

**CITY OF WACONIA
MARCH 2, 2026**

1. CALL MEETING TO ORDER AND ROLL CALL

Mayor Pro Tem Jeff Grengs called the March 2, 2026, Waconia City Council Meeting to order at 6:00 p.m. With all members present except Mayor Litfin and Council Member Siddons.

2. PLEDGE OF ALLEGIANCE

Mayor Pro Tem Grengs led all in the Pledge of Allegiance.

3. PROCLAMATIONS

None.

4. ADOPT AGENDA

Motion to adopt the agenda as published made by Council Member Coleman, seconded by Council Member Gleason.

MOTION CARRIED.

5. PUBLIC HEARING

1) Annexation Petition - Wolter and Klingelhutz

Lane Braaten, Community Development Director, provided the Council with an overview of the Annexation Petition. Staff received a petition to annex a portion of the Wolter Trust property and the Klingelhutz Farms property into the Waconia City Limits. The application has been submitted in association with a potential residential development proposed by Summergate Developers. The City's Comprehensive Plan designates the subject property as Medium Density Residential. The property located at 1705 Waconia Parkway South is not included in the annexation petition. Staff met with the property owners and the developer to explain that bringing this application forward at this time is premature, as a determination has not yet been made regarding the 1705 Waconia Parkway South property. As proposed, the annexation does not reflect the Comprehensive Plan's goal of efficient and compact growth and could create conflicts related to City and County code enforcement. At the applicant's request, the petition was forwarded to Laketown Township and was approved by the Township on January 29, 2026. As required, the application was legally published, and one comment was received, which was included in the Council packet.

Council Member Coleman questioned Staff regarding water availability. Jon Haukaas, Public Services Director, responded that the City would face issues with this project. First, the development would need to be placed on hold until additional municipal

wells are constructed and operational, which is anticipated in 2027 or 2028. Second, there are sewer capacity concerns, including off-site improvements that would need to be addressed to adequately service the proposed development.

Motion to Open the Public Hearing made by Council Member Gleason, seconded by Council Member Coleman.

MOTION CARRIED.

Casey Wollschlager, Summergate Developers, representing the applicant property owners, addressed the Council. He stated that Staff had indicated both parcels should be annexed simultaneously. However, while Summergate Developers were working with the applicants, Jason Palmby was separately working with the owner of 1705 Waconia Parkway South. Mr. Wollschlager noted that the landowner group has had a negative experience with Mr. Palmby and feels it is unfair to require them to work with that developer.

Mike Klingelhutz, 6945 Abbeywood Lane, Laketown Township, spoke regarding the annexation request. He stated that the properties under consideration were divided by Carver County, not by the property owners. Mr. Klingelhutz provided examples of other annexations that were approved without all property owners participating. He noted that the current application represents approximately 30 of the 35 acres proposed for annexation, or roughly 85% of the total area. He characterized concerns that the new owner of the remaining five acres intends to keep livestock as speculative and requested that the Council approve the annexation.

Bob Burandt, a resident on the west side of Waconia, stated that he previously donated land for Oak Avenue Extension, the pathway connecting Sterling Hills to the school, and Community Drive without receiving financial compensation. Mr. Burandt expressed concern that if the annexation application is not approved, the property owners may be forced to sell to Jason Palmby, which he does not believe is fair or democratic.

Casey Wollschlager, Summergate Developers, further addressed the Council. He stated that concerns raised by Staff and the County regarding potential livestock use could apply to many other properties in the surrounding area. He expressed that development will not move forward if the Council continues to focus on what may occur on adjacent parcels. Mr. Wollschlager also stated that he believes the City is "falling into the trap" of Jason Palmby, whom he characterized as attempting to control the situation. He indicated that the applicants would like to have a development plan prepared so they are positioned when the City is ready to move forward with development in this area, particularly in order to be in line for future water capacity. He emphasized that securing a place in line for water capacity is the primary concern.

Neil Klingelhutz, 8675 County Road 43, Victoria, addressed the Council and stated that while the situation may not be ideal for either the City or the applicants, if the

property owners are supportive of annexation, the City should give the applicants an opportunity to move forward. He stated that the matter could otherwise continue unresolved for many years. Mr. Klingelhutz commented that it is the right location and the right time for annexation, except the remaining five-acre parcel, and encouraged the Council to consider approval of the annexation request.

Motion to close the public hearing made by Council Member Gleason, seconded by Council Member Coleman.

MOTION CARRIED.

Council Member Coleman stated he understands the dilemma facing both the property owners and the City. However, he believes the primary concern is water supply and sewer treatment capacity. Council Member Coleman asked Staff whether a plan could be developed to allow for future development once the City has the capacity to accommodate additional homes.

Council Member Gleason agreed with Council Member Coleman and stated that being pressured to sell to one specific developer is not appropriate.

Mayor Pro Tem Grengs noted that prior to tonight's meeting he had been leaning toward denial of the annexation request; however, he is a strong proponent of landowner rights and acknowledged that this process could continue for years.

Council Member Coleman asked the applicant if they would be willing to wait a year for water/sewer capacity issues to be resolved. Mr. Wollslager stated that they would like to be annexed tonight.

