

**MOUND CITY COUNCIL MINUTES**  
**March 12, 2014**

The City Council of the City of Mound, Hennepin County, Minnesota, met in regular session on Wednesday, March 12, 2014, at 7:00 p.m. in the council chambers of the Centennial Building. The regular Tuesday meeting was rescheduled for the following day due to a conflict with the Republican District meeting.

Members present: Mayor Mark Hanus; Council members Mark Wegscheid, Heidi Gesch, Kelli Gillispie, and Ray Salazar  
Members absent: None

Others present: City Manager Kandis Hanson, Fin Dir/Clerk/Treasurer Catherine Pausche, Community Development Director Sarah Smith, City Attorney Melissa Manderschied, Stephani Boyum, Paul Boyum, Cliff Simon, Curt Nelson

*Consent agenda: All items listed under the Consent Agenda are considered to be routine in nature by the Council. There will be no separate discussion on these items unless a Councilmember or citizen so requests, in which event it will be removed from the Consent Agenda and considered in normal sequence.*

**1. Open meeting**

Mayor Hanus called the meeting to order at 7:00 p.m.

**2. Pledge of Allegiance**

**3. Approve agenda**

MOTION by Gesch, seconded by Salazar, to approve the agenda. All voted in favor. Motion carried.

**4. Consent agenda**

MOTION by Gesch, seconded by Gillispie, to approve the consent agenda. Upon roll call vote, all voted in favor. Motion carried.

A. Approve payment of claims in the amount of \$168,919.76

B. **ORDINANCE NO. 03-2014: ORDINANCE AMENDING CHAPTER 78 OF THE MOUND CITY CODE AS IT RELATES TO WATERWAYS**

C. **RESOLUTION NO. 14-21: RESOLUTION AUTHORIZING PUBLICAITON OF AN ORDINANCE BY TITLE AND SUMMARY**

D. Approve a Secondhand Goods Dealer License for Garagedale, LLC with fee paid and background check completed.

**5. Comments and suggestions from citizens present on any item not on the agenda.**

None were offered.

**6. Sarah Smith, Community Development Director, with Planning Commission recommendation requesting discussion/action on a Conditional Use Permit application from Stephani Boyum for a Class III liquor service restaurant as defined by City Code Section 129-2 at 2544 Commerce Boulevard to be called “Cattails Kitchen N Cocktails”.**

Sarah Smith, Community Development Director, provided background on the proposed project/business plan. Smith stated the exterior of the site will remain the same but that remodeling activities have taken place on the inside. The City Council is required to hold a public hearing for review of a Conditional Use Permit (CUP) for a Class III restaurant. The CUP would allow for alcoholic beverages to be served in the restaurant and also allow both live and pre-recorded entertainment. The property is currently owned by First Minnesota Bank who consented to the application.

Smith stated the Planning Commission discussion focused on the floor plan and operational issues for the proposed 215 seat restaurant. Smith stated the existing banquet space on the north side of the building is not included in the current restaurant plans but may be at a future date. The banquet space and dance area were not counted in the parking determination as the applicant said those areas will not be in use on a regular basis and will be used only for special events. The parking determination for the plan was 72 spaces and there are 68 spaces available. Staff deemed the parking to be adequate for the restaurant as proposed. The Planning Commission’s recommendation was for approval subject to conditions as recommended by Staff.

Since the Planning Commission meeting, a modified plan was submitted that reduced the number of seats from 215 to 135. This change reduced the SAC units from 24 to 11 and parking requirements from 72 to 45.

Mayor Hanus asked if proposed language in the resolution requires that the CUP and liquor license are linked, and if not, he has some suggested language to clarify that. Hanus asked Smith to clarify the ownership issues and whether the transfer of ownership is required for approval of the CUP. Smith stated the three parcels are owned by the bank and that the bank has a purchase agreement with Paul Boyum. Paul Boyum will own the property; Stephani Boyum will own the business and lease the space from Paul Boyum.

Mayor Hanus opened the public hearing at 7:20 p.m.

Cliff Simon, President of First Minnesota Bank, and Mound resident, said they would like to sell this building. The contingencies on the Contract for Deed with Paul Boyum include obtaining a CUP and liquor license.

Paul Boyum, 6058 Old Viking Boulevard, Anoka, stated that he saw a good opportunity in the building and the opportunity to advance his daughter, Stephani Boyum, in life. Paul Boyum stated that he was part owner of Route 65 Pub ‘n Grub in East Bethel with his brother which he feels turned out very well. Paul Boyum stated he likes to work on buildings and make things nice.

Mayor Hanus clarified the restaurant business will be owned by Stephani Boyum but that the CUP is tied to the property. Attorney Melissa Manderschied clarified Paul Boyum will lease the property to Stephani Boyum. Wegscheid stated the business is filed as a legal entity at the state and Stephani Boyum is listed as the sole owner. Salazar asked if Paul Boyum is still involved in Route 65 and Paul Boyum stated that it was sold two years ago. Paul Boyum stated

that he will help Stephani Boyum in every way, including purchasing equipment and setting up vendors. Stephani Boyum worked in a restaurant/bar but never owned one so Paul Boyum is trying to get it up and running.

