions in the past 10 months. None of those were able to proceed with developments unless they could be done at the 2 – 2.5 acre lot densities.

Given that the previous regulations (2 – 2.5 acre lot sizes) and the amount of acreage in the City classified as wetlands provided protection against urban type densities, and that the “one in ten” requirement was as much a tool to discourage low density development in the Highway 65 Corridor as it was to protect the rural nature of the City of East Bethel, it is appropriate to reexamine this standard.

\*\*\*\*\*

**Recommendation:**

The Planning Commission discussed this matter at their July 22, 2014 meeting (see attached minutes) and recommend the density requirements be changed. The matter was referred to MET Council for their review and approval, but as of this date we have received no decision on our request for the proposed change. As a result, this issue was not presented to City Council. However, with the increase in interest in rural subdivisions, Staff will request an immediate response from MET Council relating to this matter.

**Attachments:**

1. Map of lands suitable for Rural Subdivisions
2. Current Zoning Standards
3. Planning Commission Minutes – July 22, 2014

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**Planning Commission Action**

Motion by: \_\_\_\_\_

Second by: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

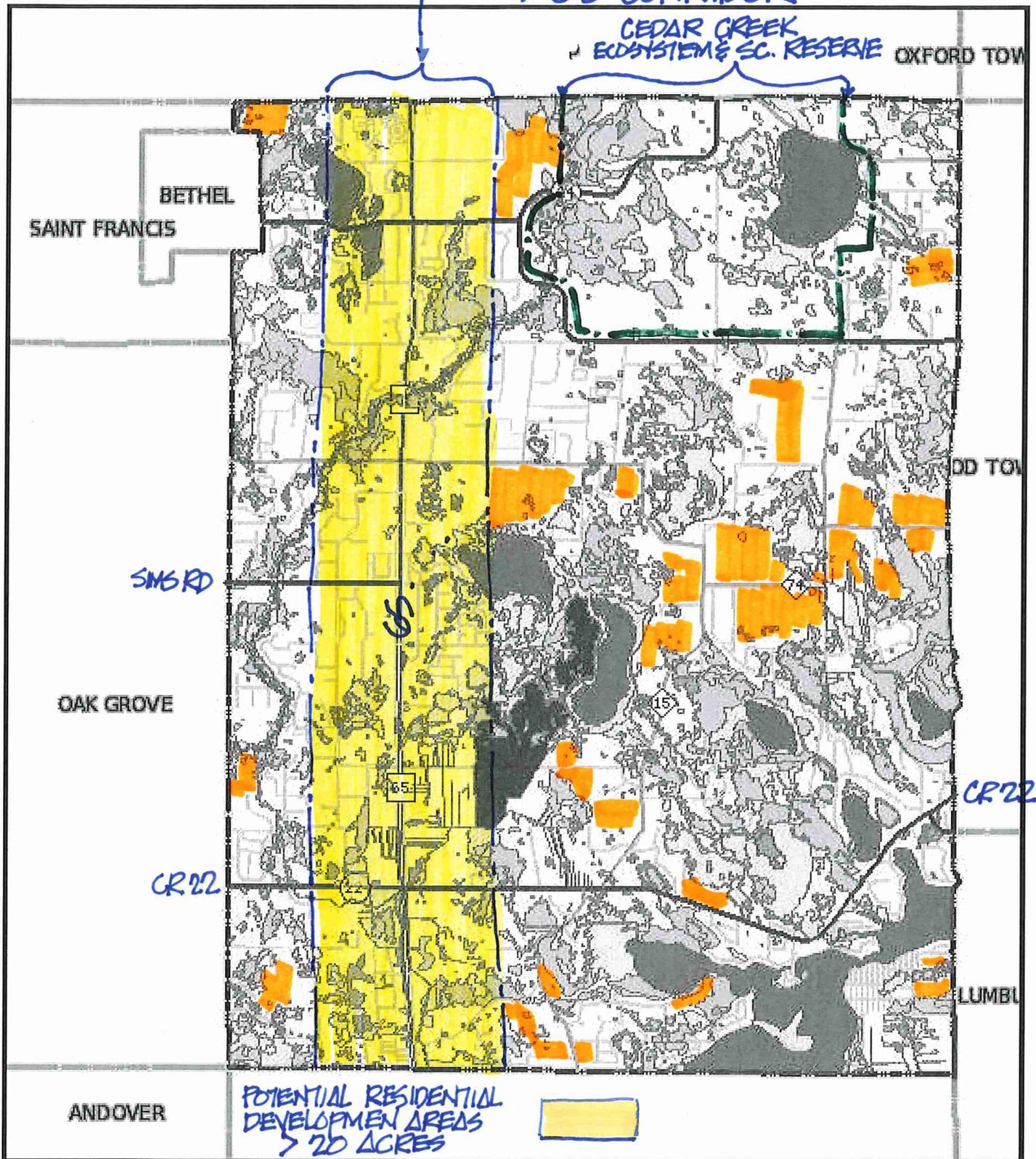
Vote Yes: \_\_\_\_\_

Vote No: \_\_\_\_\_

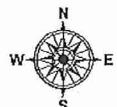
No Action Required: \_\_\_\_\_



# Map



Disclaimer: Maps and documents made available to the public by the City of East Bethel are not legally recorded maps or surveys and are not intended to be used as such. The maps and documents are created as part of the Geographic Information System (GIS) that compiles records, information, and data from various city, county, state and federal resources.  
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**Development Standards in Areas not serviced by City Sewer and Water**

<b>Zoning Classification</b>	<b>Lot Area</b>	<b>Lot Width</b>	<b>Minimum Buildable Area</b>	<b>Notes</b>
R1 - Single Family Residential	10 acres	300 ft. at Public ROW	23,000 square feet	very few places are outside corridor
R2 - One and Two family	10 acres	300 ft. at Public ROW	23,000 square feet	currently no places outside corridor
Rural Residential	Not less than two acres with a maximum residential density of one unit/ten acres	200 feet at public right-of-way, 200 feet at front building setback	23,000 square feet	primarily outside corridor
Commercial Areas	10 acres	100 - 300 ft.		

## EAST BETHEL PLANNING COMMISSION MEETING

July 22, 2014

The East Bethel Planning Commission met on July 22, 2014 at 7:00 P.M for their regular meeting at City Hall.

MEMBERS PRESENT: Tanner Balfany Eldon Holmes Lorraine Bonin Glenn Terry  
Brian Mundle, Jr.

MEMBERS ABSENT: Lou Cornicelli Randy Plaisance

