

**HOPKINS CITY COUNCIL
REGULAR MEETING PROCEEDINGS
SEPTEMBER 6, 2022**

CALL TO ORDER

Pursuant to due call and notice thereof a regular meeting of the Hopkins City Council was held on Tuesday, September 6, 2022 at 7:11 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 participated via interactive technology pursuant to Minn. Stat. Section 133.02. Others attending included City Manager Mornson, Assistant City Manager Lenz, Management Analyst Imihy Bean, Director of Planning and Development Elverum, City Planner Krzos, Community Development Coordinator Youngquist, Finance Director Bishop and City Attorney Riggs.

ADOPT AGENDA

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

Motion to Adopt the Agenda.

Ayes: Balan, Beck, Garrido, Hanlon, Hunke

Nays: None. Motion carried.

CONSENT AGENDA

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

Motion to Approve the Consent Agenda.

1. Minutes of the August 16, 2022 City Council Meeting Proceedings
2. Extension of On-Sale Liquor License for LTD Brewing LLC DBA LTD Brewing Co.; Domeier
3. Ratify Checks Issued in August 2022; Bishop
4. Approval of Sub-Grant Agreement between the City of Hopkins and TF Hopkins LLC for a DEED Contamination and Cleanup Grant for Blake Road Station Site B, Youngquist
5. Approval of Temporary On-Sale Liquor License for St. Gabriel the Archangel Catholic Church; Domeier

Ayes: Balan, Beck, Garrido, Hanlon, Hunke

Nays: None. Motion carried.

NEW BUSINESS

VII.1.Ovation Apartments (Former Hopkins Cinema 6) Rezoning and PUD Agreement; Krzos

City Planner Krzos summarized Council Report 2022-075. Enclave Companies has proposed redevelopment of the former Mann Theater located along Mainstreet between 11th Avenue and 12th Avenue South. The applicant's plans call for a 4-story, 150-unit mixed use building with approximately 5,382 square feet of commercial space. The first reading of the ordinance rezoning the site was held on August 1, 2022.

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Councilmember Hunke called out the pedestrian connection as a great asset of the project and outcome of the PUD amendment in addition to the public art included in the project. Noted that it is important these are iconic images and hopes the developer ensures the Mayor Hanlon inquired about the preservation of the marquee and asked the developer to discuss this item. Brian Bochmann of Enclave Companies discussed efforts to recreate the existing signage within the new sign as well as repurposing it. He also discussed creative options for the mural and sculpture elements and ways that the building could pay homage to the previous use of the building. Mayor Hanlon inquired about conversations with Hopkins Community Cinema. Mr. Bochmann shared that they are meeting with this group along with the Hopkins Center for the Arts.

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

Motion to adopt Resolution 2022-053 approving the second reading of Ordinance 2022-1183 rezoning the property at 1118 Mainstreet (PID 24-117-22-34-0249) from B-2, Central Business District to B-2, Central Business District with a Planned Unit Development.

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

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

Motion to adopt Resolution 2022-057 approving the Hopkins Apartments Planned Unit Development (PUD) Agreement and authorizing the Mayor and City Manager to enter into this agreement, subject to any modification approved by the City Attorney.

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

VII.2. Ovation Apartments (Former Hopkins Cinema 6) Parking Agreement; Elverum Director of Planning and Development Elverum summarized Council Report 2022-082. Enclave Companies has proposed a redevelopment of the former Cinema 6 property into a retail and apartment development, Ovation Apartments. In order to meet the additional parking demand that cannot be met on site due to cost and design factors, the developer has requested to use the municipal parking ramp for overnight residential parking.

Councilmember Beck noted his disapproval of the commitment of city assets to a development project but does like the project overall. Mayor Hanlon offered that the three percent increase was not enough given current inflation and wondered if that could be tied to annual inflation. Brian Bochmann stated that three percent was standard for commercial leases. Director Elverum expressed that tying the increase to cost of living appeared fair. Assistant City Manager Lenz noted that three percent was high compared to annual CPI and recommended that four percent was recommended over five percent.

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Councilmember Balan and Councilmember Hunke also voiced support for four percent over three percent

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

Motion to approve the Parking Agreement between the City of Hopkins and Ovation Apartments with the change to a four percent annual increase.

