



CITY COUNCIL MINUTES
Richfield, Minnesota

Special Worksession

May 11, 2010

CALL TO ORDER

The meeting was called to order by Mayor Goettel at 5:31 p.m.

ROLL CALL

Council Members

Present:

Debbie Goettel, Mayor; Fred Wroge; Sue Sandahl; Tom Fitzhenry; and Pat Elliott.

Staff Present:

Steven L. Devich, City Manager; Mike Eastling, Public Works Director; Kristin Asher, City Engineer; Chris Link, Street Maintenance Supervisor; and Cheryl Krumholz, Recording Secretary.

Item #1	DISCUSSION REGARDING STORMWATER REGULATIONS AND EFFECT ON WINTER ROAD SALE APPLICATION (COUNCIL MEMO NO. 68)
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City Engineer Asher presented information on the total maximum daily load related to stormwater and water quality standards with the Nine Mile Creek Watershed.

Street Maintenance Supervisor Link presented information on road salt application impacts and proposed alternatives and changes, including financial implications.

Item #2	DISCUSSION REGARDING TRANSPORTATION PRIORITIES (COUNCIL MEMO NO. 68)
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Public Works Director Eastling and City Engineer Asher presented information regarding transportation priorities on the national, state, county and local levels.

The City Council consensus was to form a collaborative with other entities to join in support to develop increased political influence related to the TH77 Underpass as a regional project because the underpass is key for redevelopment along the I-494 Corridor.

ADJOURNMENT

The meeting was adjourned by unanimous consent at 6:55 p.m.

Date Approved: _____

Debbie Goettel
Mayor

Cheryl Krumholz
Recording Secretary

Steven L. Devich
City Manager



CITY COUNCIL MEETING MINUTES

Richfield, Minnesota

Regular Meeting

May 11, 2010

CALL TO ORDER

The meeting was called to order by Mayor Goettel at 7:03 p.m.

ROLL CALL

Members Present: Debbie Goettel, Mayor; Sue Sandahl; Fred Wroge; Tom Fitzhenry; and Pat Elliott.

Staff Present: Steven L. Devich, City Manager; Mike Eastling, Public Works Director; John Stark, Community Development Director; Jim Topitzhofer, Recreation Services Director; Corrine Heine, City Attorney; and Cheryl Krumholz, Recording Secretary.

OPEN FORUM

None.

PRESENTATION OF COLORS AND PLEDGE OF ALLEGIANCE

Mayor Goettel led the audience in the Pledge of Allegiance.

APPROVAL OF MINUTES

M/Wroge, S/Sandahl to approve the minutes of (1) Special City Council Worksession of April 27, 2010 and (2) Regular City Council Meeting of April 27, 2010.

Motion carried 5-0.

Item #1	PRESENTATION OF PROCLAMATION DESIGNATING MAY 16-22, 2010 AS SMALL BUSINESS WEEK IN RICHFIELD
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Tim Carter, Richfield Chamber of Commerce Chair, recognized Richfield's small businesses – Carrousel Travel and Masar & Amundson, PA.

Mayor Goettel presented a proclamation to the Richfield Chamber of Commerce.

Item #2	ANNUAL MEETING WITH ADVISORY BOARD OF HEALTH
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Jennifer Turrentine, Advisory Board of Health Chair, provided a report on the Board's activities and goals.

Item #3	PRESENTATION REGARDING NATIONAL PUBLIC WORKS WEEK
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Public Works Director Eastling recognized the efforts of the Public Works Department.

Item #4	COUNCIL DISCUSSION <ul style="list-style-type: none">• HATS OFF TO HOMETOWN HITS
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Council Member Wroge announced the July 4 parade route has been changed from 70th Street back to 66th Street.

Tom Rublein, 2016 West 64th Street, Fourth of July Committee member, explained the committee voted to change the route back because 66th Street provided greater crowd accommodation and was more traditional.

The City Council consensus was to participate in the July 4 parade by riding their bikes again.

Council Member Fitzhenry acknowledged the positive comments from residents for police officers and their work.

Mayor Goettel acknowledged the success of the recent Cinco de Mayo event.

Item #5	COUNCIL APPROVAL OF AGENDA
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M/Sandahl, S/Wroge to approve the agenda.

Motion carried 5-0.

