

**COUNCIL CHAMBERS
1670 STIEGER LAKE LANE
VICTORIA, MINNESOTA**

MINUTES

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CALL TO ORDER/PLEDGE OF ALLEGIANCE

Mayor Funk called the regular City Council meeting to order at 6:31 p.m. and led the Pledge of Allegiance.

Roll Call:

Members Present: Mayor Tom Funk; Council members Judy Black, Tom Gregory, Deb McMillan, and Tom Vogt.

Absent: None

Staff Present: City Manager Dana Hardie, Public Works and Park and Recreation Director Ann Mahnke, Community Development Director Pat Smith, City Clerk Cindy Patnode, City Engineer Cara Geheren, and City Attorney Robert Vose.

Others Present: Northland Securities Representative Tammy Omdahl; Bethesda representatives Mike Rollert, Monica Schmidt, Tom Campbell, Dave Griebel and Kurt Rutzen.

There were approximately four people in attendance.

ANNOUNCEMENTS

1. Neighborhood meeting regarding Marsh Lake Road at City Hall on July 15th at 6 p.m.
2. Marsh Lake Road Workshop on July 22 at 5:30, followed by 6:30 Council meeting as an item.
3. Urban Land Institute item at the August 12 Workshop meeting following the regular Council meeting
4. 2020 Budget Workshop on August 26.
5. The Arboretum will host the Arboretum Area Transportation Plan Study meeting (Hwy 5 from the Arboretum to Dairy Queen at County Road 11) on July 16th.

All meetings are open to the public and residents are encouraged to attend.

OPEN FORUM

Mayor Funk inquired if anyone was present to speak to the Council in the Open Forum format.

Sam Schmeling --Allegheny Grove Boulevard, Victoria expressed his frustration with the lack of a yard waste disposal site in Victoria.

Council informed resident this item will be at the next (8/26/19) budget session for Council consideration.

ADOPT FINAL AGENDA

On a motion by Vogt, seconded by Gregory, to adopt the Agenda as submitted.

Motion carried unanimously.

CONSENT AGENDA

The consent items for consideration for approval:

- A. Minutes:
 - a) Approval of 6/24/19 Workshop Minutes
 - b) Approval of 6/24/19 Council Minutes
- B. Claims Roster, Check #'s 59748-59807 and 6/27/19 Payroll totaling \$499,367.96
- C. Hawker License –Approve Hawker License for Summer Party Ice Cream
- D. Assessing Contract – Approve the “Service Agreement for Joint Assessment” with Carver County for 2020
- E. Street Striping – Approve the annual street striping quote from Sir Lines A Lot for a total of \$11,560.90.
- F. Steering Committee for Small Area Plan – Approve the formation of a 10-member Steering Committee consisting of two Council members, two Planning Commission members, three residents and three local business owners.

On a motion by McMillan, seconded by Vogt, to approve the consent agenda items as submitted.

Funk: Aye, Black: Aye, Gregory: Aye, McMillan: Aye, Vogt: Aye

Motion carried unanimously.

REGULAR AGENDA

Public Hearing – Bethesda Tax Increment Financing (TIF) Public Hearing

Community Development Director Smith reviewed the history of the redevelopment concept of the Bethesda project for a senior housing development and housing for people with intellectual and developmental needs. Northland Financial Advisor Tammy Omdal reviewed with the Council the request to create of TIF District 1-7 to establish a multifamily development consisting of 52 housing units (a three-story, 37unit apartment building and 15 units provided within four one-story villa units). Currently this property is tax exempt but will become fully taxable for this project. Bethesda is requesting \$1,278,000 of Pay-Go TIF assistance payable from 90% of the tax increments collected by the City over the life of TIF, which typically lasts 26 years. Ms. Omdal stated that this is not a debt to the city as it only gets paid from money collected in the paid taxes of that property. A component of qualifying for TIF is that “but for” the use of TIF, the project wouldn’t move forward.

The public benefits of lower-density development fits the character of the neighborhood, well-designed buildings of high-quality materials, and the provision of affordable housing units are part of the analysis for TIF Assistance. Bethesda Representatives Tom Campbell, Kurt Rutzen, and Dave Griehl spoke regarding the Bethesda mission to enable disabled people to live on their own, through housing, faith, employment and financial support. It was stated that disabled people should not have to live in substandard housing but that is what is happening due to the lack of affordable housing. It was noted that Bethesda has been operating its mission in Victoria since the early 1970’s and would like to continue by redeveloping a now outdated facility with this new proposal and would like Council support to move this project forward.

