

**HOPKINS CITY COUNCIL
AGENDA
Tuesday, September 19, 2023
6:30 pm**

**THIS AGENDA IS SUBJECT TO CHANGE
UNTIL THE START OF THE CITY COUNCIL MEETING**

I. CALL TO ORDER

II. ADOPT AGENDA

III. PRESENTATIONS

IV. CONSENT AGENDA

1. Minutes of the September 5, 2023, Regular City Council Meeting Proceedings
2. Minutes of the September 12, 2023, Regular City Council Meeting Proceedings
3. Second Reading: Ordinances Adopting Gas and Electric Franchise Fees Beginning January 1, 2024; Bishop
4. Amendment to Façade Improvement Program; Elverum

V. PUBLIC HEARINGS

VI. OLD BUSINESS

VII. NEW BUSINESS

1. Fire Study Presentation; Specken
2. Adopt Organizational Equity Goals; Imihy Bean
3. Resolution Approving Proposed 2024 General Fund Budget and Set Budget Meeting Date; Bishop
4. Resolution Approving Proposed 2024 HRA/EDA Tax Levy; Bishop

VIII. PUBLIC COMMENT

IX. ANNOUNCEMENTS

- Next City Council Regular Meetings: October 3, 10 and 17 at 6:30 p.m.

X. ADJOURN

**HOPKINS CITY COUNCIL
REGULAR MEETING PROCEEDINGS
SEPTEMBER 5, 2023**

CALL TO ORDER

Pursuant to due call and notice thereof a regular meeting of the Hopkins City Council was held on Tuesday, September 5, 2023, at 6:31 p.m. in the Council Chambers at City Hall, 1010 1st Street South.

Mayor Hanlon called the meeting to order with Council Members Beck, Garrido and Hunke attending. Council Member Balan was absent. Others attending included City Manager Mornson, Assistant City Manager Lenz, Deputy City Clerk Osman, Finance Director Bishop, City Planner Krzos, Planner Howard, Economic Development Director Elverum, Special Projects and Initiatives Manager Imihy Bean, Fire Chief Specken and City Attorney Riggs.

ADOPT AGENDA

Motion by Garrido. **Second** by Beck.

Motion to Adopt the Agenda.

Ayes: Beck, Garrido, Hanlon, Hunke

Nays: None. Absent: Balan. Motion carried.

PRESENTATIONS

III.1. Adopt a Proclamation Recognizing September 15 to October 15 as Hispanic Heritage Month; Imihy Bean

Special Projects and Initiatives Manager Imihy Bean summarized Council Report 2023-093. Hispanic Heritage Month is an annual observance in the United States that celebrates the cultural contributions, achievements, and history of Hispanic and Latino Americans.

Motion by Garrido. **Second** by Hunke.

Motion to Adopt a Proclamation Recognizing Hispanic Heritage Month.

Ayes: Beck, Garrido, Hanlon, Hunke

Nays: None. Absent: Balan. Motion carried.

CONSENT AGENDA

Motion by Hunke. **Second** by Garrido.

Motion to Approve the Consent Agenda.

1. Minutes of the August 15, 2023, City Council Regular Meeting Proceedings
2. Ratify Checks Issued in August 2023; Bishop

Ayes: Beck, Garrido, Hanlon, Hunke

Nays: None. Absent: Balan. Motion carried.

NEW BUSINESS

VII.1. Rail Facility Review/Shady Oak Station Update; Krzos

City Planner Krzos summarized Council Report 2023-088. The Metropolitan Council via Metro Transit's METRO Green Line Light Rail Transit (LRT) Extension project is

**HOPKINS CITY COUNCIL
REGULAR MEETING PROCEEDINGS
SEPTEMBER 5, 2023**

proposing to construct an approximately 24,000 square foot maintenance facility at 1515 6th Street South. Council Member Beck clarified that the resolution proposed tonight is not a land use approval, City Planner Krzos clarified that tonight's presentation is an opportunity to provide feedback on the proposed plans. Ryan Kronzer, Assistant Director for Design and Engineering, Jim Alexander, METRO Green Line LRT Extension Project Director, and Joe Johnson, Design Lead from the Metropolitan Council provided an update on METRO Green Line LRT Extension construction and Shady Oak Station. Mayor Hanlon complimented Metropolitan Council staff for their responsiveness to opening trails in this area. Mayor Hanlon asked about how long the deferral of parking on the parcel labeled "Deferred Parking" might be. Mr. Alexander responded that they are still having conversations about what this parcel might look like in the future, and that the timeline is unknown. Mayor Hanlon expressed that he desires Hopkins to continue to be a part of the conversation regarding the future of this parcel. Council Member Beck noted that there is frustration about the timeline of the project, that property within Hopkins has been taken off the tax rolls without benefit to the City, and that the project is overbudget. He wondered what the Council should tell upset residents regarding the project challenges. Mr. Alexander expressed that he hears the concerns, is also frustrated but the new timeline is 2027, and the timeline is over 70% complete. He noted that Hennepin County and the Metropolitan Council are working through funding challenges to complete the project. Mayor Hanlon recognizes that there are frustrations with the project, but wants to look ahead to how to move forward and catalyze on the opportunity in front of the City. Mayor Hanlon asked whether or not they have looked at Inflation Reduction Act (IRA) dollars were available to increase sustainability like solar and Air-Sourced Heat Pumps. Mr. Kronzer said yes, they would look into this. Council Member Hunke complimented the new design and pedestrian-oriented design but encouraged them to include solar and sustainable design elements such as decreasing the asphalt on the site. Council Member Beck also agreed the design was better but wanted to especially thank City Staff for getting this item in front of the City Council despite it not being required by State law, as he feels that Council and Staff review has improved the project significantly. Council Member Garrido requested clarification about the area identified as a future building expansion and it was clarified amongst the Council, that yes this might be a building expansion.

Motion by Hunke. **Second** by Garrido.

Motion to Adopt Resolution 2023-029 finding that the proposed Hopkins Rail Support Facility is consistent with the Comprehensive Plan.

Ayes: Beck, Garrido, Hanlon, Hunke

Nays: None. Absent: Balan. Motion carried.

VII.2. First Reading: Ordinance 2023-1198 Amending Chapter 102 of the City Code Regarding Attached Garage Setbacks for New Construction in N3-B Zones; Howard

Planner Howard summarized Council Report 2023-087. In July of 2022, the City's zoning code update established new provisions related to setbacks for attached garages relative to the main principal building's front façade in neighborhood zones and the allowed locations for garage doors in order to encourage development that is human-scaled and pedestrian-oriented. Specifically, the code update originally required attached garages in N3-B, Small Lot Traditional Neighborhood zones to be set back 30 feet from the main

**HOPKINS CITY COUNCIL
REGULAR MEETING PROCEEDINGS
SEPTEMBER 5, 2023**

principal building's front façade and only allowed garage doors to be located on the rear, side, or side street façade. These standards reflect that most properties located in N3-B zones are served by improved alleys. However, this presented design challenges to properties in N3-B zones that are not served by an improved alley, including a home proposed at 13 Harrison Avenue South for which variances were requested. Council Member Beck commented that the porch idea was a nice addition. Council Member Hunke clarified that this only applied to new construction, thus limiting the number of homes which would be applicable under this ordinance.