ALSO PRESENT: Colleen Winter, Community Development Director  
Tom Ronning, City Council Member

**Call to Order & Adopt Agenda** Mundle motioned to adopt the July 22, 2013 agenda. Holmes seconded; all in favor, motion carries unanimously.

**Approval of Final Plat – Viking Preserve** Over the past several months City Staff, Planning Commission and City Council has reviewed the plans for Viking Preserve, a 48 unit housing project in the City of East Bethel located in the sewer and water district. After several revisions and discussions, the Developer – Don Shaw has prepared the final plat that includes all of the information that has been reviewed and discussed in prior months. The City Engineer, and Attorney is reviewing this project, and City Staff has put together a draft Developer's agreement.

The final plat is in good shape and is what we asked for. Please recommend approval, subject to City Engineer and Attorney approval. Put up the grading plan for development.

Mundle said with the reconfiguration that they made, did it take away any involvement with the Army Corp. Winter said it did to some degree. They still have to deal with the Corp on a couple issues. To a lesser extent, we hope, but we haven't heard back from them. Mundle asked if the developer's agreement will be brought before the Planning Commission. Winter said no it will not, that is something the Council would approve; it is not something the Planning Commission would approve.

Bonin said the developer has said it is a starter home area and she has objected to that term. It is an area which could be very nice. There might be a lot of people who would like to live there, in a really nice home, without doing a lot of work around the place. How does that stand, what types of homes? Winter said they have had several different designs. It is going to be a family oriented family type of neighborhood. Split entry or walk out. It will be similar to Whispering Aspen, in terms of the house designs and the way construction is nowadays, and how they build houses. The houses look very attractive. The developer wants to make it an attractive community. You can see based on the grading plan, it will be a nice development. Bonin said it is the first of its kind in our area, so it needs to set the tone. Mundle said the plan shows they are split entry, walk out, they will not be huge homes. Bonin said they shouldn't be huge. They should be well built and should look good.

Mundle asked if the architectural be governed by the City. Winter said it would be covenants developed by the developer. Terry asked what the dashed line is by the pond. Winter said it is where the pond fills into. That's showing how it fills in and it slopes. In-fill from the pond will be part of those backyard soils. Terry said it is the same as the grading line and two in from the one. Winter said she sees it. Mundle said you mean this one right here. Balfany said the third one in. Mundle said it is the building set back line,

the rear set back.