Item #6	CONSENT CALENDAR
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- A. Consideration of approval of first reading of transitory ordinance providing for expenditure of funds from Special Revenue Fund for certain capital improvements and scheduling public hearing and second reading for June 8, 2010 S.R. No. 79
- B. Consideration of approval of first reading of amendment to Richfield City Code Subsection 549.21 Subd. 8 related to sign ordinance for non-commercial speech to be consistent with State law and scheduling public hearing and second reading for May 25, 2010 S.R. No. 80
- C. Consideration of approval of resolution authorizing City of Richfield to enter into Cooperative Agreement with Hennepin County for purchase of gasoline and diesel fuel S.R. No. 81

RESOLUTION NO. 10364

RESOLUTION AUTHORIZING THE CITY OF RICHFIELD TO ENTER INTO HENNEPIN COUNTY CONTRACT NO. A100689 WITH THE COUNTY OF HENNEPIN, STATE OF MINNESOTA FOR THE PURCHASE OF FUEL DURING THE PERIOD COMMENCING JANUARY 1, 2011 AND TERMINATING DECEMBER 31, 2015.

This resolution appears as Resolution No. 10364.

- D. Consideration of approval of authorizing Mayor and City Manager to sign consent and conflict waiver for Kennedy & Graven regarding representation of City of Richfield in Comlux, Inc. business subsidy loan matter S.R. No. 82
Consideration of approval of amendment to 1999 Metropolitan Livable Communities Act, Livable Communities Demonstration Account Grant Agreement for Richfield Rediscovered Apartment Remodeling Program S.R. No 83
- E. Consideration of approval of purchasing Maenke Brothers Outdoor, Inc. services for landscape maintenance of LHN and 77th Street maintenance assessment districts and 35W and 66th Street bridge area for total cost of \$44,299 S.R. No. 84
- F. Consideration of approval of contract with Sheridan Sheet Metal Company for installation of new steel roof at Madison Park building in amount of \$26,860 S.R. No. 85
- G. Consideration of approval of award of contract to Ron Kassa Construction for curb and gutter repair in Ice Arena parking lot in amount of \$55,445 S.R. No. 86

M/Sandahl, S/Fitzhenry to approve the Consent Calendar.

Motion carried 5-0.

Item #7	CONSIDERATION OF ITEMS, IF ANY, REMOVED FROM CONSENT CALENDAR
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None.

Item #8	PUBLIC HEARING AND SECOND READING OF ORDINANCE RELATING TO MUNICIPAL ELECTIONS, AMENDING SECTIONS 4.02 AND 4.06 OF RICHFIELD CITY CHARTER S.R. NO. 87
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Council Member Sandahl presented Staff Report No. 87.

M/Wroge, S/Sandahl to close public hearing.

Motion carried 5-0.

M/Sandahl, S/Goettel that this constitutes the second reading of Bill No. 2010-3 amending Section 4.02 and 4.06 of the Richfield City Charter and that it be published in the official newspaper and that it be made part of these minutes.

Motion carried 5-0.

<p>Item #9</p>	<p>CONSIDERATION OF SECOND READING OF AMENDMENT TO RICHFIELD CITY CODE SUBSECTION 549.25 SUBD. 2(a) RELATED DYNAMIC SIGN REQUIREMENTS CLARIFYING REQUIREMENT THAT DYNAMIC DISPLAYS BE STRUCTURALLY CONNECTED TO STATIC (NON-CHANGING) PORTION OF SIGN S.R. NO. 88</p>
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Council Member Wroge presented Staff Report No. 88.

M/Wroge, S/Sandahl that this constitutes the second reading of Bill No. 2010-4 amending City Code Subsection 549.24 Subd. 2(a) and that it be published in the official newspaper and that it be made part of these minutes.

Motion carried 5-0.

<p>Item #10</p>	<p>CONSIDERATION OF RESOLUTION ADOPTING MODIFICATION TO REDEVELOPMENT PLAN FOR RICHFIELD REDEVELOPMENT PROJECT AREA AND ESTABLISHMENT OF 2010-1 HOUSING TAX INCREMENT FINANCING DISTRICT (AKA WOODLAKE HOUSING TAX INCREMENT FINANCE DISTRICT) S.R. NO. 89</p>
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Mayor Goettel presented Staff Report No. 89.

M/Goettel, S/Sandahl that the following resolution be adopted and that it be made part of these minutes:

RESOLUTION NO. 10365

RESOLUTION ADOPTING A MODIFICATION TO THE REDEVELOPMENT PLAN FOR THE RICHFIELD REDEVELOPMENT PROJECT AREA AND ESTABLISHING THE 2010-1 HOUSING TAX INCREMENT FINANCING DISTRICT (WOODLAKE HOUSING) THEREIN AND ADOPTING A TAX INCREMENT FINANCING PLAN THEREFORE

Mayor Goettel requested clarification on the amount of tax increment financing (TIF) requested by the developer.

Community Development Director Stark explained the differences in the amounts used for determining increments.

Rebecca Kurtz, Ehlers & Associates, discussed the TIF eligible expenses.

Council Member Elliott asked if the value of the HRA-owned lot is paid back through TIF.

Ms. Kurtz explained the process for payment of the lot.

Council Member Sandahl stated support for the project because she believes the developer will be a good neighbor making positive improvements and providing housing resources for residents.

