

**- MINUTES -
CHASKA CITY COUNCIL
JULY 1, 2024**

1. Call to Order

The meeting was called to order by Mayor Windschitl at 7 p.m.

2. Pledge of Allegiance

3. Roll Call

Roll call was taken. Present: Mayor Windschitl and Councilmembers Hatfield, Hubbard, and Huang.

Absent: Councilmember Grau.

Also Present: Matt Podhradsky, City Administrator; Elise Durbin, Assistant Administrator; Christophe Morschen, City Attorney; and Krista Mark, Communications Coordinator.

4. Adopt the Agenda

Motion by Councilmember Hatfield, second by Councilmember Hubbard to adopt the agenda as presented. Motion carried.

5. Proclamation

5.A. Chaska Area Fishing with Friends – Vets on the Lake

Mayor Windschitl read the Proclamation in full and provided details on the event.

6. Visitor Presentation

No one wished to address the Council.

7. Approve Previous Meeting Minutes

7.A. Approve the June 17, 2024 City Council Meeting Minutes

Motion by Councilmember Hubbard, second by Councilmember Hatfield to approve the minutes of the June 17, 2024 City Council meeting.

Motion carried.

8. Consent Agenda

Motion by Councilmember Hubbard, second by Councilmember Huang to approve the Consent Agenda Items A through E:

- A. Adopt Resolution 2024-58, Approval of State Off-Site Gambling Permit for Chaska Lions Club

Motion to adopt Resolution No. 2024-58 approving the Chaska Lions' request to conduct a bingo event on July 27th, 2024 at Chaska Lions Park.

- B. Approve Temporary On-Sale 3.2% Malt Liquor License for Crown of Glory Lutheran Church

Motion to approve TW.24-07 One day Temporary On-Sale 3.2% Malt Liquor License for a Wedding Reception located at the Crown of Glory Lutheran Church on Saturday, August 31, 2024.

C. Approve Temporary On-Sale Intoxicating License - Flags and Honor of MN
Motion to approve the Temporary On-Sale Intoxicating License TW 24-06 for Flags and Honor of Minnesota, which allows them to serve intoxicating beverages at their car, bike, and tractor fundraising event, on August 3, 2024.

D. Adopt Resolution 2024-59 Appointment of Election Judges - 2024 Primary Election
Motion to adopt Resolution No. 2024-59 appointing those persons listed on Exhibit A as Judges of Election for the Primary Election, Tuesday, August 13, 2024.

E. Approve Ratification of Bond Sale – Chaska EDA Series 2024A
Motion to ratify the completed sale of the Chaska EDA Leased Revenue Bonds, Series 2024A.
Motion carried.

9. Action Items

9.A. Transient Accommodation Renewal - TownSquare Place

City Administrator Podhradsky introduced the item to the Council and provided a presentation on it.

Councilmember Hubbard asked who facilitates the random inspections. City Administrator Podhradsky stated the Police Department oversees the inspections.

David Peters, owner of TownSquare Place, introduced himself. He explained they brought in a management company approximately 18 months ago, and a new company 2 months ago. They have been trying to re-engage with residents. They have stopped allowing nonprofits to house their clients there in order to address the number of police calls. New security measures are being employed. Overall, there has been a serious reduction in call volume.

Councilmember Hubbard asked why the previous management company wasn't let go sooner. Mr. Peters stated he didn't receive all of the information from the management company, so they didn't know about all that was going on.

Councilmember Hubbard stated TownSquare Place has been at a Level III for over a year. She asked how the owners wouldn't know what level they were at.

Councilmember Hubbard asked if there are nightly rooms. Mr. Peters confirmed there are still nightly rooms. About 60 percent are monthly rentals and 45 percent are weekly rentals. He pointed out they do background checks for any guests that stay longer than seven days.

Mayor Windschitl asked if he noticed the business would have been making less. Mr. Peters stated the income wasn't significantly impacted.

Mayor Windschitl asked how the business is being marketed. Mr. Peters responded there is a sign showing the new management.

Mayor Windschitl asked if a name change has been considered. Mr. Peters stated it is a possibility.

Councilmember Hubbard asked how the business would respond if the council didn't want to rezone the property to an apartment and that they wanted it to stay a hotel. Mr. Peters responded the goal is to keep it a safe place.

Mayor Windschitl asked if there have been updates or remodeling efforts and what has happened with the pool. Mr. Peters stated the pool isn't currently being used. Some of the rooms have been updated. They are planning to do work to the exterior as well.

Mayor Windschitl asked if he owns other hotels. Mr. Peters confirmed he has other businesses. Mayor Windschitl asked if the happenings TownSquare Place were concerning to him. Mr. Peters agreed he could have been more diligent in handling the issues.

Councilmember Huang asked what Mr. Peters' plans are to continue a positive relationship with the management company. Mr. Peters said they are talking with them daily, if not multiple times a day. Additionally, Mr. Peters mentioned they receive regular reports from their security company.

Councilmember Hubbard asked if there is a way to sever the contract with the management company if they aren't doing their job. Mr. Peters confirmed there is an option to get out of the contract. Councilmember Hubbard asked if the previous contract with the previous company had an option to end the contract early. Mr. Peters stated there wasn't an option for that.