Motion by Beck. **Second** by Garrido.

Motion to Adopt for First Reading, Ordinance 2023-1198 Amending Chapter 102 of the City Code Regarding Attached Garage Setbacks for New Construction in N3-B Zones.

Ayes: Beck, Garrido, Hanlon, Hunke

Nays: None. Absent: Balan. Motion carried.

VII.3. First Reading: Ordinances Adopting Gas and Electric Franchise Fees Beginning on January 1, 2024, Bishop

Finance Director Bishop summarized Council Report 2023-091. City Council has had four meetings to discuss gas and electric franchise fee ordinances that expire on December 31, 2023. City Council directed staff to increase fees for a five-year term and to continue subsidizing the general fund and supporting the parks and capital improvement funds. City Council was in support of increasing the fees for parks and sustainability. City Council directed staff to pursue a franchise fee model based on utility revenues. Mayor Hanlon noted that they have gone back and forth on this issue to ensure the charges were not regressive, he complimented staff on the final proposal but acknowledged that larger utility users may have sticker shock on the increase. Council Member Beck also appreciated the new proposed schedule and the potential sticker shock, but also noted that we were much below other communities on what the City charges for Franchise Fees.

Gary Devan, 16th Avenue North, Hopkins, voiced support for the franchise fees and the use of the Hopkins Climate Solutions Fund.

Motion by Beck. **Second** by Hunke.

Motion to Adopt for First Reading on An Ordinance Setting a Franchise Fee on Electric Operations within the City of Hopkins – Northern States Power D/B/A Xcel Energy.

Ayes: Beck, Garrido, Hanlon, Hunke

Nays: None. Absent: Balan. Motion carried.

Motion by Hunke. **Second** by Garrido.

Motion to Adopt for First Reading on An Ordinance Setting a Franchise Fee on Gas Operations within the City of Hopkins – Center Point Energy Resources Corporation D/B/A CenterPoint Energy Minnesota Gas.

**HOPKINS CITY COUNCIL
REGULAR MEETING PROCEEDINGS
SEPTEMBER 5, 2023**

**Ayes: Beck, Garrido, Hanlon, Hunke
Nays: None. Absent: Balan. Motion carried.**

PUBLIC COMMENT

The following residents shared their concerns with the health, safety, welfare and fees at their rental units owned by IPG Properties: Lee Vang, 1010 Lake Street NE, Apt. #603; Gavin Lawrence, 1010 Lake Street NE, Apt. #415; Allana Quaday, 1010 Lake Street NE; Julia Bakken, 1010 Lake Street NE, Apt. #707; Kayla Boswell, 1010 Lake Street NE, Apt. #411; Catherine Cross, 1510 Mainstreet, Apt. 104; Elaine (last name not provided) 1510 Mainstreet; David Knol, 1510 Mainstreet, Apt. 405; Joy Iwaszko, 460 5th Ave. N., Apt. 201; Rachel Kindt, former resident at 1510 Mainstreet; Dustin Fader, 1010 Lake Street NE; and Chad Sweeny. Mayor Hanlon and Fire Chief Specken acknowledged the comments and concerns raised by the residents. Staff will continue to work with IPG Properties on these matters.

ANNOUNCEMENTS

Mayor Hanlon reviewed the upcoming meeting schedule.

ADJOURNMENT

There being no further business to come before the City Council, and upon a motion by Beck, second by Garrido, the meeting was unanimously adjourned at 8:22 p.m.

Respectfully Submitted,



Amy Domeier, City Clerk

**HOPKINS CITY COUNCIL
REGULAR MEETING PROCEEDINGS
SEPTEMBER 12, 2023**

CALL TO ORDER

Pursuant to due call and notice thereof a regular meeting of the Hopkins City Council was held on Tuesday, September 12, 2023, at 6:30 p.m. in the Council Chambers at City Hall, 1010 1st Street South.

Mayor Hanlon called the meeting to order with Council Members Balan, Beck, Garrido and Hunke attending. Others attending included City Manager Mornson, Assistant City Manager Lenz, City Clerk Domeier, Deputy City Clerk Osman, Finance Director Bishop, Planner Howard, Special Projects and Initiatives Manager Imihy Bean, Police Chief Johnson and Economic Development Director Elverum.

ADOPT AGENDA

Motion by Balan. **Second** by Hunke.

Motion to Adopt the Agenda.

Ayes: Balan, Beck, Garrido, Hanlon, Hunke

Nays: None. Motion carried.

PRESENTATIONS

III.1. Introduction and Oath of Office for Police Officers; Johnson/Domeier

Police Chief Johnson introduced and shared background information of Officers Malmstedt and Yeber and Cadet Dek. City Clerk Domeier issued the Oath of Office to the officers and cadet.

CONSENT AGENDA

Motion by Garrido. **Second** by Balan.

Motion to Approve the Consent Agenda.

1. Second Reading: Ordinance 2023-1198 Amending Chapter 102 of the City Code Regarding Attached Garage Setbacks for new Construction in N3-B Zones

Ayes: Balan, Beck, Garrido, Hanlon, Hunke

Nays: None. Motion carried.

NEW BUSINESS

VII.1. Hopkins Center for the Arts and Stages Theatre Company Lease Agreement; Lenz

Assistant City Manager Lenz summarized a lease agreement between the City of Hopkins and Stages Theatre Company for use of portions of the Hopkins Center for the Arts from September 1, 2023, to August 31, 2028, with an optional 5 year extension to 2032. The recommended agreement comes after a year of negotiations with Stages regarding lease renewal. The lease is similar to previous leases between the partners but recognizes a change in market value, capital and operational costs associated with the facility since the last negotiations in 2011.

**HOPKINS CITY COUNCIL
REGULAR MEETING PROCEEDINGS
SEPTEMBER 12, 2023**

Representatives from Stages Theatre Company provided an update on their programming and more information on their mission. The City Council thanked Stages for the commitment and opportunities in Hopkins. City Manager Mornson thanked Assistant City Manager Lenz for her work during negotiations and for taking the lead on the project.

Motion by Beck. **Second** by Hunke.

Motion to Approve lease agreement with Stages Theatre Company.

Ayes: Balan, Beck, Garrido, Hanlon, Hunke

Nays: None. Motion carried.

VII.2. Review 2024 General Fund Budget and Tax Levy; Bishop

Finance Director Bishop reviewed the 2024 General Fund Budget and Tax Levy with the Council. A preliminary levy must be adopted by September 30th. The City Council reviewed draft versions of the 2024 General Fund Budget and Tax Levy on July 18th and August 15th. The Council's direction was to continue to review and look for options to reduce the tax levy. The purpose of this review is to provide input and guidance for the 2024 General Fund Budget and Tax Levy.