Mundle said we have talked about screening along Viking before. Winter said the landscaping plan shows what they are going to do. Holmes said he thought it shows a fence. Mundle wondered if it was enough screening, based on what the Planning Commission members brought up. Bonin said isn't there going to be a berm there. Mundle said he thought there was to begin with, but then they had to move the road out. So now there isn't a berm.

**Holmes motioned to accept the final plat for Viking Preserve. Balfany seconded; all in favor, motion carries unanimously.**

It should go to the City Council either at their next meeting or the one after. Depends on the developer's agreement.

**Public Hearing –  
Rezoning of Property  
from B2 and R2 to I1**

**Requested Action:**

Recommend Approval for the Rezoning of the following:

PID # - 203323430001

Address – 19801 Hwy 65 NE

Acreage – 33.5 acres

Current Use of Property – Central Wood Products, Rivard Contracting

Current Zoning – B2 & R2

Proposed Zoning – I1 (Light Industrial)

**Background Information:**

Central Wood Products/Rivard Contracting is a diverse company that provides land clearing services, quality wood mulch, tree services, and over the last six years expanded into home gardening products through their Gromonics line. It is the Gromonics part of their company that has seen tremendous expansion and with that, they have a need to expand their existing facilities.

Currently their property has split zoning on it, the west ½ along Highway 65 is zoned B2 and the east ½ is zoned R2. Neither of these zoning designations reflects what exists there and has been there for a long time. If Rivard wanted to expand, they could not under either the B2 designation or the R2 designation. It makes the most sense to rezone this area to Light Industrial to reflect the existing business and also makes the most sense from a Comprehensive Planning perspective.

As the corridor develops and as we have discussed in the past, we want to be able to allow for flexible zoning along the highway, with the need to consider the environment and overall design. By rezoning this property to I1 (light industrial) it would allow for a number of different types of businesses to be located here, including retail. The most important component is to work with Rivard to ensure that their design is uniform and matches what exists on their property today. There are very few wetlands on this property and the floodplain is located on the south side of the property away from the existing buildings. City Staff would work with the owners of Rivard companies to address any concerns related to design, runoff, parking, etc. at the time that additions or new buildings are built on the property. The property to the north, south and west of Rivard is all currently sod fields.

**Recommendation:**

City Staff requests Planning Commission to recommend approval to the City Council for Zoning Map Amendments to the Official Map of the City of East Bethel.

1. Final approval of the Zoning Map Amendments to the Official Map of the City of

East Bethel is contingent of the final approval of the land use amendment to the City of East Bethel's 2030 Comprehensive Plan by the Metropolitan Council. The 2030 Comprehensive Plan Amendment will be submitted to Metropolitan Council for review upon final approval by City Council.

**Public hearing was opened at 7:14 p.m.**

**Public hearing was closed at 7:15 p.m.**

Terry asked if there was anything meant by the bluing out of the document. Winter said the properties around them are all in the flood plain. Somehow it is no longer a sod field designation.

**Balfany recommend approval to the City Council for Zoning Map Amendments to the Official Map of the City of East Bethel for the Rezoning of the following: PID # - 203323430001; Address – 19801 Hwy 65 NE; Acreage – 33.5 acres Current Zoning – B2 & R2; to Proposed Zoning – I1 (Light Industrial). Holmes seconded; all in favor, motion carries unanimously.**

**Public Hearing –  
Comprehensive Plan  
Amendment**

Recommend changes to residential density regulations as required in Sections 41-44 and 56, 57 in the City Zoning Ordinance

**Background Information:**

The City Zoning Ordinance was amended on September 5, 2007 to restrict densities in unsewered residential areas to one unit per 10 acres or four units per 40 acres with no lot exceeding 2.0 acres. Since the adoption of this amendment there have been no subdivision plats filed in the City of East Bethel that do not have access to sewer service. The 2009 downturn in the housing market is a contributing factor in the cessation of plat filings but the "one in ten" density minimums are an equal cause for the lack of rural subdivision development in the City.

There has been discussion in regards to re-consider residential density requirements that would revert to the previous 2.5 acre standard. Given that the previous regulations provided protection against urban type densities and that the "one in ten" requirement was as much a tool to funnel residential development to the Highway 65 Corridor as it was to protect the rural nature of the City of East Bethel, it is appropriate to reexamine these issues. Items to consider regarding changes:

1. Lot size – 2 acre minimum
2. Lot density – 50% developable
3. Wetlands, floodplain
4. Buildable area – minimum of 12,500 square feet, room for onsite septic system and alternative area, setbacks met, and well location.

