

City of Excelsior
Hennepin County, Minnesota

MINUTES
EXCELSIOR CITY COUNCIL WORK SESSION

SEPTEMBER 2, 2014

1. CALL TO ORDER/ROLL CALL

Mayor Gaylord called the meeting to order at 6:08 p.m.

Present: Councilmembers Beattie (arrived at 6:11 p.m.), Caron, Fulkerson, Miller, and Mayor Gaylord

Absent: None

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

2. AGENDA APPROVAL

Fulkerson moved, Caron seconded, to approve the agenda. Motion carried 4/0.

3. REFERENDUM QUESTIONS - UPDATE

Luger informed the Council that three out of the four questions that the Council approved for the General Election were not allowed on the ballot, per State Statute. Luger said that the only authorized question for the ballot is:

"Should a sales tax be imposed in the City of Excelsior at a rate of up to 1% for the purpose of improving The Commons? Yes or No.

Luger said City Attorney Staunton discussed the questions with the Attorney for Hennepin County. Staunton argued on the City's behalf, and the Hennepin County Attorney agreed that the sales tax question (above) may be on the ballot. Luger said she told the County that Senator Osmek asked the City of Excelsior to put the food and beverage tax question on the ballot, but Hennepin County still wouldn't allow it. Luger said that State Statute and the League of Minnesota Cities Handbook discuss certain questions that are allowed on the ballot.

Luger said that the Council may want to look into a City survey. Mayor Gaylord suggested using Survey Monkey or another service, along with a postcard notification in the mail to residents about the survey. Luger said staff can put it all together. Luger said she will ask other cities for questions that they have asked. Mayor Gaylord said, with a survey, the City can expand the scope of the questions. Luger said Shorewood found that their survey returned valuable information.

4. PARKING RESTRICTIONS AND PERMIT-ONLY PARKING FOR THIRD STREET

Luger said that, at the June 2, 2014 City Council meeting, the Council authorized parking restrictions and permit-only parking on Third Street. She said a letter went

4. PARKING RESTRICTIONS AND PERMIT-ONLY PARKING FOR THIRD STREET
- *Continued*

out to impacted properties to let them know of the new parking restrictions and that they may want to purchase parking permits from the City. Luger said that one residence at 500 Third Street is currently in the no parking zone and that she didn't think this was part of the Council's intent. Another problem is at U.S. Compliance Corporation and Lyman Lumber at 520 Third Street.

Jim Ginther, Owner, U.S. Compliance Corporation, addressed the Council. Mr. Ginther requested that the Council mark four parking spaces in front of the building as two-hour parking spaces that these businesses can use for their visitors. He said that they were required to convey 13 spaces in the back for Met Council to store construction equipment. Mr. Ginther also requested that he be able to purchase a parking sticker at the resident rate, since he owns the commercial building. Luger said that staff delayed putting up parking signage, due to the Met Council project, and are asking the Council's permission to delay the enforcement of this ordinance until the spring.

Mr. Ginther said that Met Council's piping is going through the south side of the parking lot, so they have lost one third of the lot. He said their other concern is the increase in the amount of congestion from the project and that there may be more dangerous situations as cars try to get through this congestion. After the construction is complete, his concern is that the traffic may go faster.

Beattie asked Mr. Ginther if he was required to donate the parking spaces to Met Council. Mr. Ginther said that Met Council threatened them with eminent domain. Mr. Ginther said both Lyman Lumber and U.S. Compliance require their visitors to park on the street for meetings and deliveries. He said the rear entrance is only for employees, so having no parking in the front of the building is a big concern. Miller asked if the parking spots he's requesting in front of the building need to be contiguous. Mr. Ginther requested that there be two parking spots west and two parking spots east of the entrance. Miller and Beattie agreed that Mr. Ginther sounds reasonable.

Mayor Gaylord said the Council is in agreement to delay the enforcement and to add four two-hour parking spots. Miller and Beattie both said that the policy should not be changed to allow commercial property owners to pay the residential rate for parking permits, since Tommy's Trolley wasn't allowed this in the past. Luger asked the Council how many permits they would allow per business. The Council decided to allow three of this type of permit, similar to how many of one individual permit are allowed for residential permits.

Mayor Gaylord said a future traffic study to monitor speeds on Third Street would be beneficial.

Dawley said Third Street is on the pavement management program list.

Luger said that the City will communicate with the South Lake Minnetonka Police Department and the Excelsior Fire District of the change.

5. ASSESSMENT POLICY

Dawley said the assessment policy item is a continuation from the August 4, 2014 City Council meeting and that, based on Council feedback, staff has been working on different scenarios for Council feedback review. Dawley said past projects did not have many commercial or multi-family projects.

Dawley provided a comparison of the current methodology of land use against potential changes to address Council comments, and also a project assessment analysis. He said the project assessment analysis includes more hard numbers, using preliminary estimates for what may happen to assessments on the MCES Forcemain project, if changes are to the current assessment policy are made, versus past practices and revised methodology.

