

CITY OF EXCELSIOR  
Hennepin County, Minnesota

MINUTES

City Council Work Session

Monday, July 15, 2013

**1. Call to Order/Roll Call**

Mayor Gaylord called the meeting to order at 6:32 p.m.

Councilmembers present: Beattie, Caron, Fulkerson, and Mayor Gaylord

Councilmembers absent: Miller

Also Present: City Manager Luger, City Attorney Staunton, City Planner Richards, Public Works Superintendent Wisdorf, and City Clerk Johnson

**2. Agenda Approval**

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

**3. Hotel Application Extension Request**

Staunton stated that on June 28, Charlie James requested an extension of time to file his application for Final Plan approval for the Planned Unit Development (PUD) for the hotel project at 10 Water Street. Excelsior's PUD Ordinance requires the Final Plan application to be submitted within six months of approval of the general plan unless a time extension is granted by the City Council. The PUD ordinance does not provide any standard for the Council to apply in considering a request for an extension.

The General Plan was approved by the Council on February 19; a Final Plan application must be submitted by August 19 unless an extension is granted. Staff anticipates placing the extension request on the agenda for the Council's next regular meeting.

At least two issues are relevant to the Council's discussion regarding the extension request. First, Mr. James needs to know whether the City intends to pursue an area-wide stormwater quality solution in lieu of requiring such quality management on the 10 Water Street site. If the City pursues such a solution, Mr. James will need to revise his parking ramp design to account for the extra available space, which is one of the reasons Mr. James cited for needing an extension. The Council has a discussion on the regular agenda for tonight's meeting regarding the potential area-wide stormwater quality solution.

Second, the Council will need to decide on the scope of the project. The area-wide stormwater quality solution is, along with enhanced streetscape improvements near the site and port improvements, part of what needs to be

### **3. Hotel Application Extension Request – (Continued)**

considered on this issue. Staff has been working to define the public improvements that should be considered within the scope of the project. A draft list of potential public improvements with preliminary cost estimates was included in the Council's agenda packet. The precise scope of the project and the financing does not need to be determined until the Final Plan is approved, but the status of that discussion may affect the Council's decision on an extension.

Finally, Mr. James stated in his extension request that he has not yet settled on an operator/manager for the hotel and does not want to commission an updated market study as required by the General Plan approval until he has that operator/manager on board. The updated market study is not due until after Final Plan approval has been granted, but this issue may affect the Council's thinking on an extension.

The final scope of the project does not need to be finalized prior to a Final Plan application. The City has 120 days to act on the application after a complete Final Plan PUD application is received.

Fulkerson asked what the ramification would be if the City Council doesn't approve the extension. Staunton said the PUD process would start over at the beginning.

Beattie said that he and Miller met with Mr. James on June 23<sup>rd</sup> and Mr. James had stated that he wants to select an operator and do a feasibility study before submitting the Final Plan. At that meeting, there was discussions regarding possible tax increment financing (TIF), the public improvements, and keeping the project within the current timeframe.

Beattie said there isn't any condition that Mr. James needs to be concerned about before submitting the Final Plan. He thinks it is time to provide the list of public improvements that the City wants to have done and the Springsted Study to Mr. James and ask him what he is willing to fund and what is he willing to do with TIF. The City needs a response on the improvements before granting an extension.

Caron said it makes sense that the City push this forward.

Staunton said that staff will communicate with Mr. James tomorrow that the Council would like to have this on the agenda for the next regularly scheduled Council meeting. Staff will provide them with a list of the improvements and the information Springsted has provided and ask them for their feedback. There is nothing that prevents the City from doing another extension.

Caron asked if the extension requires a super majority vote. Staunton said no, it requires a simple majority vote.

#### **4. 2014 Preliminary General Fund Budget**

Luger said that the Council discussed the preliminary General Fund budget and tax levy at the June 17<sup>th</sup> and July 1<sup>st</sup> work sessions. After factoring in all of the proposed changes made to the preliminary budget and levy, the current 2014 preliminary General Fund budget stands at a decrease of 2.10% or (\$38,524) and the preliminary tax levy is at a 1.47% increase or \$19,341. There are still a few items that the Council hasn't had time to discuss that staff needs direction on.

Luger asked the Council if they wanted to keep the \$5,000 in the budget for the study that the Heritage Preservation Commission (HPC) requested. Caron said she would leave the \$5,000 in the budget for now. The 1.47% increase is reasonable and the . The HPC has talked about this study for a long time.

Mayor Gaylord said that the police budget hasn't been approved yet. Luger said that is correct. She noted that the preliminary budget has been reduced to reflect the proposed 2.9% increase for police.

Luger said that the franchise fees could be increased or decreased at the Council's discretion. This is a pass through cost that is shown on the utility bills. The Council decided not to make any changes to the franchise fees at this time.

Luger said that the Council had expressed preliminary interest in the addition of a part-time event organizer position. She is not inclined to add this position for 2014. She would like to put together an event policy to see if that would help and also see how the new City Clerk works out first. The Council agreed with the staff recommendation.

Luger said the fund balance has increased over the last couple of years and staff would like direction from the Council on what they would like to do with the funds.

Fulkerson said that she thinks the tax levy needs to be lowered and some of the money used to cover some expenses, like the increases in expenses for public safety. Luger cautioned the Council from using fund balance to lower the tax levy for ongoing expenses because the tax levy would need to be increased more the next year to cover these expenses.

Caron asked what would the fund balance percentage be if \$100,000 was taken out of the General Fund. She noted the fact that the fund balance is high shows that the City is doing well financially.

The Council asked staff to bring back a plan for the Council to consider at the next work session for lowering the fund balance.

**5. Adjournment**

Fulkerson moved, Caron seconded, to adjourn at 6:58 p.m. Motion carried 4/0.

Respectfully submitted,

Cheri Johnson  
City Clerk