

CITY OF FALCON HEIGHTS
Special Meeting of the City Council
City Hall

2077 West Larpenteur Avenue / Zoom*

**Council Member Mielke attended this meeting via interactive technology, in accordance with MN Statutes Sec. 13D.02. Public comment or participation was not available for remote attendees.*

MINUTES

June 22, 2026 at 7:00 P.M.

- A. CALL TO ORDER: 7:04 P.M.
- B. ROLL CALL: GUSTAFSON__X__ MAY_X__ MOGEN_X__

MIELKE_remote_WASSENBERG_X__

STAFF PRESENT: LINEHAN_X__ HENRICKSEN_X__

- C. APPROVAL OF AGENDA

No changes were proposed. Upon a roll call vote, the
agenda was approved 5-0.

Gustafson_ Aye

May_ Aye

Mogen_ Aye

Mielke (remote)_ Aye

Wassenberg_ Aye

- D. PRESENTATION

- E. APPROVAL OF MINUTES:

- F. PUBLIC HEARINGS:

1. Issuance of Conduit Multifamily Housing Revenue Notes for Multifamily Housing Project (Fairway Commons)

City Administrator Linehan presented an overview of the proposed conduit bond issuance for Fairway Commons, a proposed 110-unit age-restricted multifamily rental development to be located at 1670 Larpenteur Avenue West. The project had previously received zoning approvals from the City Council and Planning Commission.

Linehan explained that the borrower, Fairway Commons, requested that the City issue conduit revenue notes to finance the acquisition, construction, and equipping of the project. In December 2025, the Council adopted Resolution 25-109, granting initial approval and authorizing the city's application for a volume cap. The city subsequently received a state allocation of \$22,790,000 in tax-exempt bonding authority in January 2026. Linehan emphasized that the notes carry no financial liability for the City; they do not constitute city debt, do not affect the City's bond rating or debt limits, and all repayment obligations rest solely with the borrower. The City would receive an issuer fee estimated at approximately \$62,000, representing one-quarter of one percent of the

note amount. The issuance was drafted by bond counsel Taft Law, with a deadline of July 11, 2026, before the City's volume cap allocation would expire.

The public hearing was opened. Margaret Clarkin of 1618 Hollywood Court came forward to ask a general question about the location of the project, which the Mayor briefly clarified. No other members of the public came forward, and the hearing was closed by consent after three calls.

During council discussion, May asked for clarification on the concept of "volume cap," which Linehan explained is a state-imposed limit on tax-exempt bonding authority, noting that conduit revenue notes are exempt from the City's own volume cap.

May also asked about the consequences of cost overruns (the borrower's sole responsibility), the meaning of "long-term" income and rent restrictions, and what would happen to affordability requirements after the bond period expires.

Linehan clarified that the Met Council financing agreement attached to the project carries a longer affordability restriction period – potentially 30 years – and that it is highly unusual for affordable housing to revert to market rate.

Mogen stated he was satisfied that the city bore no liability and that the project would facilitate affordable housing for older adults.

Council Member Mogen moved approval of Resolution 26-54
Authorizing the Issuance of Multifamily Conduit Revenue Bonds
for the Fairway Commons Project.
The motion carried 5-0 on a roll call vote.
Gustafson_ Aye
May_ Aye
Mogen_ Aye
Mielke (remote)_ Aye
Wassenberg_ Aye

2. Approval of Resolution 26-55 Approving the Vacation of Storm Sewer Easement at 1670 Larpenteur Avenue (Fairway Commons)

City Engineer Henricksen presented an overview of the proposed vacation of a public storm sewer easement at 1670 Larpenteur Avenue. He explained that an Alta survey conducted during development review identified two storm sewer easements on the property. The easement subject to tonight's hearing is a 10-foot-wide drainage and utility easement in favor of Falcon Heights, located on the south side of the property. A separate easement on the north side of the property benefits Ramsey County; the applicant was concurrently pursuing vacation of that easement before the Ramsey County Board on July 7th.

Henricksen explained that the vacation is necessary because the current storm sewer pipe runs through the footprint of the approved Fairway Commons building. The developer proposed relocating the pipe slightly to the east to facilitate construction, after which a

new public easement over the relocated pipe would be recorded. Staff recommended approval, as the relocation maintains the benefit of the public storm sewer infrastructure and is consistent with the approved development. Henricksen also noted that a companion item on the consent agenda included the new drainage and utility easement and an encroachment agreement.

