

**HOPKINS CITY COUNCIL
REGULAR MEETING PROCEEDINGS
DECEMBER 3, 2019**

CALL TO ORDER/PLEDGE OF ALLEGIANCE

Pursuant to due call and notice thereof a regular meeting of the Hopkins City Council was held on Tuesday, December 3, 2019 at 7:02 p.m. in the Council Chambers at City Hall, 1010 First Street South, Hopkins.

Mayor Gadd called the meeting to order followed by the Pledge of Allegiance with Council Members Brausen, Kuznia, Halverson and Hunke attending. Staff present included City Manager Mornson, Finance Director Bishop, City Clerk Domeier, Director of Planning and Development Elverum, Police Chief Johnson, Assistant City Manager Lenz, City Planner Lindahl, City Attorney Riggs, Fire Chief Specken, Public Works Director Stadler and Community Development Coordinator Youngquist.

PRESENTATIONS

III.1. 2019 Hopkins Community Image Awards

Director of Planning and Development Elverum recognized the 2019 Hopkins Community Image Award winners and thanked the staff and judges. Mayor Gadd presented the awards to the winners and thanked them for their commitment to improving Hopkins and reinvestment in the community.

Commercial/Industrial/Office winners:

- Hopkins Professional Building, 29-9th Avenue North
- Hopkins Carpet One & Hopkins Center Drug, 907-913 Hopkins Center

Residential winner:

- Michael & Kimberly Falk, 245-9th Avenue North

III.2. Recognition of Dale Specken – Fire Chief of the Year Award

City Manager Mornson recognized Chief Specken as Fire Chief of the Year award winner. City Manager Mornson commented on the importance of recognizing the accomplishments of staff and improvement projects in the City of Hopkins. Fire Chief Specken thanked the City Council, City staff, members of the Hopkins Fire Department and his family for their support of the fire department throughout his fire service career. On behalf of the City Council, Mayor Gadd congratulated Fire Chief Specken.

CONSENT AGENDA

Motion by Brausen. **Second** by Kuznia.

Motion to Approve the Consent Agenda.

1. Minutes of the November 18, 2019 City Council Regular Meeting Proceedings
2. Minutes of the November 18, 2019 City Council Work Session following Regular Meeting Proceedings
3. Ratify Checks Issued in November 2019
4. Adopt Resolution 2019-05 – Approving Execution of a Hennepin County Healthy Tree Canopy Grant Agreement

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Mayor Gadd commented on Consent Agenda item 4, thanking Public Works Department staff, Superintendent Parks & Streets Strachota and Public Works Director Stadler on acquiring a grant to lessen the City's tree impact from the emerald ash borer.

Ayes: Brausen, Kuznia, Gadd, Halverson, Hunke.

Nays: None. Motion carried.

OLD BUSINESS

VI.1. Beacon Interfaith Housing Apartment Building (Vista44) Rezoning & Planned Unit Development (PUD) and Site Plan Review

Mayor Gadd commented that the Beacon project has been discussed at previous City Council meetings and Work Sessions. The Council has heard and appreciates all the community feedback from the many viewpoints.

City Planner Lindahl gave an overview of the staff report discussing the Beacon multiple family apartment building rezoning and site plan. Mr. Lindahl discussed the rezoning application commenting that the approval process requires a 4/5 City Council vote. Mr. Lindahl discussed the site plan and gave an overview of the minor changes. Mr. Lindahl gave an overview of the project history and commented that the additional public comments received are noted in the City Council Packet. Mr. Lindahl reviewed the questions that the Council wanted to further review and discuss.

Director of Planning and Development Elverum gave a presentation on affordable housing in Hopkins. Ms. Elverum gave an overview of the 438 units of legally binding affordable housing and how it is distributed throughout the community. Ms. Elverum discussed the Metropolitan Council's overall housing score and goals of additional affordable housing units for Hopkins. Ms. Elverum commented on market value increases and the factors putting pressure on the affordable housing market. Staff and Council have heard the comments regarding the need for senior housing in Hopkins and are interested in continuing the conversation. Ms. Elverum commented that the City does not have control of the property of the proposed Beacon project. The Council thanked staff for presenting the information to the community on affordable housing.