Councilmember Hubbard asked if the business owner was notified after the police calls. City Administrator Podhradsky stated the business owner was notified as were City Staff.

Councilmember Hubbard stated the management company may not have been doing their job, but the owner is still responsible. The conditions are dangerous for law enforcement and City residents. Mr. Peters said they've made some policy changes and safety is their top priority.

Mayor Windschitl asked how an apartment for the City than a hotel. City Administrator Podhradsky pointed out the units don't meet the requirements for an apartment. There would need to be significant rehabilitation.

Mayor Windschitl asked if Mr. Peters' goal is to convert the units into apartments. Mr. Peters stated apartments is an option. The market study they did when they bought the building showed there isn't the weekday stays to make it sustainable. The previous owners proved that out.

City Administrator Podhradsky noted the zoning for the hotel was approved in 1999.

Councilmember Hatfield explained she is a business owner. When her business faces an issue, she doesn't blame the market. She looks for inefficiencies. The location is on the river and

nearby countless wedding venues, golf courses, and corporate meeting spots. The maintenance has been lazy.

Councilmember Hubbard stated nothing was done to rectify the Level III licensure after last year's renewal. The business is unsafe for guests, residents, and law enforcement. TownSquare Place currently has a bad reputation, and the City wants to see it change course. Mr. Peters stated he is committed to improving the facilities and its operations.

Mayor Windschitl added he wouldn't recommend anyone stay at the hotel. The City shouldn't have to monitor the hotel. City Administrator Podhradsky noted an officer is assigned to monitor the business. Mayor Windschitl stated the City shouldn't have to do that. The owner needs to be responsible for his own business.

Mr. Peters asked for recommendations. Councilmember Hubbard stated the owner needs to be hands-on, and it is a good start to have a new management company.

Mayor Windschitl pointed out he wants to be able to trust the business and the owner. Staff shouldn't use their time to manage a private business.

Councilmember Huang agreed it is all about trust. The business has a poor reputation, and it is a poor reflection of Chaska. There is very little competition for hotel stays and a great opportunity for a successful business. City Administrator Podhradsky agreed there is an opening in the market for a solid hotel. It used to be a nice place to stay.

Motion by Councilmember Hubbard, second by Councilmember Huang to approve the 2024-2025 transient accommodation license for TownSquare Place effective July 1, 2024, through April 30, 2025 with the conditions laid out in the June 3, 2024 letter.
Motion carried.

10. Bills

10.A. Accounts Payable Claims Roster 1-7-2024

The Council requested further information about bills on pages 6 and 8.

City Administrator Podhradsky provided further information regarding those bills.

Motion by Councilmember Huang, second by Councilmember Hatfield to approve the bills as presented. Roll call was taken. Voting aye: Councilmembers Hatfield, Hubbard, Huang, and Mayor Windschitl. Voting nay: None
Motion carried.

11. Other Business

11.A. City Administrator's Report

11.A.i. Bi-Weekly Report 1-7-2024

11.B. Financial Reports as of 30-4-24

Councilmember Huang:

- Noted the Chaska History Center had a live reenactment.
- Stated the Farmer's Market is on Wednesday nights, except for the July 3, 2024 date.
- Stated Fire and Ice Festival is July 12-13, 2024.
- Added River City Days is July 26-28, 2024.
- Pointed out there will be a Car Show at Southwest Christian High School.
- Stated Night to Unite is coming up on Tuesday, August 6, 2024.
- Noted there have been record rain levels. There was a discussion on the rain and its impacts.

Councilmember Hatfield:

- Stated Picnic with Police is July 18, 2024.
- Noted Bark in the Park is July 24, 2024 at the Farmer's Market.
- Encouraged folks to look on Facebook for info on park concerts.
- Shared the parade will be back in Downtown Chaska.
- Stated it is a good time to visit Downtown Chaska and support local businesses.
- Thanked the Public Works Department for their work in light of the rain events.

Councilmember Hubbard:

- Attended the Human Rights Commission's Pride event.
- Pointed out there will be a dunk tank through the Parks and Recreation Department for the Fire and Ice Festival.
- Acknowledged businesses have been impacted lately by construction, weather, and the like.
- Wished everyone a Happy Fourth of July.

Assistant City Administrator Durbin:

- Stated Costco's ribbon cutting is July 13, 2024 and invited Councilmembers to the event.
- Noted Staff is working with the Downtown Business Alliance to host an event on July 21, 2024.

City Administrator Podhradsky:

- Pointed out Red Bench Bakery won an award of Best Bakery in the Twin Cities.
- Noted the City doesn't have a contractor chosen for the trail because Hennepin still has the JPA for it.

Mayor Windschitl:

- Thanked the Public Works Staff for their commitment to serving the City.
- Stated there was a recent incident at the river, and someone made it all the way to Shakopee. He noted his frustration for unsafe choices and its impact on the safety of law enforcement.
- Encouraged folks to remain safe on the Fourth of July.

12. Adjourn

Motion by Councilmember Huang, second by Councilmember Hatfield to adjourn the meeting at 8:27 p.m.

Motion carried.