The public hearing was opened.

Margaret Clarkin of 1618 Hollywood Court expressed confusion over the public notice she received, stating the letter was "clear as mud" and asking whether Hollywood Court would be affected by any construction or street disruption, noting she had seen orange utility flags in the area.

Farook Meah of 1597 Hollywood Court also came forward, noting that Hollywood Court lacked storm sewer infrastructure and asked whether it would be connected to the new line.

After three calls for additional comment, the public hearing was closed by consent.

In response to public questions, Henricksen clarified during council discussion that the vacation and pipe relocation are entirely contained within the 1670 Larpenteur Avenue property and have no direct impact on Hollywood Court. He displayed a map showing the red storm sewer lines and confirmed that no construction would extend into the abutting residential street. He also explained that by state statute, the City is required to notify all properties within a buffer area around a vacated public easement, which is why neighboring residents received notice, even if they are not directly impacted.

Regarding the orange flags seen in the area, Linehan clarified that a private utility, Arvig Enterprises, was relocating cable and fiber infrastructure from a building on the southern portion of the development site to a new building on State Fair property, routing conduit through the alleyway. This work was authorized by city right-of-way and driveway permits, but is entirely a private matter between the developer and the utility.

Council Member Mogen asked about the drainage pattern of the existing pipe and how it interacts with Ramsey County's easement.

Henricksen explained that the pipe collects stormwater from Larpenteur Avenue as well as several local streets, and that Ramsey County's cost participation policy makes the county responsible for catch basin leads from county roads to the main line.

Wassenberg summarized the core purpose of the action: the pipe must be relocated because it presently runs under the footprint of the future apartment building, and the easement is being vacated and re-recorded over the new pipe location.

The Council concurred that this was a straightforward procedural matter required by law.

Council Member Wassenberg moved approval of Resolution 26-55
Approving the Vacation of the Storm Sewer Easement at 1670
Larpenteur Avenue. The motion carried 5-0 on a roll call vote.

Gustafson_ Aye
May_ Aye

Mogen_ Aye
Mielke (remote)_Aye
Wassenberg_ Aye

G. CONSENT AGENDA:

1. General Disbursements through 6/17/26: \$232,494.89
Payroll through 6/18/26: \$22,289.46
Wire/ACH Payments through 6/18/26: \$339,420.68
2. Approval of Resolution 26-56 Supporting the City of Falcon Heights' Application to the 2026 Regional Active Transportation Planning Grant Program
3. Approval of Resolution 26-57 Appointing Megan Siddons as Administrative and Communications Coordinator
4. Acceptance of a Quote from Northland Recreation for Removal of Community Park Playground – Community Park Renovation Project #01
5. Approval of Resolution 26-59 Approving an Encroachment Agreement at 1670 Larpeur Avenue (Fairway Commons)

Mayor Gustafson moved approval of the consent agenda.
The motion carried 5-0 on a roll call vote.

Gustafson_ Aye
May_ Aye
Mogen_ Aye
Mielke (remote)_Aye
Wassenberg_ Aye

Following approval, Linehan offered brief remarks on several items. He noted excitement about the active transportation grant application and explained that the playground removal for Community Park had been reassigned to the playground vendor, Northland Recreation, rather New Look Contracting, which would keep the playground operational through the summer until the new equipment is installed. He also formally introduced Megan Siddons, newly appointed as Administrative and Communications Coordinator, noting that a highly competitive search had produced a strong candidate pool and that the staff panel had unanimously supported her selection.

Siddons briefly addressed the Council, expressing enthusiasm for returning to the City and meeting the new council members.

Wassenberg asked for an updated timeline on the new Community Park playground.

Linehan indicated that equipment delivery is expected August 1st, with approximately 30 days for installation, followed by a 5-day curing period for the poured-in-place rubber surface, and then fence installation. A mid-September opening is the target, though he cautioned that delays could push the project into October, at which point cold overnight

temperatures would make the rubber surface installation infeasible, potentially deferring completion until spring 2027.

H: POLICY ITEMS:

1. Approval of Resolution 26-60 Amending the Administrative Manual: Section VII Guidelines for Snow and Ice Control to Facilitate the City Plowing of Alleyways in Falcon Heights

Linehan provided background on the City's incremental expansion of snow removal services since 2022, which has included Larpenteur Avenue, Lauderdale, newly constructed sidewalks, and additional commercial properties. He explained that alley plowing had been identified as a further service the City could provide, noting that most alleys in Falcon Heights—excluding Hollywood Court—are currently maintained through informal resident-organized agreements, where a neighborhood coordinator collects funds and contracts privately for plowing. This arrangement can be burdensome and uneven.