Council Member Beck appreciated the creativity from staff and that taxes would go down for the average homeowner. He shared concerns about the projected revenue and expenditures, bond issuance and new programming. Mayor Hanlon did not oppose using the fund balance for the projected levy. He asked for further clarification on budget increases in Administrative Services, Inspections and Planning; requested a reduction in the equity and diversity funding; and an update on the permit and licensing fee study. Council Member Garrido questioned the ACE Program funding to which Finance Director Bishop provided the breakdown. Council Member Hunke shared concerns about using the general fund surplus and prolonging any maintenance and infrastructure projects. Council Member Balan agreed with most comments and was looking for opportunities to reduce the budget. City Manager talked about the budget projections, cost savings, proposed levy and staff initiatives to reduce the levy.

VII.3. Second Quarter Financial Report; Bishop

Finance Director Bishop summarized and gave a presentation regarding the second quarter operating results. Council Member Beck requested that staff to monitor the Depot deficit.

ANNOUNCEMENTS

Mayor Hanlon reviewed the upcoming meeting schedule.

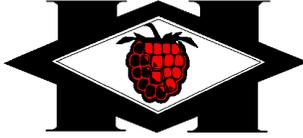
ADJOURNMENT

There being no further business to come before the City Council, and upon a motion by Hunke, second by Balan, the meeting was unanimously adjourned at 7:46 p.m.

Respectfully Submitted,



Amy Domeier, City Clerk



Finance Department

CITY OF HOPKINS

City Council Report 2023-091

To: Honorable Mayor and Council Members
Mike Mornson, City Manager

From: Nick Bishop, Finance Director

Date: September 19, 2023

Subject: Second Reading of Ordinances Adopting Gas and Electric Franchise Fees
Beginning on January 1, 2024

RECOMMENDED ACTIONS

MOTION TO Adopt for Second Reading, Ordinance 2023-1199 Setting a Franchise Fee on Electric Operations within the City of Hopkins – Northern States Power D/B/A Xcel Energy

MOTION TO Adopt for Second Reading, Ordinance 2023-1200 Setting a Franchise Fee on Gas Operations within the City of Hopkins – Center Point Energy Resources Corporation D/B/A Centerpoint Energy Minnesota Gas

OVERVIEW

No changes have been made to the either Ordinance since the September 5 first reading.

SUPPORTING INFORMATION

- Ordinance No. 2023-1199
- Ordinance No. 2023-1200

**CITY OF HOPKINS
COUNTY OF HENNEPIN
ORDINANCE NO. 2023-1199**

**AN ORDINANCE SETTING A FRANCHISE FEE ON ELECTRIC OPERATIONS
WITHIN THE CITY OF HOPKINS – NORTHERN STATES POWER D/B/A XCEL
ENERGY**

The City Council of the City of Hopkins ordains:

Subdivision 1. Purpose. The Hopkins City Council has determined that it is in the best interest of the city to impose a franchise fee as authorized in Minnesota Statutes – section 216B.36 on those public utility companies that provide natural gas and electric services within the City of Hopkins.

- (a) Pursuant to City Ordinance No. 2007-984, a Franchise Agreement between the City of Hopkins and Northern States Power Company, a Minnesota corporation, dba Xcel Energy, its successors and assigns, the city has the right to impose a franchise fee on Northern States Power Company, a Minnesota corporation, dba Xcel Energy, its successors and assigns, in an amount and fee design as set forth in Section 9 of the Northern States Power Company Franchise and in Subdivision 9 of this Ordinance.

Subdivision 2. Franchise Fee Statement. A franchise fee is hereby imposed on Northern States Power Company, a Minnesota corporation, dba Xcel Energy, its successors and assigns, under the electric franchise in accordance with Subdivision 9, commencing with the Xcel Energy's January 2024 billing month.

Subdivision 3. Payment. The said franchise fee shall be payable to the city in accordance with the terms set forth in Section 9 of the Franchise and the terms of this Ordinance.

Subdivision 4. Surcharge. The city recognizes that the Minnesota Public Utilities Commission may allow Company to add a surcharge to customer rates to reimburse Company for the cost of the fee.

Subdivision 5. Record Support for Payment. Xcel Energy shall make each payment when due and, if requested by the city, shall provide at the time of each payment, a statement summarizing how the franchise fee payment was determined, including information showing any adjustments to the total surcharge billed in the period for which the payment is being made to account for any uncollectibles, refunds, or error corrections.

Subdivision 6. Enforcement. Any dispute, including enforcement of a default regarding this ordinance will be resolved in accordance with Section 2.5 of the Franchise Agreement.

Subdivision 7. Effective Date of Franchise Fee and Repeal of City Ordinance 2018-1135

The effective date of this ordinance shall be after its publication and ninety (90) days after the sending of written notice enclosing a copy of this adopted Ordinance to Xcel Energy by certified mail. Collection of the fee shall commence as provided above. Upon the effective date of this Ordinance, City Ordinance 2018-1135 shall be repealed and replaced by this Ordinance 2023-1199.

Subdivision 8. Termination of Ordinance

This ordinance and the franchise fee imposed by it shall remain in effect until December 31 2026, at which time they shall terminate and be of no further effect, except that the Company shall remain obligated after that date to pay the City all franchise fees due with respect to any period of time prior to December 31, 2026, and collected after that date

Subdivision 9. Fee Schedule.

| <u>Class</u> | <u>Percent (%) of Gross Revenue Per Account</u> |
|--------------------|---|
| Residential | 5.00% |
| Sm C & I – Non-Dem | 4.25% |
| Sm C & I – Demand | 4.25% |
| Large C & I | 4.25% |

The term “gross revenues” shall have the same meaning as in Section 9.2 of the Franchise.

Franchise fees are to be collected by the Utility in the amounts set forth in the above schedule and submitted to the city on a quarterly basis as follows: January-March collections due by April 30, April-June collections due by July 31, July-September collections due by October 31, and October-December collections due by January 31.

| | |
|------------------------------|--------------------|
| First Reading: | September 5, 2023 |
| Second Reading: | September 19, 2023 |
| Date of Publication: | September 28, 2023 |
| Date Ordinance Takes Effect: | January 1, 2024 |

Adopted this 19th day of September, 2023 by the Hopkins City Council.

Patrick Hanlon, Mayor

Attest:

Amy Domeier, City Clerk

**CITY OF HOPKINS
COUNTY OF HENNEPIN**

ORDINANCE 2023-1200

**AN ORDINANCE SETTING A FRANCHISE FEE ON NATURAL GAS OPERATIONS
WITHIN THE CITY OF HOPKINS – CENTERPOINT ENERGY RESOURCES
CORPORATION D/B/A CENTERPOINT ENERGY MINNESOTA GAS**

The City Council of the City of Hopkins ordains:

Subdivision 1. Purpose. The Hopkins City Council has determined that it is in the best interest of the city to impose a franchise fee as authorized in Minnesota Statutes section 216B.36 on those public utility companies that provide natural gas and electric services within the City of Hopkins.