In your packet is if you put an overlay of the wetlands, those areas you see are truly the areas where you can put development in. Beyond that, you can't do rural development.

**Recommendation:**

City Staff requests Planning Commission to recommend approval to the City Council for changes to Lot size, Lot density, and buildable areas, subject to Comprehensive Plan amendment and approval.

Freia from Met Council said we broached changing the density. Met Council said they are going to be putting together a technical evaluation on all of this and to see what impact this has on the area. Most of the areas, in yellow, those are the rural residential areas which are

greater than 20 acres. They not in areas where Met Council will serve. Locally we need to hold a public hearing as a beginning to gather input. That is tonight's purpose.

The planning Commission needs to consider lot size, density, wetlands /floodplain, do you want to look at clustering stuff. If you have 40 acres and 20 are wetlands. Would you do a density of up to 20 homes or 16, or however you want to do it? You would also want to look at buildable area. Right now, the buildable area is 23000 sq. ft. for a buildable lot out in the rural residential area – those areas outside the sewer district. Maybe looking at changing the minimum setback back to 12, 500. Just looking at what you would have room for. As long as you were able meet the on-site septic. This is a public hearing.

**Public hearing was opened at 7:21 p.m.**

Jeff Stallberg, 17404 Ward Lake Drive, Andover – He got this whole thing going back before the recession. He bought 35 acres on mud arm on the lake. He paid a bundle for it. As things gradually get a little better. He was going to have his surveyor do something on it. He found out they changed the rules. Anyway, he has been working with Colleen and Jack and trying to get this reversed back. To get it back to the way it used to be. He has done a lot of developing in the Ham Lake and some in East Bethel. He has opinions on what works best. If you don't mind, and you guys are talking, if he could give his input. He wants to give his thoughts.

**Public hearing was closed at 7:25 p.m.**

Holmes said he is confused, and he thought they left the corridor to potential residential development. You show it is in the corridor. Winter said whatever is in the yellow, is the corridor, within that, it would fit into urban density. You would want to leave that, so it becomes sewer and water. The area in orange is what we are talking about. They are the rural residential areas. They are all zoned rural residential. You are only allowed one per ten acres. We would want to make it 2 or 2 ½ acres lot size. Holmes said he is confused, we didn't change it. It was 2 ½ acres minimum outside the corridor. All of the sudden we have it changed. Winter said the zoning ordinance reads in rural residential you can build on a lot not less than 2 acres. But the maximum is 1 per ten acres. If you had twenty acres and you could put 2 houses in the five acres but not anything anywhere else. Holmes said something got misinterpreted. He is not sure how it got back in there. Winter said the last time they made a change, they adopted the comp plan in 2007 and in 2010 or 2011 the density standards were adopted. Terry said we had a 2.5 acre average and a 2 acre minimum. It was only done in the corridor to protect development. Holmes said he doesn't understand either how it happened. That is why it stayed that way. He doesn't think anyone changed. He doesn't remember any of the changes. We wanted to make sure all the outlying areas were buildable. That doesn't even make sense. Winter said she thought it was rather odd. She could track everything. There are no packet materials to show us the discussion part of it. None of us were here at the time. Mundle asked you do know what meeting it was at? Winter said she is looking it up in the code. Mundle said we do have transcription back a long way. Bonin said it doesn't make any sense. Holmes said it doesn't make sense.

Winter said she can go back and track all of it. Holmes thinks we should change it back. Jeff said what about the farmer down the road. Holmes thinks something got misconstrued. Winter said there might have been something she missed. We can have someone here track it. It can't get published and adopted into Municode without being sited. If you want to go back to pre-2007, she needs to know were there other things you wanted to look at.

Holmes said he doesn't remember any of it. Terry said that hasn't changed. Holmes said it is totally new. It is like we never existed and someone just made it up. Terry said he is thinking someone made a mistake and rewrote it. Winter said all her documentation shows

it is one per ten no matter where it is in the City.

Holmes said in the yellow it shows potential residential areas. Terry thinks it should be orange. Winter said the keys are wrong and the orange is what we think. It is about 1,500 acres total for development. We could get more detailed on it. Part of it with Met Council will be able to show us where we are at. Balfany asked what the easier solution is. Should we make motion to go back to pre-2007? Holmes said prior to 2010. Balfany said would it be easier to do that, or any other little things in there. Do we want to do anything else? Do we make the blanket statement, on how we want to change it now? Holmes said we don't know what the old one was. We don't have it. We don't even know what it is technically. Terry said it was 2.5 acres density, with a minimum of 2 acres and 23,000 square feet. Holmes said we make a new motion and go forward.

