



Approved: February 25, 2019

**CITY OF ARDEN HILLS, MINNESOTA
SPECIAL CITY COUNCIL WORK SESSION
JANUARY 16, 2019
6:00 P.M. - ARDEN HILLS CITY COUNCIL CHAMBERS**

CALL TO ORDER/ROLL CALL

Pursuant to due call and notice thereof, Mayor Grant called to order the City Council Work Session at 6:00 p.m.

Present: Mayor David Grant; Councilmembers Brenda Holden, Fran Holmes, Dave McClung and Steve Scott

Absent: None

Also present: City Administrator Dave Perrault; Public Works Director/City Engineer Sue Polka; Finance Director Gayle Bauman; City Planner Mike Mroska; City Attorney Joel Jamnik; Stacie Kvilvang, Ehlers & Associates; and City Clerk Julie Hanson

1. AGENDA ITEMS

A. TCAAP Discussion

City Administrator Perrault stated that on October 24, 2019, the Council provided staff with direction regarding the cooperative agreement and per Council direction, the Council's position was provided to Ramsey County representatives. However, very shortly thereafter, Ramsey County announced that they were diverting resources away from TCAAP.

Councilmember Holden asked if the County ever formally responded to the City.

City Administrator Perrault stated this did not occur.

City Administrator Perrault commented on the City planning costs for consultant and staff time and stated the Developer indicated it was comfortable with this dollar figure. He discussed how increased public safety costs would be covered by the County until TCAAP generated enough tax revenue to cover expenses. He reviewed the adjusted SAC and WAC fee language. He also indicated the fee schedule and special assessments had been adjusted.

Mayor Grant thanked staff for the summary and suggested the Council review the cooperative agreement page by page.

Councilmember Holmes stated she had a problem with Items B and C on Page S1. She recommended the word contemplates be changed to provides.

Mayor Grant asked if Alatus had to be named within the agreement.

Councilmember McClung commented the cooperative agreement was between the City and the County.

Further discussion ensued regarding the phasing of the TCAAP development.

Councilmember Scott requested further information on how staff defined vertical developers.

Ms. Kvilvang stated TCAAP would have multiple vertical developers and one master developer.

Councilmember Holden questioned how the City would get its money.

City Administrator Perrault stated planning area charges would be paid directly to the City at the time of platting.

Ms. Kvilvang reported the City would be doing all of the calculating to ensure the City is paid properly for the planning area charges.

Councilmember Holmes commented on the City utility fees and asked if the City would have to borrow in order to install the utilities.

Ms. Kvilvang explained the City will issue the County a note. She said the County would front the money to pay for the utilities. The City would then pay the note upon receiving city SAC and WAC fees.

Mayor Grant questioned what the interest rate would be on the note.

Ms. Kvilvang reported the interest rate would be 4%.

Councilmember Holden stated this was significant money because the development was being phased in a different manner than was originally planned by the City Council. She asked if the 4% was negotiable.

Ms. Kvilvang commented the interest rate was negotiable.

Councilmember Holden discussed the interest rate on the note. She asked how long it would take the City to build a water tower.

City Attorney Jannik estimated this would take a year to complete between drafting plans and actual construction.

Councilmember Holden requested further information on Option 2D.

City Administrator Perrault explained if the County were to complete the water tower, the City would adjust the WAC accordingly on an annual basis.

City Attorney Jamnik commented the City did not have to make a choice this evening regarding the water tower but could state their preference.

Councilmember Holmes asked if the City was protected and that all fees would be covered by SAC and WAC charges.

Ms. Kvilvang reported the preferred option would be Option 2, which would limit the City's risk.

Mayor Grant commented on the fee schedule and asked if the fees could be adjusted by the JDA.

City Attorney Jamnik advised the JDA would have their own fees and could not adjust the City's fee schedule.

Councilmember Holmes believed that Exhibit F was problematic. She recommended the language regarding storm drainage and snow removal services be further clarified.

Ms. Kvilvang commented some of the terms within the exhibits still need to be negotiated.

Councilmember Holden questioned if a TIF district could be approved within TCAAP.

Ms. Kvilvang reported this could be done.

Councilmember Holmes asked if the TIF deadlines should be extended.

City Attorney Jamnik recommended the Council not extend the TIF deadlines at this time. He commented this was a strategy matter that the Council should discuss further.

Councilmember Holden asked if the number included for planning recovery costs should be adjusted.

City Attorney Jamnik advised the number remain as is for the time being and that additional costs be added in the future. He explained the AUAR would have to be updated after five years and these expenses would have to be rolled into the development costs.

Councilmember Holmes stated the language within the cooperative agreement should perhaps read: the current amount.

City Attorney Jamnik commented this could be done but anticipated this would lead to rounds and rounds of negotiations with the County.

Councilmember Holden requested clarification on the assessment language.

City Attorney Jamnik reviewed the assessment language with the Council and reported the statement within the cooperative agreement insulates the City. He recommended Exhibit N remain in place.

Councilmember Holmes requested the reference to “others” be clarified within the agreement.

Ms. Kvilvang questioned if the master stormwater agreement would be included in the cooperative agreement.

Public Works Director/City Engineer Polka stated she would add language into the cooperative agreement to address a master stormwater agreement.

Mayor Grant turned the discussion to the Option Agreement. He recommended Sue Iverson’s name be removed from the signature line.

City Attorney Jamnik commented the JDA Attorney would also have to be clarified in this document.

Discussion ensued regarding the timeline for development for Alatus and when the clock would start for the Civic Site.

Councilmember Holmes suggested the clock start within two years or with the first vertical development within Tranche 2.

Councilmember Holden commented on G4 stating she had a problem with the statement: “the use being approved by the landowner”.

Mayor Grant recommended this language be removed.

City Attorney Jamnik explained the developer does not want the City to store salt on the Civic Site but rather wants an amenity that enhances the Town Center project. He stated language could be added to define the minimum improvements the City would be willing to make. He anticipated the developer would not want the language removed altogether.

Councilmember Holden indicated the City was willing to put something on this land but did not want the developer to have the power to say if it is or isn’t good enough.

Councilmember Holmes suggested the language be removed and if the developer would like to put in the language back in it cannot be so vague.

Ms. Kvilvang reviewed the facilities that were acceptable for the Civic Site within the Option Agreement.

City Planner Mroska commented the developer may have concerns with the architecture of the building.

City Attorney Jannik anticipated both parties would have to work together on the Civic Site property in order to move this project forward.

Councilmember Holmes asked if the Council would be approving the cooperative agreement.

Mayor Grant reported a vote on this document would occur at some point in the future, but not at this time. He questioned when staff would have the revised documents for the City Council to review.

City Attorney Jannik explained he would have the documents revised and back to the Council on Friday.

Councilmember McClung was pleased that the Council was working to move these documents forward. He appreciated the fact that the City was taking the high ground.

2. COUNCIL COMMENTS AND STAFF UPDATES

Councilmember Scott reported a deployment ceremony would be held on Saturday, January 19 at 11:30 a.m. at the Readiness Center on Hamline Avenue.

ADJOURN

Mayor Grant adjourned the City Council Work Session meeting at 8:27 p.m.

Julie Hanson
City Clerk

David Grant
Mayor