- (a) Pursuant to City Ordinance No. 2002-879, a Franchise Agreement between the City of Hopkins and CenterPoint Energy Resources Corporation d/b/a CenterPoint Energy Minnesota Gas, its successors and assigns, the City has the right to impose a franchise fee on CenterPoint Energy in an amount and fee design as set forth in Section 7 of the CenterPoint Energy Franchise and in Subdivision 9 of this Ordinance.

Subdivision 2. Franchise Fee Statement. A franchise fee is hereby imposed on CenterPoint Energy Resources Corporation d/b/a CenterPoint Energy Minnesota Gas, its successors and assigns, under its gas franchise in accordance with Subdivision 9, commencing with CenterPoint Energy's January 2024 billing month.

Subdivision 3. Payment. The said franchise fee shall be payable to the city in accordance with the terms set forth in Section 7 of the Franchise and this Ordinance.

Subdivision 4. Surcharge. The city recognizes that the Minnesota Public Utilities Commission may allow Company to add a surcharge to customer rates of city residents to reimburse Company for the cost of the fee.

Subdivision 5. Record Support for Payment. CenterPoint Energy shall make each payment when due and, if requested by the city, shall provide at the time of each payment, a statement summarizing how the franchise fee payment was determined, including information showing any adjustments to the total surcharge billed in the period for which the payment is being made to account for any uncollectibles, refunds, or error corrections.

Subdivision 6. Enforcement. Any dispute, including enforcement of a default regarding this ordinance will be resolved in accordance with Section 2.6 the Franchise Agreement.

Subdivision 7. Effective Date of Franchise Fee and Repeal of City Ordinance 2018-1136
The effective date of this ordinance shall be after its publication and ninety (90) days after the sending of written notice enclosing a copy of this adopted Ordinance to CenterPoint Energy by certified mail. Upon the effective date of this Ordinance, City Ordinance 2018-1136 shall be

repealed and replaced by this Ordinance 2023-1200. Collection of the fee shall commence as provided above.

Subdivision 8. Termination of Ordinance

This ordinance and the franchise fee imposed by it shall remain in effect until December 31, 2028, at which time they shall terminate and be of no further effect, except that the Company shall remain obligated after that date to pay the City all franchise fees due with respect to any period of time prior to December 31, 2028, and collected after that date

Subdivision 9. Fee Schedule.

| <u>Class</u> | <u>Percent (%) of Gross Revenue Per Account</u> |
|-------------------------|---|
| Residential | 5.00% |
| Commercial A | 4.25% |
| Commercial/Industrial B | 4.25% |
| Commercial/Industrial C | 4.25% |
| Small Dual Fuel A | 4.25% |
| Small Dual Fuel B | 4.25% |
| Large Volume Dual Fuel | 4.25% |

The term “gross revenues” means all sums, excluding the surcharge to reimburse the cost of the franchise fee as described in Subdivision 4, received by the CenterPoint Energy from the sale of gas within the corporate limits of the City, subject to subsequent reconciliation for uncollectibles, refunds and correction of erroneous billings.

Franchise fees are to be collected by the CenterPoint Energy in the amounts set forth in the above schedule and submitted to the city on a quarterly basis as follows: January-March collections due by April 30, April-June collections due by July 31, July-September collections due by October 31, and October-December collections due by January 31.

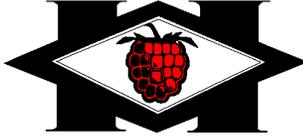
| | |
|------------------------------|--------------------|
| First Reading: | September 5, 2023 |
| Second Reading: | September 19, 2023 |
| Date of Publication: | September 28, 2023 |
| Date Ordinance Takes Effect: | January 1, 2024 |

Adopted this 19th day of September, 2023 by the Hopkins City Council.

Patrick Hanlon, Mayor

Attest:

Amy Domeier, City Clerk



CITY OF HOPKINS

City Council Report 2023-096

To: Honorable Mayor and Council Members
Mike Mornson, City Manager

From: Kersten Elverum, Director of Planning & Development

Date: September 19, 2023

Subject: Façade Improvement Program Amendment

RECOMMENDED ACTION

MOTION TO waive the minimum point criteria for the 2022/2023 Façade Improvement Program year and allocate an additional \$20,000 in Program funds.

OVERVIEW

Since 2015, approximately every other year, the City of Hopkins has offered a deferred loan program to help property owners make improvements to their downtown property. Under the program guidelines, owners can receive up to \$25,000 in matching funds toward façade improvements.

Last fall, the City once again offered the program to the downtown property owners and received ten applications. Working with a budget of \$100,000, the review committee ranked the projects against the program criteria, adjusted allocations to fit within the budget and awarded funds to six projects. The remaining four projects did not meet the minimum point threshold, a criterion of funding according to the program guidelines, due to lower points for overall impact of the proposed improvements.

Two, and possibly three, of the selected projects are not moving forward and the façade improvement funds have been declined. In order to utilize the remaining funds in the program and based on previous discussions with City Council, staff is recommending that the minimum point criteria be waived for this round of funding and up to an additional \$20,000 allocated to the program from the Economic Development Fund. This will allow the remaining four projects to receive program funds.

If approved, staff will reach out to the four additional program applicants to offer the matching funds to their projects, assuming all other program requirements can be met.

SUPPORTING INFORMATION

- Façade Improvement Guidelines



2022 City of Hopkins Façade Improvement Program Guidelines

PURPOSE

The City of Hopkins is offering a Façade Improvement Program for downtown businesses. The purpose of this program is to provide technical and financial assistance to commercial property and business owners within the core of Downtown Hopkins in order to upgrade and improve the facades and appearance of commercial/retail buildings. The goal of this program is to strengthen the vitality of Mainstreet by improving the pedestrian experience, increasing building transparency, preserving historically significant architecture, and beautifying buildings through façade revitalization efforts which will have a lasting impact on downtown Hopkins.

ELIGIBILITY

Businesses located on commercial properties in Downtown Hopkins between 7th Avenue and 13th Avenue and between 1st Street North and 1st Street South (see map below) are eligible.



All improvements must result in permanent, external building improvements that add to the goals listed in the section above.