**Balfany motioned to amend the rural residential development standards. Not less than 2 acres and scratch out the maximum of 1 per 10. Change the minimum building area to 12,500. Not to exceed the 50% maximum density, density average of 2.5. Subject to having 2 sites for a septic and alternative septic and a well location. Holmes seconded.**

Terry asked what the basis for doing the minimum building area is. Winter said that is a little over a ½ acre in size. It is not that necessary to have that size building pad. Jeff said on a developer standpoint and things are more flexible, if it is easier, it makes the development nicer in the long run. It uses the land more wisely. Oak Grove has gone more lenient. Ham Lake is down to one acre lots. Their buildable requirements are less stringent. It simplifies and enhances the development. He likes to make things more minimal. He likes a maximum. You can't just put 80 houses in there, you limit the amount. Ham Lake use to have that. As a developer, he would think how many he would like. Bonin said she likes the idea. There is more flexibility. Terry said we talked about that before. Bonin said it is a form of clustering. Resident said you can design better. You can put things aesthetically nice. Something then, you buy a piece, you have to make sure you get 16 lots out of the property.

Terry asked if we know why we went to 23,000. Winter said she is trying to look it up.

Resident said years ago, in the late 60s or 70s you would do the soil borings, and they would look for model soils. They would find model soils and they would put the house in. as time evolved, people were going to school for soil borings. Mortgage companies started needing septic certifications. One person said the modeling would be 2 feet. They start suing. Back in the day, the 23,000 and 3 feet above modeling was easy to come by. Now you have to be 3 feet above modeled soil it is much more difficult to day. If you ease up on the rules and the engineering process. The process is scrutinized a lot now. State Law for modeling is one foot. The City of East Bethel is 3 feet. Winter said we are looking at changing that.

Balfany said it is 12,500 building area and 2.5 average. Winter said the high water table and wetlands you want to keep in mind. Achieving it is hard. You could put them all in one area and leave the rest as open space.

Bonin said we should consider the one acre lots with maintaining the total number of houses as you would for 2 acres. Winter said the overall density would still be at 50%. It is not something which would be required. You could have it be more of a cluster development idea. Holmes said do we want to stay away from that theory. We wanted to keep away from clustered houses. Jeff said it isn't really a cluster house. Holmes said we didn't want to confuse the applicants. Jeff said you still have your 200 foot frontage. Terry asked what if you did the thing if you did smaller acreage in one part of the lot. What if one person keeps their home to the open area and they sell the acreage. What if they sell it and develop

it, what will stop them from developing again? Winter said they wouldn't meet the density requirement. The overall density has already been met. Terry said if they came in for a meets and bounds split. Winter said they wouldn't be able to define it as a meets and bounds. Bonin said you would have to include the larger acreage in that. Winter said we have one area where the homes are small. They are on an acre or two acre lots. On the other side of the street. They pulled them in with the other lots. You have 13 to 15 acre lot sizes.

**All in favor; motion carries 4-1 (Bonin opposed).**

**Approval of Meeting Minutes – June 24, 2014 Regular Meeting**

**Holmes motioned to approve the June 24, 2014 minutes. Mundle seconded, all in favor, motion carries unanimously.**

**Other Business/City Council Report**

One in ten which you have been discussing and it came before the Council at a previous meeting. No one knows why it happened. We have a work meeting tomorrow and they want to put in another road by the theater. A couple options were to run it over to Jackson Street. Another option was to run straight south by the mobile home park. The other two options are to go north to Viking. We are going to be discussing that tomorrow. Terry asked what prompted it. Shaw trucking is what instigated it. Winter said Classic Commercial Park is developing. We want it to be shovel-ready. It is really dangerous.