The city held an open house on May 27th with representatives from nearly every alleyway in Falcon Heights, either in attendance or via written comment. The feedback was strongly supportive of the City assuming responsibility. Staff recommended adopting the policy amendment to formally add alley plowing to the City's snow removal program, beginning in the 2026 snow season.

Council discussion touched on the broader issue of pedestrian infrastructure.

Mogen expressed continued concern that the priority list in the policy document places vehicular routes ahead of pedestrian pathways, and stated his intention to revisit the issue if sidewalk clearance is not elevated as a priority in the future.

May agreed, arguing that assuming alley plowing would actually improve efficiency for public works by eliminating the need to return repeatedly to remove berms created by private operators. She did not view the alley and sidewalk plowing priorities as conflicting objectives.

A member of the public, Rich Rodich of 1341 Idaho Avenue, an alley coordinator of approximately 20 years, addressed the Council informally at their invitation. He expressed strong support for the City taking on this responsibility, and noted the particular challenge of maintaining accessible sidewalks when multiple plowing entities—Saint Paul, Ramsey County, and Falcon Heights—deposit snow from different directions. He noted a wheelchair-dependent neighbor who relies on his diligent sidewalk maintenance.

Council Member Mielke moved approval of Resolution 26-60 Amending the Administrative Manual, Section VII, to Authorize City Plowing of Alleyways in Falcon Heights.
The motion carried 5-0 on a roll call vote.

Gustafson_ Aye
May_ Aye
Mogen_ Aye

2. Consideration of Contract Amendment #1 – WSB Project Management for Community Park Renovation Project #01

Linehan presented a request to approve Contract Amendment #1 with WSB for an additional \$13,680 in project management services related to the Community Park Renovation project. He explained that both the City and WSB had worked to avoid a contract amendment, including reducing in-person meetings, shifting parking lot inspections to Roseville Engineering, and other measures to stay within the original contract budget. However, the remaining scope of work exceeded the available contract funds.

Two primary factors drove the additional costs. First, a significant and unforeseen change in splash pad permitting jurisdiction occurred during the project: Minnesota Department of Health, which had historically permitted all public splash pads, lost its sole inspector to retirement and transferred jurisdiction to the Department of Labor and Industry. The Department of Labor initially required the already-constructed splash pad to be removed due to the proximity of the drain, before ultimately reaching an alternative compliance agreement. This unresolved state-level jurisdictional issue – which Linehan noted affects all splash pads currently being built in Minnesota – generated substantial additional consultant hours. Second, receiving the state Outdoor Recreation Grant requires the fencing contract to be rebid in conformance with prevailing wage requirements, which was not anticipated at the time of the original contract.

May pressed on whether WSB could have provided better guidance earlier in the project, particularly regarding the original building design.

Linehan acknowledged that a significant issue had occurred in the project's history: WSB's original scope was based on a \$3.5 million project that included a community building. When Kraus Anderson was brought in for pre-construction cost estimating in spring 2024, they determined the building would cost \$5.5 million. The City then pivoted to a prefab shelter, which saved approximately \$2 million long-term, but resulted in approximately \$90,000 in sunk design and consulting costs.

Linehan noted this pivot had been the subject of direct conversations with WSB leadership about their performance. The decision to retain WSB was based on the fact that their site planning work remained usable and that WSB itself proposed the prefab shelter solution as a path forward. He clarified that the hours spent finding a path out of the building design problem were not billed to the City.

Council Member Wassenberg moved to authorize the City Administrator to sign Contract Amendment #1 with WSB for finalization of Community Park improvements in the amount of \$13,680.

The motion carried 4-1, with Mielke voting nay.

Gustafson_ Aye

May_ Aye

Mogen_ Aye

Mielke (remote) _Nay

Wassenberg_ Aye

Council Member Mielke cast the sole dissenting vote, citing her experience on the Parks and Recreation Commission and concerns about mismanagement by WSB.

3. Approval of Resolution 26-62 Approving LCDA Loan Documents with Fairway Commons, Limited Partnership

Linehan presented the Livable Communities Development Act (LCDA) loan document approval, a follow-up to the Met Council grant of \$432,500 previously awarded to Fairway Commons. He explained that the Met Council has increasingly offered municipalities the option of structuring these awards as loans rather than grants. The City had used this same structure for the Amber Union project. The rationale, as Linehan understood it, is that a loan instrument—even a forgivable one—counts differently in a developer's financing package than a grant, enabling broader access to private investment capital.