Eligible Applicants/Projects

- The applicant must be the property owner or a commercial tenant with written permission from the property owner to make façade improvements to commercial or retail buildings
- There must be no delinquent bills, charges, or taxes due to the City
- Projects must be located in the designated area of eligibility
- All projects must result in permanent, external building improvements
- Property must have conforming uses under the zoning code
- All façade improvements must follow the requirements of the Hopkins Building Code, Hopkins Zoning Code, and the Façade Improvement Program

Eligible Improvements:

- Exterior painting or re-siding
- Restoration of exterior finishes and materials
- Masonry repairs and tuck pointing
- Removal of architecturally inappropriate or incompatible exterior finishes and materials
- Restoration of architectural details or removal of materials that cover architectural details
- Repair, replacement, or installation of windows and doors (replacements must be architecturally appropriate)
- Window and cornice flashing and repair
- Canopy or awning installation or repair
- Murals, subject to City approval of the design
- Installation or repair of exterior signage in conjunction with other eligible façade improvements
- Removal of barriers to access the building from outside for people with disabilities
- Exterior lighting

Ineligible Improvements/Activities include any improvements not listed in eligible improvements above, including, but not limited to, the following:

- Improvements in progress or completed prior to preliminary approval
- Routine maintenance that is not part of an eligible façade improvement project
- Signage only, without other eligible façade improvements
- Billboards
- Roofing
- Mechanicals and HVAC systems
- Interior work
- New construction
- Pylon, temporary, or roof signs
- Interior window displays
- Security systems (including metal roll down gates, window bars, cameras)
- Trash and mechanical enclosures
- Fencing
- Landscaping
- Improvements to parking areas
- Purchase of property

FORGIVABLE LOAN TERMS AND CONDITIONS

Commercial property owners, or business owners with the approval of the property owner, may apply for financial assistance of up to 50% of the cost of improvements, with the remainder paid by the applicant. Financial assistance awards shall be no less than \$5,000 and no greater than \$25,000. The minimum cost of the improvements must be at least \$10,000 (\$5,000 forgivable loan and \$5,000 applicant match). There is no maximum limit on project cost, although the forgivable loan is capped at \$25,000.

Example:

| Scenario | Total Project Cost | Forgivable Loan Amount | Applicant Pays |
|-----------------|---------------------------|-------------------------------|-----------------------|
| 1 | \$10,000 | \$5,000 | \$5,000 |
| 2 | \$50,000 | \$25,000 | \$25,000 |
| 3 | \$65,000 | \$25,000 | \$40,000 |

The Façade Improvement Program will be structured as a 10-year loan with no payments, with 10% of the original loan amount being forgiven each year for 10 years. If the building is sold before 10 years, the balance of the loan must be repaid by the property owner.

The final design of improvements is subject to the review and approval of the City of Hopkins. The City of Hopkins reserves the right to require all property owners to comply with city ordinances.

The City of Hopkins has the right to terminate any agreement under the Façade Improvement Program if a participant is found to be in violation of any conditions set forth in these guidelines. In addition, the following requirements apply:

- All work must be done in accordance with all local, state, and federal building codes, Hopkins Zoning Code, and the rules and regulations for the Façade Improvement Program
- Labor costs are only eligible through the program if the labor is done by a third party who has no financial interest in the building (i.e. the building owner may not receive funds for labor that he/she completed on the project)
- All construction must be completed in strict compliance with approved plans and applicable local, state, and federal rules and regulations.
- All work must be completed within 12 months from the date the forgivable loan is approved by the City and any applicable agreements, as required by the City, are executed.

GENERAL MAINTENANCE REQUIREMENTS

Approved projects may be subject to general maintenance requirements as needed, including:

- Painting of trim may be required if peeling, fading, and/or flaking conditions exist
- Staining of wood surfaces may be required if fading
- Tuck pointing may be required if loose mortar or brick exists
- Stucco repair may be required if cracked, falling, or discolored conditions exist
- Awning replacement or removal may be required if faded, torn, or otherwise in disrepair
- Windows should be in good repair, caulked, and sealed as necessary

These activities may be included in the total project costs.

DESIGN ASSISTANCE

Applicants with projects selected for the Façade Improvement Program are strongly encouraged to work with an architect to develop concept plans for the facade improvements. The City of Hopkins will pay up to \$2,000 for the preparation of façade concept plans if the applicant uses one of the

Hopkins architectural firms listed on page 6. This funding is outside of the forgivable loan maximum amount of \$25,000. Therefore, projects may receive a maximum total amount of \$27,000.

APPLYING FOR THE PROGRAM – Deadline October 31 at 4:30 p.m.

The following documents are required to be submitted to apply for the Façade Improvement Program:

1. Completed application form, including description of proposed improvements.
2. Proof of property ownership or lease.
3. Written consent from the property owner to make façade improvements if the applicant is a commercial tenant.
4. Clear and color electronic photos of the existing building façade.
5. Other supporting documentation deemed necessary by the City of Hopkins.

All applications and plans are subject to the review and approval by the City. Submitting an application and plans does not guarantee approval.

APPLICATION REVIEW

Due to the limited amount of funds for the Façade Improvement Program, all applications are subject to a competitive selection process. City staff will review applications and evaluate them based on the following criteria:

- **Impact to the vitality of downtown Hopkins (15 points)**
 - Project is pedestrian oriented and enhances the pedestrian experience by providing a design that is inviting and on a human scale
 - Project increases pedestrian traffic and activity
 - Project helps preserve the small-town, unique character of downtown
- **Impact to the aesthetic character of downtown Hopkins (15 points)**
 - Project preserves and enhances or complements the historically significant architecture of downtown
 - Project increases the curb appeal of the property
 - Project creates visual significance by improving highly visual elements of the building
- **Economic impact (5 points)**
 - Extent to which the project leverages private investment in the building
- **Readiness (5 points)**
 - Applicant has required matching funds and can start the project in a timely manner

Projects must score a minimum of 25 points to move forward in the selection process. Projects will be selected based on their point ranking and the availability of funding.

PROCESS

1. Complete application and submit all required materials to the City of Hopkins Planning and Economic Development staff by October 31, 2022 at 4:30 p.m.
2. If the project is selected, meet with City staff and a licensed design professional/architect to develop preliminary plans and a project budget for your façade improvements. The City of Hopkins will pay up to \$2,000 for the preparation of façade concept plans if the applicant uses one of the Hopkins architectural firms listed on page 6.
3. Once completed, review façade design concept with City staff and if staff approves then move into construction plans.
4. Work with an architect of your choice to prepare final design and construction plans of the project. These final plans will then be used to submit to the City for final review and approval and building permits. Depending on the extent of the proposed improvements, site plan approval may be required by the Hopkins Planning and Zoning Commission and City Council. The property or business owner is responsible for the cost of final design and preparation of construction documents. Fees for site plan review and building permits are also the responsibility of the property or business owner.
5. Enter into a forgivable loan agreement with the City. The City will require a promissory note and a mortgage that will be recorded against the property. The City will cover any costs associated with filing and title work. The funds from the agreed upon forgivable loan amount will be put into an escrow account, along with the property/business owner's 50% match, to be drawn down during construction. Any fees associated with the escrow account will be paid by the City. Construction may commence once any necessary permits are issued.
6. Payments from the escrow account will be made directly to vendors once the program requirements are met and after submittal of invoices to the City. Alternatively, payments may be reimbursed to the applicant after submittal of invoices and proof of payment.