Representatives present for the item were Kevin Walker, Beacon Interfaith Housing Collaborative Vice President of Housing and Shelter and Chris Dettling, Beacon Interfaith Housing Collaborative Director of Housing Development. Mr. Walker discussed the Vista 44 land use application commenting that the proposed development meets a need in Hopkins and is an important community asset. Beacon is committed to being good neighbors and landlords and the application reflects best practices and responsive design. Beacon is requesting that the City Council approve the application.

Council Member Brausen asked about the Coordinated Entry process, background checks and tenant services. Mr. Walker gave an overview of the Coordinated Entry process administered by Hennepin County and application criteria. Beacon is looking for other funding sources in order to set aside units to be responsive to the needs of

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Hopkins families. Mr. Walker discussed the criteria for occupancy commenting that Level 3 sex offenders would not be accepted. The Beacon property would be a supportive housing specialist but services are not mandated as condition of occupancy. Council Member Halverson asked about staffing. Mr. Walker commented that staff including case managers would be available on a daily basis and staff would be parking onsite. Mayor Gadd asked about an exit strategy for the residents. Mr. Walker commented that the property would be considered permanent supportive housing and discussed possible reasons why families move on to other housing options. Council Member Brausen asked about the leases and drug free addendum. Mr. Walker discussed applicant criteria and reasons for eviction.

Mayor Gadd reviewed the procedure for public comment.

William Anderson, 102 Wayside Road W, spoke about concerns of the City's financial debt and how the property could affect Hopkins taxpayers. Mr. Anderson commented on the high percentage of affordable and rental housing in Hopkins, concerns of drug and alcohol use, parking and setting new standards with the variance.

Michael Beasley, 128-7th Avenue South, spoke in support of Vista 44 asking the Council to approve the application.

Jane Erickson, 38-15th Avenue North, spoke about concerns of the City's debt, need for more affordable senior housing and that the Beacon project does not fit the area.

Greg Sicheneder, 4809 Woodhill Road, Minnetonka, as a member of Saint Gabriel's Catholic Church supports Vista 44 and the mission of the church to provide supportive family housing.

Cheryl Youakim, 129-7th Avenue North, spoke in favor of Vista 44 and the importance of stable family housing. Ms. Youakim asked that the City Council approve the application.

Charlie Flynn, 374 Althea Lane, supports Vista 44 commenting that the land use zoning change was recommended by city staff and the Planning and Zoning Commission. Mr. Flynn commented that Beacon staff has been responsive to requests and concerns and is asking the Council to approve the application.

Scott Searl, Shepherd of the Hills Lutheran Church, 500 Blake Road S, Edina, commented that the faith community supports Vista 44.

John Nelson, Gethsemane Lutheran Church, 715 Minnetonka Mills Road, in addition to members from the faith community support Vista 44.

Jay Rudi, 600 Hopkins Crossroad, Minnetonka

Oby Ballinger, Edina Morningside Church, 4201 Morningside Road, Edina

Rev. Cindy Hillger, St. Martins by the Lake Episcopal, Minnetonka

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Tarrah Palm, ResourceWest, 1011 1st Street South, spoke in support of Vista 44.

Mark Muenchow, 1117-1st Street South, discussed concerns and spoke in opposition to the project.

Allan Johnson, 32-11th Avenue South, spoke in support of stable family housing and the Vista 44 project.

Betty Fenton, 426 Hollyhock Lane, spoke about concerns of the City budget, debt, levy and that projects need to contribute to the tax base.

Don Roesner, 618 W Park Valley Drive, commented that the project is not asking for City funding.

Pam Knolls, 241-9th Avenue North, discussed concerns about the project and spoke in opposition of Vista 44.

Greg Zoidis, 201 Homedale Road, spoke in support Vista 44, asking the City Council to support the project.

