

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

MINUTES

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CALL TO ORDER/PLEDGE OF ALLEGIANCE

Pursuant to due call and posted notice thereof, the City Council Special Session of the Victoria City Council was called to order at 5:00 p.m. by Mayor Funk to discuss the city owned 13.5-acre parcel.

Roll Call:

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

Absent: None

Staff Present: City Manager Dana Hardie, Community Development Director Pat Smith, City Clerk Cindy Patnode.

Others Present: DJR Architect Dean Dovolis and CEO of RonClark Construction & Design Mike Waldo.

There were no others in attendance.

City Manager Hardie explained that the intent of the meeting was to adopt a Development/Purchase Agreement with RonClark for a portion of the 13.5 acres. The details of those agreements are not yet finalized so high-level details will be discussed and no action on the Agreements will be considered this evening. Staff is requesting Council consider setting a Special Meeting on Monday, August 5 at 5:30 p.m. to consider approval of development agreements due to the August 8th Livable Communities Demonstration Account (LCDA) grant deadline. Also being discussed this evening will be a Fair Housing Policy.

CITY OWNED 13.5 ACRES

Community Development Director Smith gave the Council the history of the project noting it was part of the Downtown Master Plan of 2016. Planning Commission reviewed and provided input to the current concept plan and found it consistent with the Comprehensive Plan and the 2016 Downtown Master Plan. A financial analysis being completed by RonClark has been reviewed by Northland Securities and found to be financially feasible using a Housing Tax Increment District. Developers are aware that any purchase is contingent upon the city receiving the Livable Communities Demonstration Account (LCDA) grant. The city's role for this project will be installing streets and utilities and creating a Tax Increment Financing (TIF) district.

It was clarified that moving forward with any Development Agreement is contingent upon Victoria being awarded the LCDA grant. If Victoria is not awarded the grant, DJR representative Dovolis will continue to work with city.

Summary of discussion:

Discussed other ways of funding; deadlines for the different types of LCDA grants; concern with the land donation (clarification was made that it will only be for the land for the Senior housing, sale of the townhouse sites will be based on market appraisal); use of TIF for the project when it's in a desirable location; incorporating nearby property into the overall plan; concern that developers are talking to certain council members but not

making contact with staff; overstatement being made regarding the use of TIF; speculation on additional property and venues; concern with approving only a portion of the land;

commitment to move forward with this project by this Council; grant would offset infrastructure that would be built for the portion of the land being discussed; placement and design of the buildings. Council noted that not every building in this proposal requires TIF; senior housing is an important component of this project and would like more affordable units designated. The status of the tax exemption on this property was questioned.

Grant applicants Mr. Dovolis and Mr. Waldo summary:

The grant application only allows the portion of the land that will be using the funds to be noted on the plan. More discussion followed on the actual design of their proposal. In order to meet the deadline for the application process, a decision will need to be made next Monday in order for others to complete their due diligence prior to submittal of the LCDA grant. The developers are looking for direction from Council in order to bring a completed Development Agreement forward for approval. No commitment by the Council will be made for selling any land until further in the process. It was noted that the Developers are completing a financial study to verify this project will be successful and can cash flow with requirements the city intends to impose. It was noted that input costs for building has increased dramatically since the recession and to add affordable housing requires the use of TIF. Future phases will address transit and workforce housing. They noted that if this project moves forward, the buildout would take approximately four years as they would build once the buildings have committed occupants as the logistics have to work and the goal is not to oversaturate the market. Council support is needed for the applicants to continue.

City Manager Hardie stated that it appeared there is Council consensus on moving forward to work with the development team to adjust up the affordability ratio. Ms. Hardie informed Council to contact her with any further comments to pass along to the development team for them to have a final agreement for Monday.

The Community Development Director will send the Council the Maxfield Study for their reference.

On a motion by Funk, seconded by McMillan, to have a Special Meeting on August 5, 2019 at 5:30 in the Council Chambers that will be broadcast to the city.

Motion carried unanimously.

On a motion by McMillan, seconded by Vogt, to adopt the Fair Housing Policy as drafted by staff.


Motion carried unanimously.

ADJOURNMENT

On a motion by McMillan, seconded by Black, to adjourn at 6:04 p.m.

Motion carried unanimously.

ATTEST:


Cindy Patnode, City Clerk


Thomas C. Funk, Mayor