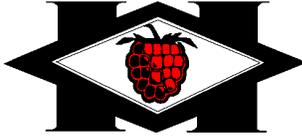
ARCHITECTURAL FIRMS IN HOPKINS

10K Architecture
525 15th Avenue South, #7826
Hopkins
952-594-3143
10karch.com

Brunton Architects
1040 6th Street South
Hopkins
507-386-7996
Bruntonarchitects.com

HTG Architects
1010 Mainstreet, Suite 100
Hopkins
952-278-8880
htg-architects.com

Wilkus Architects
15 9th Avenue North
Hopkins
952-941-8660
wilkusarch.com



CITY OF HOPKINS

**Fire Department
Administration**

Memorandum

To: Honorable Mayor and Council Members
Mike Mornson, City Manager

From: Dale Specken, Fire Chief
Ari Lenz, Assistant City Manager

Date: September 19, 2023

Subject: Fire Study Presentation

PURPOSE

The City's Fire Department Staffing Study consultants, Raftelis will present the results of the Fire Department Study.

INFORMATION

Using funds provided by ARPA, the City issued a Request for Proposals in Spring 2023 and selected Raftelis as our consultant. Over the last few months, Raftelis has reviewed the Hopkins Fire Department with the following goals:

- Evaluate the current staffing model and its ability to provide for projected higher service demand in future years;
- Evaluate several staffing scenarios including transitioning to a full-time department, a larger fire district, or outsourcing, and maintaining the current model or any other staffing model recommended by the consultants;
- Recommend an optimal staffing model for the fire department that effectively meets community expectations;
- Evaluate the financial impact of staffing changes, including any impact to apparatus or fleet, equipment, facilities, and capital demands.

The City hosted two public engagement sessions to get community input back in [June](#) and will host an additional [engagement open house on September 20th](#) to explain the results of the study to the public. Staff plans to have an open comment period for community members to provide feedback on the study. A tentative timeline for next steps is provided below.

A copy of the report is available on our [website](#) and the feedback form for community.

FUTURE ACTION

Tentative Timeline:

9/19 – Presentation & Council formally receives the report

9/20 - [Community Engagement Open House at Fire Hall](#)

9/21 – 10/15 Open comment online period for community

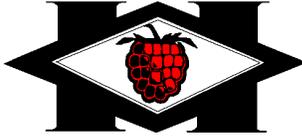
10/20 – Staff combines comments from Community and submits to Council and Department for review.

9/21 – 11/10 Council and Departments review and submit any comments or questions to staff

11/10 – 12/7 Staff puts together a tentative implementation plan

12/12 – Council reviews implementation plan and provides any comments/feedback

Q1 2024 – Implementation plan begins



Adminstration

CITY OF HOPKINS

City Council Report 2023-095

To: Honorable Mayor and Council Members
Mike Mornson, City Manager

From: PeggySue Imihy Bean, Special Projects and Initiatives Manager

Date: September 19, 2023

Subject: Adopt Organizational Equity Goals

RECOMMENDED ACTION

MOTION TO adopt equity goals as presented in the staff report.

OVERVIEW

In 2022, the City began working with Culture Brokers, LLC to develop an Equity Strategic Action Plan (ESAP), a highly detailed one-year strategy to define the strategic improvements and required resources (including staff time, funding and other necessary items) to make progress on the equity within the organization. As part of the ESAP two focus areas for improvement were selected – Financial Investment and Human Development.

The financial investment goal reads: “this organization has an annual budget for diversity and inclusion work that allows it to meet its goals.” To meet this goal, senior leadership within the organization has begun auditing where the City spends money on diversity, equity and inclusion work, and worked to identify three goal statement which broadly encompass the areas of focus and improvement for the organization.

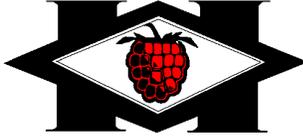
Tonight, staff seeks the Council’s feedback and approval of the three following goal statements:

- The City of Hopkins is reflective and inclusive of our diverse community in all roles across the organization.
- The City of Hopkins makes decisions informed by equitable and authentic community engagement, genuine partnerships and relationships with the community.
- The City of Hopkins is committed to equity, diversity, and inclusion in the development and evaluation of services and programs.

Following the adoption of these goals, staff will work to refine the proposed equity budget for 2024 and bring that back to the City Council as part of the 2024 final budget.

SUPPORTING INFORMATION

- [Equity Strategic Action Plan](#)



Finance Department

CITY OF HOPKINS

Memorandum

To: Honorable Mayor and Council Members
Mike Mornson, City Manager

From: Nick Bishop, Finance Director

Date: September 19, 2023

Subject: Approve Proposed 2024 Levy, Proposed 2024 General Fund Budget and Set Budget Meeting Date

RECOMMENDED ACTION

MOTION TO Approve Resolution 2023-030 approving proposed 2024 Tax Levy, Setting Debt Service Levels at Levels Under Those Required in the Bond Documents, Approving the Proposed 2024 Budget and Setting the Budget Meeting Date

OVERVIEW

The City is required to certify a proposed tax levy and submit to Hennepin County by September 30th. This will be the maximum levy for 2024 and can only be reduced. The certified levy amount is also used for truth in taxation notices.

The City must hold a public hearing on the budget between November 25th and December 28th. The proposed date of Monday, December 4th would allow time to consider comments heard at the public hearing before passing the a final tax levy and budget. The date does not conflict with public hearings of Hopkins School District or Hennepin County.

SUPPORTING INFORMATION

- Overview of Preliminary Tax Levy and General Fund Budget
- 2024 Preliminary General Fund Budget
- 2024 Tax Levy Summary
- Resolution 2023-030

Overview of Preliminary Tax Levy and General Fund Budget

2024 General Fund Budget

Staff has worked to put together a 2024 General Fund Budget that meets the needs of the community and maintains service levels. The 2024 General Fund Budget being presented includes the following additions:

- Increased I.T. costs for Police needs - \$165,000
 - Estimated annual subscription/service fees for a new Record Management System
 - Enhanced security measures mandated by the Bureau of Criminal Apprehension
- Diversity, Equity & Inclusion (DEI) - \$100,000
 - Allocation to meet Financial Investment and Human Capital goals to be developed through the Equity Strategic Action Plan (ESAP)
 - Information on the City's ongoing DEI work and ESAP is here: <https://www.hopkinsmn.com/581/Race-Equity>
- Maintenance Worker for Forestry/Parks Division - \$60,000
 - The start date would be delayed until 5/1/2024
- Transfer to Depot/ACE Program - \$40,000 increase, 60,000 total
 - The preliminary budget for the Depot Fund includes a \$60,000 contribution from the City of Minnetonka, \$50,000 from Hopkins Schools and \$19,500 from Three Rivers Park District.

The draft budget presented on July 18th included amounts for sustainability initiatives and an Assistant Fire Chief position. Both items are still funded in 2024 and will be paid out of separate funds.

On September 5th, City Council approved the first readings for two ordinances increasing gas and electric franchise fees. The ordinances would increase fees collected by the City. The 2024 General Fund Revenue budget adds \$50,000 of previously unallocated franchise fees to help offset the tax levy.