Mayor Hanus asked again if the transfer is a requirement of the CUP. Manderschied stated the CUP is tied to land use and it transfers with the property; whereas the liquor license is specific to the business owner and does not transfer with the property.

Sarah Smith asked how discussion is going with Hennepin County and how long is left to obtain their approval. Paul Boyum said he just spoke with Steve from the County and is not sure how long it will take.

Mayor Hanus asked for Paul Boyum to respond to the rumors that people are describing this as a “biker bar” when the business plan describes a family friendly place. Paul Boyum said he also heard it today while out for lunch in Mound but he just wants to make a nice place.

Gillispie wanted to clarify the total seating included the billiards and arcade and Smith said it was. Ray Salazar asked if the East Bethel restaurant catered to the biker crowd. Hanus said it did not really bother him.

Cliff Simon said he wished to address the rumors. Simon stated of all the towns he has worked in he hears more rumors out of Mound than anywhere. Simon has financed many Harleys, of which, the Harley owner demographic is over 50 years old and income over \$90K.

Mayor Hanus closed the public hearing at 7:36 p.m.

**MOTION** by Hanus to approve the resolution with the following changes/additional conditions:

1. Page 465, 4th WHEREAS, last few words should read “with Stephani Boyum serving as its owner;”
2. Page 467, NOW, THEREFORE, Point 3, second and third sentences should be amended as follows: “...reduction in the seating capacity, or other action to fit the use to available parking. This may also include...”
3. Add a new condition number “20” This resolution will not be released for recording at Hennepin County until the liquor license has been approved by the City.
4. Add a new condition number “21” The City reserves the right to reassess noise levels if it determines that it negatively affects the market value or livability of the residential property to the North and further restrict the hours of, or use of, recorded or live music.
5. Add a new condition number “22” The City retains the right of examining the business books or financial records in order to ensure compliance with the 50% minimum food receipts.

Salazar seconded the motion and discussion ensued. Wegscheid asked if we should restrict number 21 to the house next door or expand it. Hanus went over the noise area classification standards and stressed they are not easy to comply with. Hanson stated that when the

Gillespie center was built, the air conditioning unit had to be insulated to reduce the impact of noise on neighboring properties. Smith emphasized the reading is taken at the receiver's location, not the origin.

Gesch stated she feels number 21 is a check on a check and is not necessary. Hanus said it was intended to allow us to work outside of the PCA standards. Salazar said he likes number 21 and is concerned about the lake effect and the possibility of more homes being impacted.

Smith stated that typical noise complaints involve construction noise, garbage trucks running in neighborhoods too early, and mechanical generators and/or air conditioners. Smith does not recall getting noise complaints for the former VFW.

Hanus asked when the 60 day deadline would be and Smith replied on or before May 2, 2014. Hanson stated the City already used the extension. Hanus asked about the timing of the liquor license and Staff said they are still waiting on information and will talk to the applicant after the meeting. Hanus said it would be nice to approve the CUP and liquor license at the same meeting but it is not required.

Hanus withdrew the motion.

**MOTION** by Hanus to direct staff to prepare a new resolution for approval to include the changes stated earlier with the exception of eliminating the proposed number 21 regarding noise levels. Seconded by Wegscheid. Smith said with the changes proposed tonight, she suggested striking number 20 on page 487 of the packet referencing any additional conditions. Hanus and Wegscheid accepted the change. All voted in favor. Motion carried.

**7. Sarah Smith, Community Development Director, with an update on the Mound special legislation request.**

Sarah Smith, Community Development Director, gave an update on the Mound special legislation request that has been submitted to the Minnesota State Legislature. Minnesota Statutes Sec. 469.1763, subd. 3 includes a provision called the Five Year Rule which requires that certain development activities be commenced within five years of certification of a TIF District in order to use tax increment to finance development within the TIF District. The first five year extension was granted in 2009 which makes the current deadline May 5, 2015. Mound's request will expand the Five Year Rule for the MH TIF District, through legislative efforts, from May 5, 2015 to May 5, 2020. Smith stated the Mayor attended a hearing earlier that day and that Council representatives and Staff would attend another hearing in the Senate the following morning in an attempt to advance the legislation with the cooperation of Senator David Osmeck.

Mayor Hanus stated he attended the House Committee hearings earlier and he is confident things will progress in the City's favor.

**8. Information/Miscellaneous**

A. Comments/reports from Council members/City Manager:

Ray Salazar announced that the *Our Lake Community* organization is holding a public forum on the topic of marijuana on Thursday, April 3<sup>rd</sup> at 6:00pm at the Gillispie Center in Mound.

- B. Minutes: Planning Commission: January 7, 2014  
Planning Commission: January 21, 2014
- C. Reports: WeCAB: February 2014  
Harbor Wine & Spirits: February 2014
- D. Correspondence:

**9. Adjourn**

MOTION by Salazar, seconded by Gesch, to adjourn at 8:20 p.m. All voted in favor. Motion carried.

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Mayor Mark Hanus

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Attest: Catherine Pausche, Clerk