Jim Shirley, 32-11th Avenue South #201, spoke in opposition of Vista 44 discussing concerns regarding the project setback and changes in zoning.

Gary McGlennon, 32-11th Avenue South, #111, spoke in opposition of Vista discussing parking concerns, building size and neighborhood opposition.

Tom Quinn, 310-12th Avenue North, discussed concerns of the tax burden.

Judy Worrell, 148 Interlachen Road, discussed the projects impact on resources and finances to the community and school system commenting a plan is needed to address future ramifications and needs of the project.

John Stepanek, 238-15th Avenue North, spoke about the need for affordable housing for seniors and concerns of tax impacts on residents.

Mayor Gadd commented that the zoning request to Mixed Use is in line with the 2040 Comprehensive Plan. Council Member Brausen asked how the Hopkins School District would handle the different needs. Mr. Walker commented that the services Beacon provides would compliment the services already provided by the Hopkins School District. Mayor Gadd commented that the support services would reduce impacts on students. Mr. Walker discussed the benefits of the supportive housing concept. Mr. Lindahl commented that City departments have had an opportunity to weigh in on the potential impacts to the City. Council Member Kuznia asked about the drug use policy and exit strategy. Mr. Walker commented that the drug free addendum and applicant criteria are important for the health and safety of the residents. Mr. Walker discussed

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the outcomes of the housing support program. Council Member Hunke discussed the community concern about street lighting and commented that the rezoning would be consistent with the 2040 Comprehensive Plan. Mr. Stadler discussed the street light requirements.

Motion by Hunke. **Second** by Kuznia.

Motion to Adopt Resolution 2019-089 approving the first reading of Ordinance 2019-1144 rezoning the subject from R-5 High Density Multiple Family to Mixed Use with a planned unit development, subject to conditions.

Council Member Kuznia discussed the difficult decision but hopes the community would support the project. Council Member Kuznia commented that the City cannot control whom the church sells the property to and that the property would be on the tax rolls.

Council Member Brausen discussed his struggles with the decision understanding the community concerns for the site. Council Member Brausen commented on his support of the Beacon organization and that the organization is not asking for a financial contribution from the City.

Mayor Gadd discussed the affordable housing statistics and commented on the need for supportive family housing.

Ayes: Kuznia, Gadd, Halverson, Hunke.
Nays: Brausen. Motion carried.

Motion by Halverson. **Second** by Hunke.

Motion to Adopt Resolution 2019-090 approving the PUD site plan for the Beacon Multiple Family Apt Building subject to conditions.

Ayes: Kuznia, Gadd, Halverson, Hunke.
Nays: Brausen. Motion carried.

Mayor Gadd thanked the community for their feedback. The second reading is scheduled on the December 17 City Council agenda.

NEW BUSINESS

VII.1. 2020 Budget Meeting, 2020 Tax Levy and General and Special Revenue Fund Budgets

Finance Director Bishop gave an overview of the 2020 General Fund Budget and Tax Levy and the recommendations by staff and City Council to reduce the levy. Mr. Bishop discussed the taxation process and gave an overview of the City's budget and how it impacts taxes on a median value home. Mr. Bishop discussed the General Fund revenues and expenditures and the Arts Center and Pavilion levy. Mr. Bishop discussed

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the proposed 2020 preliminary levy and the reductions made by staff and Council to get to the 9.71% increase to the proposed levy which calculates out to an \$88 increase to the median valued home or 5.1%.

Council Member Halverson asked about grant dollars. Mr. Bishop discussed project funding. Mayor Gadd discussed the Arts Center budget and the staff and Council's efforts to reduce the deficit and eliminate the outstanding debt. Mr. Bishop discussed the plan to pay off the debt and Assistant City Manager Lenz discussed the Arts Center's budget improvements and revenue sources. Mayor Gadd commented on the Art Center's financial impacts and benefits on the City and the Mainstreet businesses. Mayor Gadd appreciates the effort of staff regarding the Arts Center budget. Council Member Brausen commented on the benefits of the Arts Center and the need for more discussion on ways to improve the debt and create more revenue streams.