The General Fund budget will decrease its fund balance by \$400,000. Revenues are set at \$18,021,803, a \$833,363 or 4.85% increase from 2023. Expenditures are set at \$18,421,803, a \$1,233,363 or 7.18% increase from 2023. The tax levy to support this budget is \$14,426,326 a \$490,545 or 3.52% increase from 2023.

Capital Levy

There will be no capital levy in 2024. The capital improvement fund will use a \$427,650 transfer related to a 2021 General Fund surplus to fund projects in 2024. Projects include Activity Center Flooring, Building Automation Systems at City Hall, Police and Fire stations, HVAC at Fire Station and roof replacement in the parking ramp.

Arts Center Levy

The Arts Center Levy will be set at \$345,000, a reduction of \$31,467. The Arts Center has made significant progress on eliminating the deficit owed to the General Fund through cost savings and ARPA funding. It would continue to work towards that goal in 2024, but at a reduced rate.

Pavilion Levy

The Pavilion Levy will be set at \$440,000 in 2024. The majority of the levy (\$340,000) will provide for debt service payments related to the 2018 remodel project. The remaining amounts will be used for the replacements of a water heater, entrance doors and flooring.

Equipment Replacement Levy

The equipment levy will be set at \$360,000 and rely on reserves to fund purchases in 2024. The projected fund balance at the end of 2024 is \$743,627, a \$369,641 decrease.

Permanent Improvement Levy

There will be no permanent improvement levy in 2024. This levy has been used to fund street lighting upgrades and was proposed as a source to repair or replace fencing along Excelsior Blvd. These projects will be deferred.

Burnes Park Debt Service Levy

The 2017 project was funded through the issuance of general obligation bonds over a 15-year period with the final payment occurring in 2033. Debt service payments have been paid with both tax levy and park franchise fees. The preliminary levy uses \$53,859 of park franchise fees for this purpose and reduces the debt levy by the same amount.

2024 Tax Levy

The 2024 Tax Levy has been prepared based on debt service needs, preliminary ERP/CIP documents and initial budgets for special revenue funds. The total tax levy is \$19,678,939, this is a \$912,715 or 4.86% increase from 2023. Based on preliminary tax capacity information, city taxes on a median value home (\$369,300) would be \$2,187, which is a \$1 or 0.1% decrease from 2023.

**City of Hopkins
General Fund Revenue Budget
For the Year Ending December 31, 2024**

Preliminary
September 19, 2023

| Department | 2023 Budget | 2024 Budget | % Increase (Decrease) |
|--|-------------------|-------------------|--------------------------|
| Property Taxes | 14,020,781 | 14,511,326 | 3.50% |
| Intergovernmental Revenue | | | |
| Local Government Aid | 925,794 | 1,081,012 | |
| Intergovernmental Revenue - Other | 705,000 | 797,000 | |
| Total Intergovernmental Revenue | 1,630,794 | 1,878,012 | 15.16% |
| Licenses, Permits & Fines | | | |
| Court Fines & Penalties | 176,000 | 176,000 | |
| Building Permits & Inspections | 557,000 | 563,000 | |
| Inspection Fines & Citations | 3,000 | 3,000 | |
| City Clerk - Business Licenses | 8,000 | 8,900 | |
| PD - Liquor, Animal Licenses & Penalties | 101,800 | 101,800 | |
| Fire - Licenses & Permits | 4,000 | 4,000 | |
| Public Works - Licenses & Permits | 19,415 | 19,615 | |
| Planning & Zoning - Licenses & Permits | 1,000 | 2,000 | |
| Total Licenses, Permits & Fines | 870,215 | 878,315 | 0.93% |
| Charges for Service | | | |
| Finance Department | 5,500 | 5,500 | |
| Assessing | 3,000 | 3,000 | |
| Inspections | 175,450 | 175,450 | |
| Police | 35,000 | 35,000 | |
| Fire | 10,500 | 10,500 | |
| Public Works | 3,150 | 3,150 | |
| Activity Center | 94,300 | 118,500 | |
| Total Charges for Service | 326,900 | 351,100 | 7.40% |
| Miscellaneous Revenue | | | |
| Franchise Fees | 296,200 | 346,200 | |
| Miscellaneous | 20,250 | 25,250 | |
| Finance Department | 3,000 | 3,000 | |
| Police | 500 | 500 | |
| Fire | 3,500 | 3,500 | |
| Public Works | 5,300 | 10,600 | |
| Activity Center | 11,000 | 14,000 | |
| Total Miscellaneous | 339,750 | 403,050 | 18.63% |
| Total Revenues | 17,188,440 | 18,021,803 | 4.85% |

**City of Hopkins
General Fund Expenditure Budget
For the Year Ending December 31, 2024**

**Preliminary
September 19, 2023**

| Department | 2023 Budget | 2024 Budget | % Increase (Decrease) |
|-------------------------------|--------------------|--------------------|----------------------------------|
| City Council | 105,851 | 133,032 | 25.68% |
| Administrative Services | 502,931 | 564,399 | 12.22% |
| Information Technology | 483,570 | 650,365 | 34.49% |
| Diversity, Equity & Inclusion | 33,530 | 133,530 | 298.24% |
| Finance | 744,883 | 724,979 | -2.67% |
| Legal | 225,000 | 250,000 | 11.11% |
| Municipal Building | 380,832 | 416,207 | 9.29% |
| City Clerk | 245,466 | 322,770 | 31.49% |
| Inspections | 1,062,119 | 1,173,086 | 10.45% |
| Police | 6,958,766 | 7,129,993 | 2.46% |
| Fire | 1,633,390 | 1,709,791 | 4.68% |
| Public Works | 3,632,027 | 3,899,510 | 7.36% |
| Recreation | 306,993 | 276,441 | -9.95% |
| Activity Center | 486,192 | 554,995 | 14.15% |
| Planning & Zoning | 170,842 | 224,193 | 31.23% |
| Community Development | 126,848 | 129,312 | 1.94% |
| Tuition Reimbursement | 19,200 | 19,200 | 0.00% |
| Contingency | 50,000 | 50,000 | 0.00% |
| Transfer to Depot/ACE Program | 20,000 | 60,000 | 200.00% |
| Total Expenditures | 17,188,440 | 18,421,803 | 7.18% |

**City of Hopkins
Tax Levy
For the Year Ending December 31, 2024**

**Preliminary
September 19, 2023**

| Purpose | Actual FY2023 | Proposed FY2024 | % Increase (Decrease) |
|--------------------------|--------------------------|----------------------------|----------------------------------|
| General Operations | | | |
| General Fund | 13,935,781 | 14,426,326 | 3.52% |
| Capital Levy | - | - | 0.00% |
| Arts Center | 347,697 | 345,000 | -0.78% |
| Pavilion Fund | 340,000 | 440,000 | 29.41% |
| Equipment Replacement | 250,000 | 360,000 | 100.00% |
| Permanent Improvement | - | - | 0.00% |
| Total General Operations | 14,873,478 | 15,571,326 | 4.69% |
| Debt Levy | 3,892,746 | 4,107,613 | 5.52% |
| Total Levy | 18,766,224 | 19,678,939 | 4.86% |

