

MEDINA CITY COUNCIL SPECIAL MEETING MINUTES OF MAY 6, 2004

The City Council of Medina, Minnesota met in special session on May 6, 2004 at 6:35 p.m. at Medina City Hall. Mayor Phil Zietlow presided.

Members present: Workman, Lane, Zietlow, Smith, Brinkman

Members absent: None

Also present: City Administrator Chad Adams, Public Works Director Jim Dillman, City Attorney Ron Batty, City Planner Josh Doty, and City Engineer Tom Kellogg

Comprehensive Plan Amendment Requests

Adams stated the intent of this discussion is to initiate Council conversation on Comprehensive Plan Amendment requests, not to focus on the Charles Cudd Co. project.

Adams explained a typical Comprehensive Plan Amendment request and the procedure the City and Met Council follow for approval.

Adams gave details on Metropolitan Urban Service Area (MUSA) Line changes and clarified that changes in the MUSA line should be reviewed upon application, as they should go through the public hearing process. The City Council can also change the MUSA line through a Comprehensive Plan update. Adams stated that Comprehensive Plan updates involve substantial amounts of comprehensive analysis as well as public meetings.

Adams addressed existing water and sewer infrastructure, as well as capacity for future service. Sewer capacity is available and can allow for more development as part of the Elm Creek Interceptor project. Water capacity has typically been reviewed on a case-by-case basis, but City is now reviewing long-term needs through a Water Demand Analysis and possibly a comprehensive water plan. Adams stated preliminary analysis is demonstrating that we need to “catch-up” with existing growth, but there is potential for reasonable growth under the existing system. More rapid growth will lead to more strain on the existing system and resources. The City’s Water Demand Analysis shows need for several new wells to serve future Medina needs, as well as joint system with Loretto, Corcoran and Independence Beach. Adams stressed that strong consideration be given to the future Hamel Water System Treatment plant as it relates to growth scenario’s and appropriate fees and rates for financing.

Adams asked the Council to consider potential benefits of a proposed Comprehensive Plan Amendment, and recognize that Cost/Benefit Analysis may be useful in making determinations. Potential infrastructure benefits to be considered as part of requests should include roads, parks, natural features, public safety, quality of life, environmental, etc.

Adams reminded the Council of previous discussions and Planning Commission desires to establish formal criteria for making Comprehensive Plan amendment decisions. Adams stated the Comprehensive Plan itself is a document full of criteria that defines certain areas for development or not for development. Adams referenced discuss that approving a project may not set a legal precedent, but encouraged Council to consider how to justify disapproving future similar or potentially better projects. Adams questioned if approving an application will

encourage more applications. Adams clarified that next Comprehensive Plan update discussions will begin in 2008.

Adams requested Council to consider implications of approving projects as it relates to city and staff resources. Adams questioned if staff will be able to provide proper analysis, resources and efforts needed under a more rapid growth scenario. Adams expressed concern over the time, resources, and needed analysis that will be needed for future comprehensive plan amendment requests if one is approved. Adams detailed examples of projects that city and staff are already prioritizing. Adams referenced other special projects that are not currently getting enough attention due to the level of projects and mandates before the City currently.

Lane commented that growth has been rapid in past few years. Lane asked how to define growth and theorized existing growth as being approved projects that meet current zoning and Comprehensive Plan standards compared to rapid growth consisting of projects not allowed in Comprehensive Plan today.

Workman stated that 5-8% growth is acceptable, which amounts to about 50-60 homes/yr.

Smith stated if more staff and consultants are needed, she would support it as growth occurs.

Workman recognized concerns of growth affects on staff.

Lane requested a breakdown of growth in number of units over last five years, and for charts to be prepared showing comparisons from year to year. Adams stated charts and data will be prepared for May 18th Council meeting.

Lane asked if “meritorious” language existed in Comprehensive Plan, as a justification for making amendment changes. Adams concurred that it existed.

Discussion occurred on benefits of staging growth. Brinkman and Smith stated support. Workman preferred east to west development pattern in City.

Brinkman asked Council to consider if things have changed enough to warrant changing plan.

Smith asked questions on water system and strains of the slow growth versus rapid growth scenarios. Adams explained the Water Demand Analysis provides some answers to these questions, but a more comprehensive water plan may be needed in near future.

Tax Increment Financing Plan (7:35 p.m.)

Batty provided an overview of the TIF Plan before the Council.

Smith questioned qualification tests of area north of Highway 55 and area south of Highway 55. Batty responded that each area should meet the test on their own, and explained that SEH qualification tests state they do qualify on their own.

Lane asked if adding and deleting properties later is an option if TIF Plan is approved now. Batty stated that the additions and deletions must occur within five years and the new parcels must stand on their own for the qualification tests.

Brinkman questioned the length of the district in terms of expending funds for public improvements. Batty responded that time constraints for expenditures exists, and must occur within first five years.

Lane commented that one option of triggering payment of assessment could be a sale of a property, and that existing owner, not new owner would have to pay assessment.

Discussion occurred on the project budget including why inflation has increased, what administrative fees should be capped at, if infrastructure plan is accurate and when it should be reviewed. Consensus was reached on a \$4,000,000 budget with a 50% contingency, thus making it \$6,000,000 with interest accordingly, and that administrative fees should be at 5% for the proposed TIF Plan.

Discussion took place on fiscal disparities. Consensus was reached that Option A, as it is more flexible, is the better option at this stage.

Discussion entailed on the "But for" test.

Discussion occurred on what developers should be required to pay and if they will need to use TIF. Batty explained that TIF Plan being approved does not entitle TIF to be used as a financing tool for developers or for public improvements.

Discussion of Highway 55 corridor and improvements followed, pertaining to costs of improvements that may be required near the Highway 55/CSAH 101 intersection. Costs may be required to be borne on the City. Consensus was reached that developers may need to burden this entire cost.

April 17th Open House - Feedback (8:50 p.m.)

Adams provided overview of the April 17th Open House on Urban Commercial Development.

Discussion took place on future meetings and progress for the redevelopment of Uptown Hamel and the Highway 55 North site.

Adjournment

Workman moved, Smith seconded to adjourn. Unanimous approval. The Council meeting was adjourned at 8:55 p.m.

Phil Zietlow, Mayor

Attest:

Chad M. Adams, City Administrator