

**HOPKINS CITY COUNCIL
REGULAR MEETING PROCEEDINGS
DECEMBER 17, 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 17, 2019 at 7:01 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 and Public Works Director Stadler.

ADOPT AGENDA

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

Motion to Adopt Agenda.

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

Nays: None. Motion carried.

CONSENT AGENDA

Motion by Halverson. **Second** by Kuznia.

Motion to Approve the Consent Agenda.

1. Minutes of the November 26, 2019 City Council Special Meeting Proceedings
2. Minutes of the November 26, 2019 City Council Special Work Session Proceedings
3. Minutes of the December 3, 2019 City Council Regular Meeting Proceedings
4. Minutes of the December 3, 2019 City Council Work Session following Regular Meeting Proceedings
5. Adopt Resolution 2019-100, Approving Execution of a Metropolitan Council Water Efficiency Grant Agreement
6. Adopt Resolution 2019-099, Changing the Benefit Amount for the Hopkins Fire Department Relief Association
7. Second Reading of Ordinance 2019-1144 Rezoning the Beacon (Vista 44) Apartment Building Site
8. Renewal of General Liability and Property Insurance and Authorize Not Waiving the Statutory Tort Liability on the League of Minnesota Cities Insurance Trust Policy
9. Approve Facility Solar Project Agreements

Mayor Gadd asked for clarification on the Metropolitan Council Water Efficiency Grant and the Facility Solar Project agreements. Public Works Director Stadler explained that the Water Efficiency Grant would benefit many Hopkins households for reimbursement

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on qualifying appliances. Mr. Stadler discussed the solar project and estimated energy savings to the City.

Council Member Brausen asked about the Beacon (Vista 44) apartment parking agreement with the church property. Chris Dettling, Beacon Interfaith representative, commented that they have had conversations with the church regarding parking. The church is not interested in a long-term agreement but is open to discussion in the future. Council Member Brausen commented that parking is a concern to the neighborhood. Mr. Dettling commented that Beacon feels they will have adequate parking for their project.

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

Nays: None. Motion carried.

OLD BUSINESS

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

Finance Director Bishop commented that the agenda item is a continued discussion of the 2020 General Fund Budget and Tax Levy. Mr. Bishop gave an overview of the Financial Management Plan (FMP) and budget process commenting that staff and Council have held ten meetings to discuss the 2020 budget. Mr. Bishop commented that the proposed reduction to the levy is based on City Council feedback and public comment. Mr. Bishop gave an overview of the proposed 2020 levy, debt service levy, projects funded and effect on a \$276,000 median value home.

Mayor Gadd commented that Council appreciates resident feedback and staff has incorporated the comments and has reduced the initial levy by \$500,000 by delaying projects and needs. Mayor Gadd gave an explanation of the budget process commenting that the Council has taken into consideration operational budget changes and would address needs going into the future. Mr. Gadd discussed the FMP, a long-term plan that is modified each year. The FMP was established to level out how the City handles taxes and major projects. Mayor Gadd discussed the debt covered by the debt levy explaining that the infrastructure projects benefitting residents include safe water delivery, functioning sewer and proper storm water management. Mayor Gadd commented on the bike and pedestrian amenities developed with the use of grants and the financial impact of the Arts Center on the downtown district. The City Council realizes the impact of the budget and debt levy on fixed incomes and is looking at ways to help qualified residents.

Mayor Gadd explained that the public comments from the December 3 City Council meeting are on record and Council is welcoming public comment tonight from individuals that may not have been able to speak on December 3 due to other Truth and Taxation meeting conflicts and the length of the City Council meeting.

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Lucy Arimond, 244 11th Avenue North, spoke in support of the budget commenting that she was concerned about the damage of budget cuts to the quality of services and staff.

Mayor Gadd commented that residents could contact staff and Council with additional budget questions.

Council Member Brausen spoke about the many comments that have been received and he shares resident's concerns that the levy should be lower. He is looking forward to conversations with residents throughout the year and that the City needs to do a better job with communication and hearing resident concerns and perspectives. Mayor Gadd commented on the importance of education and communication and open-minded discussion going forward. Council Member Hunke commented on the importance of properly communicating the budget and looking forward to positive changes moving forward into next year. Council Member Kuznia discussed the substantial budget cuts commenting that needs have been extended and that next year's budget discussion would not be easier. Mayor Gadd commented on the unique ideas shared by residents on ways to improve the budget and keep the levy down. Council Member Halverson commented that the Council would begin discussing the 2021 budget in January and looks forward to hearing resident ideas and creative ways to continue City services.

Motion by Halverson. **Second** by Kuznia.

Motion to Adopt Resolution 2019-096 approving the 2020 tax levy and adopting the 2020 General and Special Revenue Fund budgets.

Ayes: Kuznia, Gadd, Halverson, Hunke.

Nays: Brausen. **Motion carried.**

Mayor Gadd commented that the Financial Management Plan (FMP) would be discussed at the January 21 City Council meeting.