Under this structure, the City acts as a pass-through conduit. The City executes a promissory note with Fairway Commons for \$432,500, secured by a mortgage on the property, with a 30-year term expiring in 2056. The Met Council retains authority over whether and how the funds are ultimately forgiven or redeployed at maturity—typically back into the project or into other affordable housing initiatives. The City bears no financial risk and does not pledge its credit or taxing authority.

Mogen asked clarifying questions about the structure: whether the agreement runs between the City and Fairway Commons (confirmed), whether the Met Council ultimately controls forgiveness (confirmed, in consultation with the City), and whether the City could ever be held responsible for the funds.

Linehan stated he had raised this question with both the Met Council and the City's bond attorneys, and no scenario had been identified in which the City would be liable. Both the city attorney and bond counsel reviewed and approved the documents. Linehan also confirmed that the 30-year loan term reinforces the affordability restriction for the duration.

A brief clerical matter arose regarding the resolution number; the agenda listed the item as Resolution 26-63, but the correct sequential number was determined to be 26-62. The record was corrected accordingly.

Mayor Gustafson moved approval of Resolution 26-62 Approving the LCDA Loan Documents with Fairway Commons, Limited Partnership. The motion carried 5-0 on a roll call vote.

Gustafson_ Aye
May_ Aye
Mogen_ Aye
Mielke (remote)_ Aye
Wassenberg_ Aye

I: INFORMATION / ANNOUNCEMENTS:

May announced that the Environment Commission is recruiting gardens for the Lawn and Garden Tour on July 18th from 9:00 A.M. to noon, with a Ramsey County garden educator in attendance. She also noted upcoming Peace Garden events: a candlelight vigil on July 6th at 8:30 P.M. and a Unity Day gathering at City Hall on July 7th from 5:30 to 8:00 P.M., marking the 10th anniversary of the death of Philando Castile.

Wassenberg thanked Mielke for organizing the Falcon Heights Neighbor's Day at the Goldstein Museum of Design on the Saint Paul campus, describing it as a "hidden gem" experience. He also reported that the Northeast Youth and Family Services Board held its end-of-fiscal-year meeting and that he was elected Secretary to the executive board, continuing to represent Falcon Heights.

Mogen reported attending a CAC review of the Highland Bridge project in Saint Paul, noting that elements of that master-planned development could inform future work with Rachel Development on the Les Bolstad Golf Course project. He noted the planning commission would meet the following evening to discuss the commercial parking lot permit program and zoning, and that several council members would be attending the League of Minnesota Cities annual convention in Rochester.

Mielke expressed gratitude to Jim Wassenberg, Rice' Davis, Bruce Mielke, and city staff for their work on the Goldstein Museum event, and noted the Elusive Objects exhibit runs through July 2nd.

Mayor Gustafson noted that the Parks and Recreation Commission would meet July 9th rather than its regular date to allow members to attend Restoration Day. He reported continuing follow-up on park audits, also attended the Highland Bridge tour, and would be attending the League of Minnesota Cities convention.

Linehan reported that the City officially closed on the Get Pressed property the prior Wednesday, with public works immediately beginning mowing. Grant applications for the Brownfield site are in progress, and a meeting has been scheduled with Kansas State University's Brownfield technical assistance group, which partners with the Met Council and MPCA to provide pro bono assistance to municipalities. He also noted that recent storms led to an increase in solicitor permit requests and reminded residents that any commercial door-to-door solicitor must hold a city-issued solicitor's license; a list of licensed solicitors is available on the City website.

J: COMMUNITY FORUM:

Please limit comments to 3 minutes per person. Items brought before the Council will be referred for consideration. Council may ask questions for clarification, but no council action or discussion will be held on these items.

K: ADJOURNMENT: 8:27 P.M.

Council Member Mogen moved to adjourn the meeting.
The motion carried 5-0 on a roll call vote.
Gustafson_ Aye

May_ Aye
Mogen_ Aye
Mielke (remote)_Aye
Wassenberg_ Aye

*Amendments to the agenda are noted in **bold** for additions and ~~striketrough~~ for removals.*

Dated this 8th day of July, 2026



Randall C. Gustafson, Mayor

Jack Linehan, City Administrator