Mayor Gadd reviewed the procedure for public comment.

Don Roesner, 618 W Park Valley Drive, spoke on concerns of market values, Arts Center debt and tax impacts to residents. Mr. Roesner discussed a concern that Hennepin County, Hopkins School District and City of Hopkins Truth in Taxation public hearing meetings are scheduled on the same night.

William Anderson, 102 Wayside Road W, spoke on budgeting accountability and fiscal responsibility and taxpayer concerns of home values, City debt and looking at ways to decrease taxes.

Bryan Bjornson, 741-11th Avenue South #3, spoke about proposed tax increase and concern that Hennepin County, Hopkins School District and City of Hopkins Truth in Taxation public hearing meetings are scheduled on the same night.

Gerard Balon, 245-18th Avenue North, opposed the proposed tax levy increase and commented that is financially harder for residents to stay in their homes.

Maggie Sedoff, 122 Oakwood Road, spoke about concerns of the tax increase and debt levy. Hopkins Residents for Fiscal Responsibility are looking at opportunities to reduce the City's debt obligation and make changes in the budget process going forward. Council Member Brausen asked for clarification of what she meant by benchmarking with other cities. Ms. Sedoff commented on tax increases of cities of a similar size.

James Warden, 620-10th Avenue South, commented that the budget proposal is better but unsustainable. Mr. Warden commented on budget forecasts, accountability, transparency and need for resident involvement in the budget process.

Betty Fenton, 426 Hollyhock Lane, spoke about concerns of the City debt and fiscal responsibility.

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Jerry Dykhoff, 220-17th Avenue North, spoke about concerns of the levy and debt increase and that Hennepin County, Hopkins School District and City of Hopkins Truth in Taxation public hearing meetings are scheduled on the same night.

Tom Quinn, 310-12th Avenue North, spoke about concerns of the budget increase.

Bob Worrell, 148 Interlachen Road, commented that City leadership and City Council should look at ways to reduce the City budget.

William Anderson, 102 Wayside Road W, commented that the City needs examine reasons for adding debt.

Judy Worrell, 148 Interlachen Road, commented that City Council needs to realign city spending, be transparent and listen to feedback and direction from residents in order to address the fiscal situation. Ms. Worrell asked that Council change the street reconstruction public hearing process and broadcast all City Council meetings.

Don Wille, representing his mother who lives at 256-21st Avenue North, spoke about the need to make budget cuts.

Mayor Gadd commented that the City Council will take public comments into consideration and will look at more opportunities to engage residents in the budget process. Mayor Gadd commented that the City listens to resident feedback from street project open houses and would address televising of Work Sessions with staff. Council Member Brausen commented on the importance of everyone's right to be heard, scheduling of tax hearings, moving of public comments to the beginning of City Council meetings and the budget process. Council Member Hunke appreciated the resident's interest in the budget process. Mr. Bishop discussed the City's use of debt to fund long-term capital improvement projects.

Motion by Brausen. **Second** by Hunke.

Motion to continue the budget discussion at the December 17 City Council meeting.

Ayes: Brausen, Kuznia, Gadd, Halverson, Hunke.

Nays: none. Motion carried.

ANNOUNCEMENTS

- Next Regular City Council Meeting: Tuesday, December 17 at 7:00 p.m.

ADJOURNMENT

There being no further business to come before the City Council and upon a motion by Halverson, second by Hunke, the meeting was unanimously adjourned at 11:50 p.m.

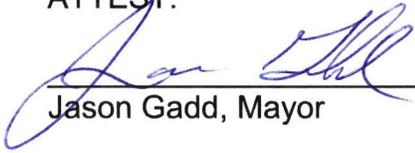
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OPEN AGENDA – PUBLIC COMMENTS AND CONCERNS

The City Council did not receive any comments or concerns.

Respectfully Submitted,
Debbie Vold

ATTEST:



Jason Gadd, Mayor



Amy Domeier, City Clerk