

City of Excelsior  
Hennepin County, Minnesota

MINUTES  
EXCELSIOR CITY COUNCIL WORK SESSION

AUGUST 4, 2014

1. CALL TO ORDER/ROLL CALL

Mayor Gaylord called the meeting to order at 6:28 p.m.

Present: Councilmembers Beattie, Miller, and Mayor Gaylord

Absent: Councilmember Caron and Fulkerson

Also Present: City Manager Luger, Public Works Superintendent Wisdorf and City Clerk Johnson

2. AGENDA APPROVAL

Beattie moved, Miller seconded, to approve the agenda. Motion carried 3/0.

3. FOOD AND BEVERAGE TAX

CITY QUESTION #1 – IMPOSING A FOOD AND BEVERAGE TAX TO FUND PARK IMPROVEMENTS

Should a food and beverage tax be imposed in the City of Excelsior at a rate of 1% to be used to fund improvements to The Commons? Yes or No

CITY QUESTION #2 – IMPOSING A GENERAL SALES TAX TO FUND PARK IMPROVEMENTS

Should a general sales tax be imposed in the City of Excelsior at a rate of 1% to be used to fund improvements to The Commons? Yes or No

CITY QUESTION #3 – RAISING THE PROPERTY TAX LEVY TO FUND PARK IMPROVEMENTS

Should the City of Excelsior raise the City's property tax levy for the sole purpose of making improvements to The Commons? Yes or No

CITY QUESTION #4 – MAKING CHANGES TO THE COMMONS

Should the City of Excelsior not make any changes to The Commons? Yes or No

Luger said the Council needs to make a decision by the next Work Session in order to meet the deadline for putting the referendum on the November ballot.

Beattie said if the City wants to make improvements to The Commons, questions need to be on the ballot.

3. FOOD AND BEVERAGE TAX - *Continued*

The Council agreed to move Question #4 up to #1, with the other three questions following. Beattie suggested that the question read, "Should the City of Excelsior fund improvements to The Commons? Yes or no." Beattie also suggested that it correspond to the title of "Improving The Commons," followed by the first question.

Mayor Gaylord suggested that all questions read "to fund The Commons," in order to be consistent.

Luger asked the Council if all of the questions should be listed on the ballot. Miller said yes.

Beattie suggested another question: "What do you think is the preferred method?" but Staunton said it needs to be a yes or no question.

Beattie said these questions do not indicate the level of funding. Miller stated that the City should receive valuable information from the responses.

The Council added the words "up to 1%" to each of the four questions. The Council also changed the words "park improvements" to "The Commons" and removed the word "sole" from Question #3.

Luger said the City cannot spend any money on advertising or promoting these questions but may provide information and facts. Luger said we need to be sure we are educating without persuading. Luger asked if the Council had any further feedback.

Bob Bolles, 229 George Street, addressed the Council. Mr. Bolles said that people who are new to Excelsior may not know the term "The Commons" and suggested it read "The Commons Park." Beattie said that most people, even those new to Excelsior, understand the term "The Commons" right away.

4. ASSESSMENT POLICY

Staunton advised the Council that the City has already held a Public Improvement Hearing for the public to come and testify. He said that an Assessment Hearing will be held later at which residents may object to assessments of their property.

Staunton said, if the Council is looking at changing a formula on how each property is assessed, the Council should consider whether the change is drastic enough that the property owner would have wanted to attend the Public Improvement Hearing to testify. Miller said he thought this was preliminary and that changes could be made to the formula. Luger said it can be changed but not so much that the property owner would have come to the Public Improvement Hearing and suggested that the City not move forward on the project.

Miller said the City needs to put in the Assessment Policy how much the City charges for assessments. Beattie asked where the level of 15 percent came from originally. Mayor Gaylord said the assessment was spread out since everyone uses all of the

4. ASSESSMENT POLICY - *Continued*

streets. Miller said this is the first time that businesses have been included in the formula and they have been charged 100 percent for sidewalks, same as the condos. Beattie asked if this is correct. Dawley provided a summary sheet for the Council. Dawley said the "Original" in the summary is the information that the Council received at the time of the Public Improvement Hearing. Dawley said "Alternate 1" takes out the cost of the extra turn lane on Excelsior Boulevard and allocates that to commercial properties only. This lowers the residential assessments, and increases the commercial assessments. Dawley said "Alternate 2" includes thicker pavement that benefits the commercial properties more than any other. In this option, those costs are allocated to commercial properties only. He said "Alternate 3" is a combination of "Alternate 1" and "Alternate 2" and adjusts for all commercial-related improvements. This option has the largest increase for commercial and decrease for residential assessments. Dawley said that State Statute is open for city interpretation but that the amount of the special assessment can be no greater than the value of the benefit that the property receives. However, Dawley said this provides challenges for cities to estimate without having to do a benefit appraisal for every property and being able to understand what that benefit or increase in property value would be.

Focusing on "Alternate 3," Dawley said it is a recalculation of approximately \$200,000 of project costs on Excelsior Boulevard. He said 15 percent of the \$200,000 would be \$30,000. Miller asked if Dawley is separating the dollars; Dawley said there is some crossover. Dawley said commercial and multi-family are two different types of land use, but are calculated the same in the assessment policy. Miller asked why residential doesn't have all of the cost of footage in front of residential projects, and then divided by the number of units. Miller said the same for multi-family and condos. Miller said he is confused why anything should be combined. Dawley said it can be done that way but the challenge becomes where to stop dividing it (i.e., different road widths, per different type of property on a narrower street, or parking on both sides, different land uses on each side of the street, etc.). Dawley said the total cost is in aggregate, divided by the total footage in the project. Miller said the issue is, if the numbers are comingled, then the City can't charge accurately for different zone types. Dawley said it could be done that way. Mayor Gaylord asked if this would be more consistent with how the City has charged in the past. Miller said he thought the condos were done differently, but Luger said this is true for sidewalks, but not for streets. Dawley said the sidewalks are not separated out. Dawley said there is nothing wrong with the way the City has done this in the past.

Beattie asked Staunton about what should be done. Staunton said the City needs to ensure: 1) that there is opportunity for people to come in and object later; and 2) that the City looks at the raw dollars as a practical matter of how much the difference would motivate someone to object to it.

The Council continued this item to a future Work Session.

5. TREES TO BE REMOVED FOR THE INSTALLATION OF THE MET COUNCIL SANITARY SEWER FORCE MAIN

Wisdorf said this is an informational item only so that the Council is aware of the cost difference for keeping the trees. Wisdorf said there is no timeline yet for the trees and is not sure if they will come down before the next Work Session. Beattie said if the City doesn't do anything now, the trees will remain. Luger said it's cheaper to take the trees down now. Mayor Gaylord asked if Wisdorf recommends treating the trees. Wisdorf said technology has shown that these ash trees could live another 20 years, if treated, or they could be taken down. Beattie asked how many trees there are; Wisdorf said there are five trees on City property (Public Works) and three other trees in the right-of-way or shared right-of-way in front of residential properties.

6. ADJOURNMENT

Beattie moved, Miller seconded, to adjourn at 7:04 p.m. Motion carried 3/0.

Respectfully submitted,

Shirley Johnson  
City Clerk