Mayor Funk opened the public hearing at 7:11p.m.

The following person spoke during the public hearing:

Lawrence Gubbe – Bavaria Road, Victoria felt this was a highly desirable site due to its location to downtown; other opportunities would be available for this property that would not request TIF; too high of unit costs for using public assistance; concerned with the potential sale of the project by Bethesda; and concern about the risk to the city due to the use of TIF.

On a motion by Vogt, seconded by McMillan, to close the public hearing at 7:16 p.m.

Motion carried unanimously.

On a motion by McMillan, seconded by Vogt, to approve Resolution 2019-42, *A Resolution Approving Modification to the Development Program for Development District No. 1 and the establishment of Tax Increment Financing District No. 1-7 within the Development District and the proposed adoption of the Tax Increment Financing Plan relating to thereto*

Summary of discussion:

Concern of the use of TIF to finance this project; goal to diversify the tax base and this doesn't provide for a large employment work force; this project provides for senior housing, affordable housing and housing for the disabled; TIF use is desirable for this project; TIF use doesn't increase the city's debt load and the risk is on Bethesda, not the city; wording is in the documents that if the project is sold within the first ten years, Bethesda would have to repay the TIF proceeds; other sources of revenue will need to be raised by Bethesda for this project; use of the collected 10% retained for administrative costs; positive impact that this project will bring to the neighborhood, especially for seniors and disabled; Bethesda has proven to be a great neighbor for 50 years and would like to continue to work with them; concern with diverting money by using TIF; use of TIF for a grocery store instead; consideration of not using TIF and building more stories to increase density; inquiry of Bethesda on whether they could restructure project (*Bethesda responded they are not interested in altering their plan*); this is a solid proposal that is before the Council and it aligns with the Strategic Plan that the Council recently adopted. Motion carried, Funk and Gregory voting no.

On a motion by McMillan, seconded by Vogt, to approve Resolution 2019-43, *A Resolution Approving and Authorizing the Execution of a TIF Assistance Agreement*.

Motion carried, Funk and Gregory voting no.

It was determined that wording in the agreement protects the city financially if Bethesda were to sell the project.

Discussion on Minnewashta Parkway Joint Powers Agreement (JPA) with Chanhassen

Due to further negotiations with Chanhassen, this item was pulled for action and only requested discussion for this evening. It will be scheduled for Council action at the next meeting.

Engineer Geheren informed the Council that an upgrade on Minnewashta Parkway is scheduled for the City of Chanhassen's portion of the roadway that continues into Victoria. Although not scheduled for an upgrade in this year's budget, it makes economical sense to include Victoria's portion of the roadway with the City of Chanhassen's project to take advantage of the economies of scale. The Long-Term Street Maintenance Fund will be the source of revenue for this proposed project.

The project is for a full depth reclamation and overlay; sanitary and sewer lines are owned and maintained by Chanhassen; staff will re-prioritize projects to fund this in the Long-Term Street Maintenance Fund.

ROUNDTABLE

Garbage Hauling/Yard waste/Clean-up Day/Paper Shredding

Council member Black requested input for a number of concerns that she would like further explored:

- Garbage Hauling/Yard waste – require haulers to pick up yard waste twice a year; possibility of establishing a single hauler for the city to lessen the impact of road damage and trucks in neighborhoods. Council consensus was not in favor of a single hauler but open to direct staff to establish criteria for the next round of garbage licensing for Council to consider. The yard waste is already assigned to bring back for Council consideration during the next budget workshop.
- Clean up Day – require haulers to pick up. Consensus of Council was residents can take items to the Environmental Center which is in close proximity to Victoria and would not require haulers to do this.
- Paper Shredding – provide this service to Victoria residents. Consensus of Council was that private organizations do this but directed staff to look into ways that residents could get items shredded.

It was noted that none of the above items are part of the Strategic Plan and no budget has been assigned to them in the 2020 Proposed budget.

REPORTS

City Manager Dana Hardie

City Manager Ms. Hardie noted that Policy meetings are starting this week (through the League of Mn Cities) and city staff are on approximately ten committees that run from June – September.


Mayor Funk

Mayor Funk stated that due to time commitments for him in guiding staff on IT, he would like to delegate that and requested Council to direct any IT people they know to Dana for her to have support.

ADJOURNMENT

On a motion by McMillan, seconded by Vogt, to adjourn at 8:51 p.m.
Motion carried unanimously.

ATTEST:


Cindy Patnode, City Clerk


Thomas C. Funk, Mayor