Council Member Sandahl asked about the current value of the property and the estimated value with a new building.

Community Development Director Stark explained the Hennepin County assessing process.

Council Member Fitzhenry stated support for the project because he believes that without TIF assistance, there would be no development and improving the area is necessary to create excitement for future development. He expressed concern about the density of apartments.

Council Member Wroge stated he was trying to find a way to approve the project because he believes housing is needed. He expressed concerns including the developer starting this process two years ago before the economy was down, length of the TIF District, needing to do this project because it is the only one offered, developing a process to determine when a project becomes too expensive to do, difficulty in obtaining solid information because of differences in what is provided, HUD being the only competition for financing, differences in market value and no appraisal estimate from the assessor.

Council Member Wroge continued that he supported the project because the developer has affirmed their assistance with relocation costs for tenants, providing the screening the neighborhood determines they want, providing a separate parking area if vehicles from the complex park in the neighborhood, and the existing mortgage is being paid off and not rolled into the financing

Terry McNellis, Michael Development, discussed the financial sources and uses related to the project and expressed concern that the property has not been appraised high enough. He also explained the HUD financing.

Mayor Goettel expressed concerns regarding financial risks for the City, the number of vacancies in the current market and management of the complex.

Council Member Wroge asked about zoning requirements.

Community Development Director Stark explained the Comprehensive Plan designation allows this type of development and that there would likely be a rezoning to a planned unit development which is customary.

Mr. McNellis stated they do not walk away from financial obligations.

Council Member Elliott stated he supported the project for many of the same reasons as Council Member Wroge.

Council Member Elliot stated he has concerns with adding more apartments but he believes the proposed units are well-designed and well-crafted. The project is an investment in Richfield and any commercial venture is risky.

Council Member Elliott requested a land use pre-payment, pre-sale clause commitment from the owner to stay with the building and maintain a partnership in the community.

Mr. McNellis assured the City Council that they are long-term holders wanting to get a return on their investment.

Community Development Director Stark stated the TIF pay-as-you-go note is pledged to the developer who has the right to assign that to someone else.

Mr. McNellis added that HUD takes assignment of the note. He discussed their application for a Hennepin County transit oriented development grant for funding public improvements which will be recommended to the Hennepin County Board if the TIF assistance is approved.

Ms. Kurtz explained the process used to determine the market value based upon reasonable assumptions. She added the assessor will not lock into a value until the project is built.

Mayor Goettel questioned the project proceeding if construction costs are higher than anticipated.

Mr. McNellis stated this has been an incremental process so it is possible costs could increase. They want to build a quality building using value engineering and not changing the proposed density.

Council Member Wroge said the business community supports the project but that it is no guarantee for the development of other sites in that area.

City Manager Devich clarified the difference in the market value estimates from an appraisal and the Hennepin County assessor. These are subjective estimates made in good faith and best efforts as to what the project is worth and when it is completed, the assessor will determine estimated market value. TIF projects are pay-as-you-go, not up front costs, and the negotiations are in the best interest of the City. Previous TIF projects have been successful in Richfield.

Mayor Goettel stated she has grave concerns regarding the risks.

Motion carried 5-0. This resolution appears as Resolution No. 10365.

Community Development Director Stark stated a resolution supporting the TOD grant application will come before the City Council for their consideration at a future meeting.

Item #11	CONSIDERATION OF CRITERIA FOR REMOVAL AND OUTREACH PLAN REGARDING EMERALD ASH BORER S.R. NO 90
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Council Member Fitzhenry presented Staff Report No. 90.
Public Works Director Eastling discussed the proposed communication plan.

Council Member Wroge questioned the property owner's ability to object to removal of an infected tree.

Public Works Director Eastling responded that staff is requested direction on how to proceed in this type of situation.

The City Council consensus was to have the City Forester make the decision on treatment or removal based upon structural or safety versus aesthetic concerns.

Item #12	CITY MANAGER’S REPORT
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City Manager Devich provided an update on recent Hennepin County Board actions regarding dispatching services for other cities.

The City Council requested they be provided the final Property Maintenance Task Force report.

Item #13	CLAIMS AND PAYROLL
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M/Wroge, S/Sandahl that the following claims and payrolls be approved:

U.S. BANK 05-11-27

A/P Checks: 194168 - 194597	\$ 1,937,178.37
PAYROLL 66042 – 66352; 41472	\$ 382,237.00
TOTAL	\$ 2,319,416.07

Motion carried 5-0.

OPEN FORUM

None.

ADJOURNMENT

The City Council meeting was adjourned by unanimous consent at 9:15 p.m.

Date Approved: _____

 Debbie Goettel
 Mayor

 Cheryl Krumholz
 Recording Secretary

 Steven L. Devich
 City Manager