Mr. Braaten explained that once a property is annexed and enters the development process, the City is obligated to approve the development if all applicable standards, zoning requirements, and performance measures are met. He noted that following review of the sketch plan and completion of the preliminary plat process, if the proposal satisfies all established criteria, the City has a legal responsibility to grant approval.

Motion to table the Wolter and Klingelhutz Annexation Petition to the April 20, 2026 City Council Meeting was made by Council Member Coleman, seconded by Council Member Gleason.

MOTION CARRIED.

6. OPEN FORUM

None.

7. COMMUNITY INTEREST PRESENTATIONS

None.

8. ADOPT CONSENT AGENDA

- 1) Approve the February 19, 2026, Council Minutes**
- 2) Approve March 2, 2026, Expenditures**
- 3) Approve 2026 Capital Equipment**
- 4) Award Contract for Construction of Island View Estates Park Site Improvements**
- 5) Resolution Supporting the Pursuit of a MN DNR Outdoor Recreation Grant for the Pickleball Court Project**
- 6) Resolutions Supporting DNR and LCCMR Grant Applications for Sudheimer Park**
- 7) Donation and Approve Pass Thru Recommendation - Waconia Fire Relief Association**
- 8) Accepting Cash Donations for Operations of the Fire Department**
- 9) Elm Creek Ridge Development Agreement**
- 10) Copier/Scanner Lease at City Hall**
- 11) Authorize Recruitment for Park Maintenance Lead Position**
- 12) Special Event Permit - Memorial Day Parade**
- 13) Special Event Permit - Lake Waconia Band Festival**

Motion to Adopt the Consent Agenda as published was made by Council Member Gleason, seconded by Council Member Coleman
MOTION CARRIED.

9. COUNCIL BUSINESS

- 1) Award 2026 Downtown Reconstruction Phase 4 Project**

Jon Haukaas stated that the Downtown Reconstruction Phase 4 bids were opened on February 24th. Five bids were received. The project includes the total reconstruction of the streets, sidewalks, utilities, and street lighting. The low bid was received from GMH Asphalt and is approximately 18% below the Engineer's Estimate and 10% below the next lowest bid.

Stage One is First Street with construction beginning the week of May 4th and completion around July 11th. Stage Two is Elm Street and 2nd Street between Elm and Pine and should begin around July 6th with completion before August 28th. Stage Three is the removal of Pine Street, which will begin after Nickle Dickle Day and a completion day in mid-November.

Motion to adopt Resolution No. 2026-073 authorizing the award of the contract for the

2026 Downtown Reconstruction Project Phase 4 was made by Council Member Coleman, seconded by Council Member Gleason.

MOTION CARRIED.

2) Initiate Preliminary Investigation Work for proposed 2027 Neighborhood Street Construction Project

Jon Haukaas stated that as the City continues its work to steadily improve the streets and utilities throughout the community, the next project identified in the adopted Pavement Management Plan (PMP) is for the reconstruction of the Sugarbush Neighborhood. This includes Sugarbush Lane loop on the south side of Waconia Parkway North, the segment of Dunsmore Drive to the west and the five cul-de-sacs off of Tamarack Lane, Honeysuckle Lane, Butternut Lane, Hickory Circle and Barbary Circle. The first stage is the preliminary investigation work proposed for 2027, and ordering the feasibility report which is required for the assessment process. The second component is to order the preparation of the Feasibility Study, which is required for the assessment process. As this is a neighborhood reconstruction project, Staff will be conducting significant public outreach.

Motion to adopt Resolution No. 2026-074 authorizing approval of survey and geotechnical review for the proposed 2027 Sugarbush Neighborhood Reconstruction Project was made by Council Member Gleason, seconded by Council Member Coleman.

MOTION CARRIED.

Motion to adopt Resolution No. 2026-075 ordering preparation of the Feasibility Study and Assessment Benefit Evaluation for the proposed 2027 Sugarbush Neighborhood Reconstruction Project was made by Council Member Gleason, seconded by Council Member Coleman.

MOTION CARRIED.

10. ITEMS REMOVED FROM CONSENT AGENDA

None.

11. BOARD REPORTS

1) Staff Reports - Land Use Summary 2025

This item has been tabled to the March 16, 2026 Council Meeting.

2) Councilmember Siddons

Absent

3) Councilmember Coleman

Nothing to report.

4) Councilmember Gleason

Absent

5) Councilmember Grengs

Nothing to report.

6) Mayor Litfin

Absent

12. ANNOUNCEMENTS

Shane Fineran, City Administrator, recognized Jeff Hilgers. Jeff has announced his retirement after 23 years of service with the City. He started in the Street Department and worked his way to Utility Maintenance. We all congratulate Jeff and wish him all the best in his retirement.

13. ADJOURN REGULAR MEETING

Motion to adjourn the March 2, 2026, Council meeting was made by Council Member Coleman, seconded by Council Member Glason at 7:00 p.m.

MOTION CARRIED.

WORK SESSION: HIGHWAY 5 PHASE 2 PROJECT UPDATE

UPCOMING CALENDAR OF EVENTS/MEETINGS:

Tim Litfin, Mayor

ATTEST: _____
Sue Schwalbe, Administrative Specialist