Dawley said the Land Use Category and Current Methodology summary sheet includes assessments on a per unit basis and all residential properties are assessed at the same amount. He said the current rate that has been used and established by past practice is 15 percent. Dawley said the potential future methodology includes no change to the rate (remain at 15 percent) and would also remain at a per unit basis. Dawley said this method, if combined with removing the costs for additional pavement thickness, turn lanes, or other similar items that might not typically be considered to benefit a residential property on a residential road, would benefit lower assessments for residential properties, compared to those for commercial, multi-family or church properties, as opposed to a residential roadway. Dawley called this "collector roadway oversizing" and is not included in this summary calculation for residential properties. Dawley said commercial properties currently are assessed at 15 percent but there is no past practice for commercial properties. He said one possible change for Council to consider would be to raise the assessment rate to 30 percent for commercial, based on the improvement of those roads to get customers to that business site. Dawley said collector roadway oversizing is thought to benefit commercial properties. Because of the rate change, there is a possible need for staff and the Council to revise the current policy or adopt a new policy. There would also be additional cost and staff time to publish for and hold Public Hearings.

Dawley said the next land use is multi-family, which would include condominiums. He said the current policy lumps combines multi-family with commercial properties. He said a new way one possible change for Council to consider would be to change the rate to 30 percent but not just also change the methodology from by front foot but by adjusted acreage, similar to institutional properties. Dawley said a smaller property would be assessed less than a larger property. Collector roadway oversizing would be included. If the property is a condominium, it would be divided by how many units are in that property and divided evenly amongst those. Dawley said this may be considered a more fair assessment for condominiums than the current method since condominium owners had previously proposed preliminary assessment amounts of approximately \$200, compared to \$2,200 for a single family home. With this revised scenario, Dawley said assessments for condominiums would be in the range of \$1,500, which is less than single residences. Similar to commercial properties, Dawley said there are changes that will include staff time and coordination cost to implement.

5. ASSESSMENT POLICY - *Continued*

Dawley said institutional properties (i.e., churches without schools, public and private utilities, the DNR property on Excelsior Boulevard, etc.) are currently at the 15 percent rate. Dawley said the methodology could remain the same but increase the rate from 15 to 20 percent. This includes collector roadway oversizing.

Dawley said another property that falls into the institutional category is the cemetery, which changes from \$41,571.00 to \$55,428.00.

Dawley said City Attorney Staunton has not had a chance to review these numbers, yet. Dawley said there will need to be another Work Session and regular City Council meeting discussion, should this move forward. Dawley said he is looking for Council feedback on these changes.

Beattie asked, if the City applies the change to multi-family properties going forward, would the City have a different assessment for every duplex on future projects? Dawley said duplexes are treated as single family, but anything over three or more units is considered multi-family. Dawley said there are more single family and commercial properties than any other type of property in the City, but the current project includes more commercial properties.

Caron asked if these rate changes are only for collector roadway oversizing or if these changes are across the board for any improvement. Dawley said this is not his recommendation or anything the City needs to entertain but simply a reaction to comments and criticisms the City has received. Miller said it would be policy going forward and that collector roadway oversizing only relates to commercial properties.

Caron stated that, even though Third Street is mostly residential properties, usage is more residential than commercial. Caron said we may need to look at how the system works so that everyone contributes at the same rate. Mayor Gaylord asked how this would effect the current rate that is proposed. Miller said that commercial uses are more intense on sidewalks and streets. Caron said there are areas in the City that are higher in residential properties than commercial. Miller said the philosophy is that you pay for what is in front of your house or business and everyone pays for what is shared in common. In addition, Miller said sidewalks in front of commercial properties are charged 100 percent but only 40 percent for residential properties. Caron said there was a lengthy discussion on how the City arrived at 15 percent and how the system is small and used by everyone. Miller disagreed and didn't recall the discussion. Miller also said that the City of Excelsior is very generous with their rates.

Mayor Gaylord asked Dawley where the 15 and 20 percent rates came from. Dawley said that staff looked at surrounding properties communities and arrived at an assessment rate starting point, which is less than what some cities are charging. Miller said that, years ago, assessments were charged at 100 percent for residential. Dawley said the rates can change within the potential scenarios with further discussion by Council. Dawley said we need to delineate between commercial and

institutional properties. Luger said this will be discussed again at the next Work Session.

5. ASSESSMENT POLICY - *Continued*

Bob Bolles, 229 George Street, addressed the Council. Mr. Bolles suggested that Dawley compare the duplex and triplex (institutional) properties. Mr. Bolles said that a duplex would be approximately \$4,400 and asked how much a triplex would be. Mr. Bolles said he doesn't want a triplex to be charged less than a duplex with this methodology and suggested that it be looked at. Mr. Bolles said it would very beneficial for the Council to look into this. Mr. Bolles also stated that winter construction should be included in the methodology because it will add a significant amount to the cost. In this particular project, Mr. Bolles said the contractor will need to haul in heated sand for backfill and that the contractor should pay the added assessment cost, not the City.

Luger stated that the City is currently scheduled to pay for the BayView driveway reconfiguration. Dawley said the amount is approximately \$25,000. Miller said he has received feedback from the public that the owner should pay for this and stated that the City shouldn't do the work unless the owner wants to pay for it. Luger suggested that the Council think about it and discuss it at the next Work Session.

6. COUNCIL MEETING PROCESS

The Council continued this item to a future Work Session.

7. ADJOURNMENT

Beattie moved, Miller seconded, to adjourn at 6:58 p.m. Motion carried 5/0.

Respectfully submitted,

Shirley Johnson
City Clerk