Ayes: Balan, Garrido, Hanlon, Hunke
Nays: Beck. **Motion carried.**

VII.3. Resolution Approving Proposed 2023 Levy, Proposed 2023 General Fund Bund Budget and Set Budget Meeting Date; Bishop

Finance Director Bishop summarized Council Report 2022-079. The City is required to certify a proposed tax levy and submit to Hennepin County by September 30th. Approval could happen on September 6th or 20st. This will be the maximum levy for 2023 and can only be reduced. The certified levy amount is also used for truth in taxation notices.

Mayor Hanlon asked staff to provide an estimated savings created from the street lighting project as well as clarification around the originally proposed tax levy. Member Balan asked if this was a direct increase from 2022 or if inflation was included in the amount. Director Bishop noted this is a direct increase which takes into account inflation. Mayor Hanlon noted that due to home value increases in 2023, the average increase is approximately nine percent. Mayor Hanlon also asked at residents be made aware of the originally proposed tax levy in City Communications. Mayor Hanlon also inquired about the breakdown of taxes paid by property type. Director Bishop responded that he does have information about tax capacity that he could share with the Council.

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

Motion to Approve Resolution 2022-056 approving proposed 2023 tax levy, debt service levies at levels under those required in bond covenants, proposed general fund budget, and setting budget meeting dates.

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

VII.4. Resolution Approving Proposed 2023 HRA/EDA Tax Levy; Bishop

Finance Director Bishop summarized Council Report 2022-078. The City is required to certify a proposed HRA/EDA tax levy and submit it to the county by September 30th. There are levy limits based on 0.01850% of the City's estimated market value. The market value used for the 2023 Levy is \$2,440,709,800, resulting in a maximum tax levy of \$451,531 which would be an increase of \$60,229 or 15.39% from 2022. The HRA/EDA Levy was set at the maximum allowed in 2018-2020 and lesser amounts in 2021-2022.

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Councilmember Beck ask how much of an increase this would be for the average home, which Director Bishop responded was approximately seven dollars. Councilmember Hunke voiced his support for the items funded by this levy.

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

Motion to Approve Resolution 2022-055 Approving a proposed 2023 HRA/EDA tax levy.

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

VII.5. Adoption of the 2023-2027 Equipment Replacement Plan (ERP); Bishop

Finance Director Bishop summarized Council Report 2022-082. The equipment replacement plan is a detailed summary of the next five years projected equipment purchases. Approval of the 2023-2027 ERP allows staff to begin preparation for their purchases.

Councilmember Beck inquired if funding allocated for the police was due to radio needs related to the Hennepin County system as well as if Director Bishop could speak to the need for the record management system. Director Bishop noted that there will be a need to upgrade radio systems but timing for this was unclear and that need for a record system upgrade was due to the age and limitations of the current system. Mayor Hanlon asked about the availability of ARPA funds to pay for items included in the equipment replacement plan. Manager Mornson noted that an update on ARPA funds would be forthcoming.

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

Motion to Adopt the 2023-2027 Equipment Replacement Plan.

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

VII.6. Adoption of the 2023-2027 Capital Improvement Plan (CIP); Bishop

Finance Director Bishop summarized Council Report 2022-083. The Capital Improvements Plan is a planning document intended to help the City anticipate major capital items and to consider the financial impact of proceeding with those planned improvements.

Mayor Hanlon inquired if Staff has looked into rebates or funds available from the IRA act to lower costs on the HVAC system at the fire station. Director Bishop offered that he would need to ask other staff.

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

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Motion to Adopt the 2023-2027 Capital Improvement Plan.

Ayes: Balan, Beck, Garrido, Hanlon, Hunke

Nays: None. Motion carried.

ANNOUNCEMENTS

Mayor Hanlon provided the upcoming meeting schedule as well as several upcoming community events.

ADJOURNMENT

There being no further business to come before the City Council and upon a motion by Hunke, second by Garrido, the meeting was unanimously adjourned at 8:08 p.m.

Respectfully Submitted,
PeggySue Imihy Bean, Management Analyst

ATTEST:



Patrick Hanlon, Mayor



Amy Domeier, City Clerk