**CITY OF HOPKINS
HENNEPIN COUNTY, MINNESOTA**

RESOLUTION 2023-030

**APPROVING THE PROPOSED 2024 TAX LEVY, SETTING DEBT SERVICE
LEVELS AT LEVELS UNDER THOSE REQUIRED IN THE BOND
DOCUMENTS, APPROVING THE PROPOSED 2024 BUDGET,
AND SETTING THE BUDGET MEETING DATE**

NOW THEREFORE BE IT RESOLVED, that the City Council of the City of Hopkins hereby approves the following sums be levied for 2024 upon the taxable property in the City of Hopkins, for the following purposes:

General Levy

| | |
|---------|--------------|
| General | \$15,571,326 |
|---------|--------------|

Special Levies

Debt Levies

| | |
|--------------------------------------|---------|
| 2014A GO Bonds | 97,000 |
| 2015A GO Street Reconstruction Bonds | 250,000 |
| 2015B GO Tax Abatement Bonds | 125,000 |
| 2016A GO Improvement Bonds | 100,000 |
| 2016B GO Tax Abatement Bonds | 36,781 |
| 2016C GO Bonds | 200,000 |
| 2017A GO Street Reconstruction Bonds | 915,000 |
| 2017B GO Tax Abatement Bonds | 102,061 |
| 2018A GO Equipment Certificates | 79,487 |
| 2018A GO Improvement Bonds | 450,000 |
| 2019A GO Bonds | 375,000 |
| 2019B GO Refunding Bonds | 115,300 |
| 2020A GO Bonds | 193,125 |
| 2020B GO Refunding Bonds | 308,114 |
| 2021A GO Bonds | 208,662 |
| 2022A GO Bonds | 325,072 |
| 2023A GP Temporary Bonds | 228,011 |

| | |
|-------------------------|--------------------|
| Subtotal Special Levies | <u>\$4,107,613</u> |
|-------------------------|--------------------|

| | |
|------------|----------------------------|
| Total Levy | <u>\$19,678,939</u> |
|------------|----------------------------|

That based upon staff analysis of special assessments currently levied for Permanent Improvement Bonds, alternative revenue sources for the Capital Improvement Bonds and Equipment Certificates, and available reserves within all debt service funds listed

below, that the debt service levies for 2024 for the following issues be levied at amounts less than provided by the bond covenants.

Bond Issue

| | |
|---|-----------|
| \$1,895,000 GO Bonds of 2014A | \$ 97,000 |
| \$4,100,000 GO Street Reconstruction Bonds of 2015A | \$250,000 |
| \$4,335,000 GO Improvement Bonds of 2016A | \$100,000 |
| \$1,875,000 GO Bonds of 2016C | \$200,000 |
| \$11,795,000 Street Reconstruction Bonds of 2017A | \$915,000 |
| \$3,170,000 GO Tax Abatement Bonds of 2017B | \$102,061 |
| \$6,715,000 GO Improvement Bonds of 2018A | \$ 79,487 |
| \$3,285,000 GO Tax Abatement Bonds of 2018B | \$ 0 |
| \$12,185,000 GO Bonds of 2019A | \$375,000 |
| \$2,015,000 GO Refunding Bonds of 2019B | \$115,000 |

That the Proposed 2024 General Fund Budget be set at \$18,421,803

That the budget meeting to discuss the 2024 budget and tax levy be set for December 4, 2023 at 6:30 PM in the City Council Chambers.

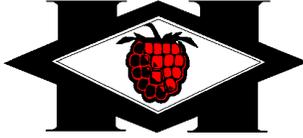
BE IT FURTHER RESOLVED that the City Clerk is hereby ordered and directed to transmit a certified copy of this resolution to the County Auditor of Hennepin County, Minnesota

Adopted by the City Council of the City of Hopkins this 19th day of September, 2023.

By: _____
Patrick Hanlon, Mayor

ATTEST:

Amy Domeier, City Clerk



CITY OF HOPKINS

City Council Report 2023-099

To: Honorable Mayor and Council Members
Mike Mornson, City Manager

From: Nick Bishop, Finance Director

Date: September 19, 2023

Subject: Approve Proposed 2024 HRA/EDA Tax Levy

RECOMMENDED ACTION

MOTION TO Approve Resolution 2023-031 Approving the Proposed 2024 HRA/EDA Tax Levy

OVERVIEW

The City is required to certify a proposed HRA/EDA tax levy and submit it to Hennepin County by September 30th. There are levy limits based on 0.1850% of the City’s estimated market value. The market value used for the 2024 levy is \$2,682,722,500, resulting in a maximum tax levy of \$497,414 which would be an increase of \$45,883 or 10.16% from 2023. The HRA/EDA Levy was set a the maximum allowed in 2023 and lesser amount in 2021-2022.

| Tax Year | Maximum Allowable Levy | HRA/EDA Levy | \$ Increase | % Increase |
|---------------|------------------------|--------------|-------------|------------|
| 2019 | 350,154 | 350,154 | 21,137 | 6.81% |
| 2020 | 367,951 | 367,951 | 17,797 | 5.08% |
| 2021 | 407,727 | 378,070 | 10,119 | 2.75% |
| 2022 | 434,750 | 391,302 | 13,232 | 3.50% |
| 2023 | 451,531 | 451,531 | 60,229 | 15.39% |
| 2024-Proposed | 497,414 | 473,476 | 21,945 | 4.86% |

The HRA/EDA Levy is the main revenue source for the City’s Economic Development Fund and plays an important role in the City’s continued efforts for redevelopment. The fund also supports Artstreet, the Arts Center, the Façade Improvement program and marketing efforts. The HRA/EDA levy is a separate levy and appears on tax statements under Other Taxing Districts.

Staff is recommending that City Council set the levy at \$473,476, which is less than is allowed based on levy limits. This is an increase of \$21,495 or 4.86%. The percentage increase matches the proposed increase to the City of Hopkins Levy.

SUPPORTING INFORMATION

- Resolution 2023-031

**CITY OF HOPKINS
HENNEPIN COUNTY, MINNESOTA**

RESOLUTION 2023-031

**RESOLUTION APPROVING THE PROPOSED
2024 HRA/EDA TAX LEVY**

NOW THEREFORE BE IT RESOLVED, that the City Council of the City of Hopkins hereby approves that the following sum be levied for 2024 upon the taxable property in the City of Hopkins, for the following purposes.

HRA/EDA Levy

Housing & Redevelopment Authority Levy

\$473,476

That the levy is less than the maximum allowable based on 0.01850% of market value as allowed by law for the City's Economic Development purposes.

BE FURTHER RESOLVED that the City Clerk is hereby ordered and directed to transmit a certified copy of this resolution to the County Auditor of Hennepin County, Minnesota.

Adopted by the City Council of the City of Hopkins this 19th day of September, 2023.

By: _____
Patrick Hanlon, Mayor

ATTEST:

Amy Domeier, City Clerk