

MEDINA CITY COUNCIL SPECIAL MEETING MINUTES OF MARCH 29, 2005

The City Council of Medina, Minnesota met in special session on March 29, 2005 at 6:32 p.m. at the Medina City Hall. Mayor Bruce Workman presided.

Members present: Brinkman, Weir, Workman, Cavanaugh, Smith (arrived at 6:36 p.m.)

Members absent:

Also present: City Administrator Chad Adams, City Planner Rose Lorsung, City Attorney Ron Batty, City Engineer Tom Kellogg, City Planning Consultant Sarah Schield, Planning Consultant Don Brauer, and Financial Consultants Dave Callister and Jim Prosser.

Work Session - Discussion and Review of Elements of Financing for Proposed Ryan Companies (Target) Project

Adams provided an overview on the purpose and intent of the meeting, which is to gain Council direction on the use of special assessments, TIF, as well as allocation of risk for the Ryan Companies project.

Prosser provided an overview of the history to use Ehlers & Associates to establish a mechanism for determining methods of financing public improvement projects for Uptown Hamel and the Ryan project area.

Kellogg discussed the spreadsheet and map of the public improvements that are included as part of the Ryan project. Kellogg addressed staff's breakdown of Ryan benefited public improvements versus non-Ryan benefited public improvements.

Batty discussed the policy discussions and strategies that are desired from the Council, and illustrated the Uptown Hamel previous discussions as strategies.

Prosser and Callister reviewed the public improvement spreadsheet and discussed the estimated increment that will be produced from the project.

Batty reminded the Council that there are four years left to determine public improvements desired and funding methods.

Discussion on desired additional detail on the TIF runs and public service impact.

Discussion on assessing all costs to Ryan, with partial reimbursement through TIF.

Discussion on rebating portion of increment to cover general fund public services.

Discussion on impact to Uptown Hamel from this project.

Brinkman stated that a smaller project is more appropriate for TIF, not for the Ryan project.

Weir stated that infrastructure improvements are needed at this site, irregardless of commercial intensity and discussed that some TIF is appropriate for this site as it is a "Gateway" to the

community. Weir added that she is hesitant to go beyond \$1.4 million dollars for the non-Ryan related public improvements.

Cavanaugh stated that he agrees this site is a “Gateway” to the community and is a good use of TIF for public improvements for the Ryan project.

Smith stated that TIF should be used to enhance a community and the Ryan project is competing with other local businesses. Smith added that the Ryan project is too intense for the site and would be opposed to using TIF for the project.

Workman stated that he does not want taxpayers and existing businesses to front the burden of increased costs from public service demands as a result of the Ryan project. Workman added that less than \$1.4 million dollars under 10 years of TIF for the non-Ryan public improvements with a developer/corporation guarantee may be appropriate for the project.

Batty provided a summary of the Council discussion, with two Councilors (Brinkman and Smith) opposed to using TIF and three Councilors (Weir, Workman, Cavanaugh) in favor, but under certain conditions.

Staff was directed to review public service demands and economic ramifications for future discussion, as well as include more detail on inflation increment and other proposed project increment in Uptown Hamel.

Adjournment

Smith moved, Weir seconded to adjourn. Unanimous approval. The Special Council meeting was adjourned at 8:57 p.m.

Bruce D. Workman, Mayor

Attest:

Chad M. Adams, City Administrator-Clerk