Holmes said it is his interpretation as his interpretation as a liaison when you are here, you are supposed to understand what we are doing. So the Council knows what we are doing. Whereas on the building adjustments, sounded like the Council thought we were at a different meeting. Winter said are you talking about the Accessory Structure. Holmes said it would have been your place to do explain it. If I am wrong, someone should correct me. As far as a report from the City Council, we can all look on the Internet. That is basically what your position is. The City Council acted like we were trying to override them. We were trying to create a logical explanation. Winter said it was one council member. We need Ron's input to know what is going on at the Council level. For example the road project is a good one to bring up. If they come back to us, we can offer them support. It is really good to have the two way communication. It is the liaisons role to bring information back. Holmes said they were complaining about the 14-foot to 12-foot sidewall heights. The comments were we were trying to override the City Council. That is your position as a liaison. Maybe they didn't explain it to you. You should figure out what we are trying to get at. He wanted to straighten it out. If he is wrong he will take back his words. Balfany said Ron it isn't just you, there are have been number of examples throughout the years. Coincidentally he brought the same thing up. There was a clear breakdown on the power lines. It was a long hard work moving forward. We went to Planning and Zoning and there was a huge breakdown in communication. There was another layer of breakdown to the City Council. They started from scratch also. It was like starting from scratch on it. Holmes said he just wanted to put that out there. We do appreciate the Council liaisons.

Mundle said the Booster Day fireworks were spectacular. The finale was far better than anything he has ever seen.

**Adjournment**

**Holmes motioned for adjournment. Balfany seconded; all in favor, motion carries.**

Submitted by:

Jill Anderson  
Recording Secretary



# City of East Bethel City Council Agenda Information

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**Date:**

March 25, 2015

\*\*\*\*\*

**Agenda Item Number:**

Item 6.0

\*\*\*\*\*

**Agenda Item:**

URRWMO Audit and Organization Performance

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**Requested Action:**

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**Background Information:**

The City of East Bethel is statutorily required to participate in Water Management Organizations (WMO) whose jurisdictional boundaries are defined by their watershed areas. This requirement is specific to the seven Metro Counties, and East Bethel belongs to both the Upper Rum River and the Sunrise WMO's. The operations of the WMO's are funded by budget requests to the member Cities and Townships. Both the Upper Rum and Sunrise WMO's contract with the Anoka Conservation District for their administrative services.

Jamie Schurbon, Anoka Conservation District Water Resource Specialist, has served the URRWMO for a number of years as a contract consultant and administrative assistant. Jamie has provided invaluable assistance to the organization and has been a played a major and key role in the activities of the organization. Jamie provided the following relating to the Upper Rum River WMO:

*"I am writing to inform you of a change in administrative support the Anoka Conservation District will provide to the Upper Rum River Watershed Management Organization (URRWMO). For many years I've provided administrative assistance. Some was compensated, but mostly not. In recent years I've asked the board to provide some compensation for certain tasks, like annual budget preparation, that I was doing for free. The board has rejected this several times. I'm left to presume that the work is of low priority or could be done by others. I will discontinue. I will limit my support to contractually compensated work as selected by the board.*

*Examples of recent work that I will discontinue include:*

- Budget preparation and distribution to cities,*
- Meeting packet preparation,*
- Communications with member cities, county parks, or others at the direction of the Board,*
- Answering inquiries from residents, developers and member cities,*
- Advising the board; meeting attendance will be limited to topics directly pertaining to contractual work.*

*Please understand that I want the URRWMO to succeed with minimal cost. In the last 10 years I've donated an estimated \$8,000 in uncompensated administrative work for the URRWMO. However I also need to focus my time and efforts where they are of greatest service to the community and financially sustainable. The ACD does not have stable funding, such as tax levy authority, and is limited in how much service it can provide without compensation.*

*I'll be frank, in the background of this decision are concerns about the URRWMO overall. I have become increasingly uncomfortable performing certain administrative functions due to the Board's refusal to follow state law regarding financial audits. Even with upcoming changes to audit requirements (moving to every 5 years), the Board has openly refused to follow the law, and excluded an audit from its most recent draft budget.*

*Performance issues, including those identified in a 2014 State performance review, are also longstanding matters. I don't think the URRWMO needs to have grandiose goals. It should, however, have modest but effective activity. Keeping activity at a minimum seems to be the Board's priority at this time.*

*I think a turning point is looming for the URRWMO. In the next 21 months you'll need to write a new watershed management plan. The State must approve the plan, and will want to see a robust plan. If you put together a modest but effective plan, the URRWMO will likely continue. If not, you'll spend \$35,000+ on a plan that gets rejected, and the State may intervene by forming a watershed district. Watershed districts have their own tax levy authority for base operating expenses of ~\$250k/yr and many have budgets in the millions".*

Council may wish to discuss the issue of URRWMO audit and water management plan and provide direction in this matter.

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**Attachments:**

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**Fiscal Impact:**

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**Recommendation(s):**

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**City Council Action**

Motion by: \_\_\_\_\_

Second by: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Vote Yes: \_\_\_\_\_

Vote No: \_\_\_\_\_

No Action Required: \_\_\_\_\_