NEW BUSINESS

VII.1. Approve Resolution 2019-097 Approving the Mediated Settlement and the Addendum to the Mediated Settlement Agreement and Release between the City of Hopkins, the Housing and Redevelopment Authority in and for the City of Hopkins, Doran 810 LLC and Doran 810 Apartments, LLC and (B) Approve Resolution 2019-098 Approving the Amended and Restated Development Agreement between the City of Hopkins, the Housing and Redevelopment Authority in and for the City of Hopkins, Doran 810 LLC and Doran 810 Apartments, LLC

Director of Planning and Development Elverum discussed the background of the Doran 810 project and development agreement. Ms. Elverum discussed the projects positive impact on the City including diversifying the housing options, bringing spending into the downtown, the dynamic gateway entrance into Hopkins and the positive effect on area

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properties. Ms. Elverum gave an explanation of the complex Tax Increment Financing (TIF) and an overview of the agreement settlement that minimizes the risk to the City and the tax payers.

Bob Alsop, Attorney representing the City of Hopkins, presented background of the negotiations and the reasons for the litigation regarding the Doran property. Mr. Alsop discussed the primary defense, the court and litigation process, potential risks, TIF funds and gave an overview of the settlement agreement terms.

Stacie Kvilvang, Ehlers and Associates, Inc. gave an overview of the mediation commenting that the agreement is the best outcome for both parties with the least amount of risk to the City and the taxpayers. Ms. Kvilvang gave an overview of the property site before and after the development discussing the increase to the tax base through the more intense development. Ms. Kvilvang commented on the increase in the valuation of the property and the significant increase in the City's portion of the taxes. Ms. Kvilvang discussed the TIF agreement, developer concessions and improvements to the area.

Mayor Gadd commented that the City Council met in a closed session prior to tonight's meeting for in depth conversation with the attorneys. Mayor Gadd commented on the settlement agreement and addendum. Mr. Alsop discussed the changes to the development agreement and reason why the item was pulled from an earlier Consent Agenda. Mayor Gadd asked about the TIF agreement. Ms. Kvilvang commented that TIF could possibly be paid off sooner than the 25 years commenting on the significant increase in valuations. Council Member Halverson commented that the property is already 3 years into the TIF agreement. Council Member Brausen asked about the Judge's reaction. Mr. Alsop gave an overview of the Judge's comments. Mayor Gadd discussed the initial idea of the public-private partnership and commented that the TIF agreement is not impacting the levy. Ms. Elverum explained that the perceived risk of the project was around the Southwest Light Rail Transit project but the risk that the developer and the Met Council would not come to terms was underestimated. Council Member Hunke asked why the Met Council was not responsible. Ms. Elverum discussed the reasons and the development agreement. Council Member Brausen discussed the settlement agreement commenting that it is the best way to move forward without risk to the City.

Mayor Gadd commented the public could submit additional questions or call Director of Planning and Development Elverum regarding the settlement.

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

Motion to Approve Resolution 2019-097 Approving the Mediated Settlement and the Addendum to the Mediated Settlement Agreement and Release between the City of Hopkins, the Housing and Redevelopment Authority in and for the City of Hopkins, Doran 810 LLC and Doran 810 Apartments, LLC.

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**Ayes: Brausen, Kuznia, Gadd, Halverson, Hunke.
Nays: none. Motion carried.**

Motion by Brausen. **Second** by Halverson.

Motion to Approve Resolution 2019-098 Approving the Amended and Restated Development Agreement between the City of Hopkins, the Housing and Redevelopment Authority in and for the City of Hopkins, Doran 810 LLC and Doran 810 Apartments, LLC.

**Ayes: Brausen, Kuznia, Gadd, Halverson, Hunke.
Nays: none. Motion carried.**

Mayor Gadd thanked the team for all their efforts on behalf of the City and settlement that was arranged.

ANNOUNCEMENTS

1. Next Regular City Council Meeting: Tuesday, January 7 at 7:00 p.m.
2. City Hall will be closed December 24, 25 and January 1.
3. Financial Management Plan discussion is scheduled on the January 21 City Council agenda.
4. Council Member Kuznia was recognized for his service to the City. Council Member Kuznia thanked City staff, partnering cities and residents for the opportunity to serve the community. Council Member Kuznia welcomed and congratulated incoming Council Member Beck. Minnetonka Mayor Wiersum, 15920 Portico Drive, Minnetonka, appreciates the collaboration with the City of Hopkins and has enjoyed knowing and working with Council Member Kuznia.

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 8:21 p.m.

OPEN AGENDA – PUBLIC COMMENTS AND CONCERNS

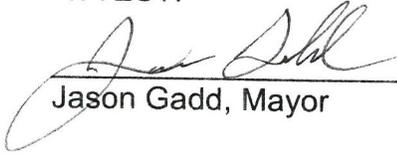
Maggie Sedoff, 122 Oakwood Road, commented on the TIF agreement and asked about parking for the SWLRT. Ms. Kvilvang discussed the TIF agreement and Mayor Gadd commented that The Moline parking garage is private and parking would be expanded at the SWLRT Shady Oak Station location. Council Member Brausen thanked residents for their feedback and input.

William Anderson, 102 Wayside Road W, spoke about concerns of the debt and the need to come up with solutions. Mayor Gadd commented on the importance of education and communication. Council Member Brausen commented that resident ideas and suggestions are helpful to the process. Mayor Gadd commented that the Council is open to ideas and discussions and wants to hear from residents.

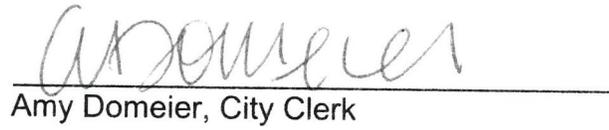
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Respectfully Submitted,
Debbie Vold

ATTEST:



Jason Gadd, Mayor



Amy Domeier, City Clerk