



Approved: February 9, 2026

**CITY OF ARDEN HILLS, MINNESOTA
CITY COUNCIL WORK SESSION
JANUARY 12, 2026
5:30 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 5:30 p.m.

Present: Mayor David Grant; Councilmembers Brenda Holden, Tena Monson, Emily Rousseau and Kurt Weber

Absent: None

Also present: City Administrator Jessica Jagoe, Public Works Director/City Engineer David Swearingen, Finance Director Joua Yang, Parks and Recreation Manager Jess Skalicky and Assistant to the City Administrator/City Clerk Julie Hanson

Mayor Grant amended the agenda to move Item F. Rice Creek Commons/TCAAP Discussion after item D. Affordable Housing Policy.

1. PUBLIC INQUIRIES/INFORMATIONAL

None.

2. RESPONSE TO PUBLIC INQUIRIES

None.

3. AGENDA ITEMS

A. SCORE Grant Incentive Funds and Cleanup Events

Deputy Clerk Estling stated that she has been in touch with John Freimuth and secured May 30 for a cleanup event at the Public Works Yard. This is the same vendor who facilitated the second cleanup day in 2025. Staff is recommending offering the event be free to residents, paid for by SCORE incentive dollars. Staff would like to hold a fall event, as well and will reevaluate if coupons will be offered to residents, based on how much SCORE money is spent on the May event. Staff would like direction if we want to continue to partner with Recycle Technologies in

Blaine for the fall event, or if we want to move forward with two cleanup events in Arden Hills. The same vendor can facilitate both events.

Councilmember Holden noted that Council excluded some items at the previous event. She asked if that is still the plan.

Deputy Clerk Estling confirmed that household hazardous waste and electronics that contain data storage will not be accepted.

Councilmember Weber asked if Staff received any feedback.

Deputy Clerk Estling said three residents spoke to her and said they liked having the event in Arden Hills. The vendor also said he received many comments of appreciation. She added that, Staff is working on adding a Buy Nothing/Trash to Treasure event that would be held the weekend prior to the cleanup event in the fall.

B. Karth Lake Improvement District Pump Improvements

Public Works Director/City Engineer Swearingen said the proposed pump improvements would include removing the existing retaining wall, installing a manhole structure to house the pump and a culvert to connect to the lake. The memo contains history of the last couple of times that the Karth Lake Improvement District (KLID) was utilized via levy. He is seeking Council direction on moving forward with the pump improvements. He outlined that if we choose not to move forward with the pump improvements the City is still obligated to take care of the failing retaining wall and control the erosion on that slope. If the pump improvements are not completed, the City is obligated to replace the retaining wall, similar to what is out there today. That is how Public Works currently accesses the area to manually deploy the pump. The cost of that would be 100% City cost. He said we would not be able to utilize the watershed cost share that was granted if we don't make the pump improvements.

Public Works Director/City Engineer Swearingen has a couple of scenarios if we move forward with the pump improvements, as proposed. These scenarios reflect both of the previous decisions Council has made when applying a levy to the district. Option 1 would require Council determining what the cost split would be between the City and the Improvement District. In the past overhead was not included. It would include levying the as-bid prices. Council would need to determine how many years until the levy must be paid back. There is an error in one of the tables in the attachments that doesn't include all 46 properties. It only shows 43. So the high/low values in the memo will decrease accordingly, when all of the properties are included. He also noted the table in the back is not an assessment roll like we do with street assessments. This district is already established with the County. The Finance Director applies that levy, the County already knows how to distribute the funds.

Public Works Director/City Engineer Swearingen said he is seeking Council direction if we should move forward with the pump improvements, as proposed. If yes, what are the terms?

Councilmember Weber sought confirmation that the \$56,000 grant that was received for the work in the lake was the final grant we could get.

Public Works Director/City Engineer Swearingen confirmed. That amount was put into their budget. It wasn't through a specific grant program. The watershed originally thought the amount would be lower. We are pursuing an additional \$10,000 that we could apply to this but we won't hear on that until February or March.

Councilmember Weber asked if the \$56,000 would be split between the City and the Improvement District.

Public Works Director/City Engineer Swearingen confirmed. That amount would be taken off the top and the remaining amount would be split 50/50 between the two.

Councilmember Holden is leaning towards scenario one. She noted that during public comment they heard residents say this shouldn't be on all taxpayers. She said development will cause a change to a piece of property. Changes to drainage due to development of one property shouldn't be the responsibility of everyone.

Mayor Grant said the budget amount is outlined, but noted there is a potential for \$110,000 more. He asked if Staff is anticipating it will cost that much more, or if the budget is flexible.

Public Works Director/City Engineer Swearingen said the available funding sources are in there. What is budgeted in the Stormwater Fund is the \$500,000. The additional is grants. The available funding equals the \$660,000 potential.

Mayor Grant asked if the actual budgets have changed.

Staff said they have not.

Mayor Grant is in favor of option one. He asked Staff if the cost of that option would be the \$185,000.

Public Works Director/City Engineer Swearingen confirmed that is the current estimate.

Councilmember Weber asked if the assessment will be based on property value so it will fluctuate from home to home.

Staff confirmed.

Councilmember Weber said he supports option one, scenario one.

Councilmember Monson said if we do option one, scenario one what year would the levy start?

Staff said we could levy starting in 2027. Residents would start paying in 2027.

Councilmember Monson noted that in 2026 residents will have the standard City levy. She asked when they pay that assessment.

Public Works Director/City Engineer Swearingen said it would be the same process.

Councilmember Monson asked for confirmation that they also have an assessment this year between \$3,000-\$6,000. Then next year they would have anywhere from \$650 to \$1,400 that would be due 2027, 2028 and 2029.

Public Works Director/City Engineer Swearingen confirmed. He said Council can choose the length. It has been spread out over two or three years before.

Councilmember Monson said that whatever is assessed, will be cut in half or into thirds for repayment.

Staff confirmed.

Mayor Grant asked if Councilmember Monson had a preference on the options.

Councilmember Monson is still considering it.

Councilmember Weber said he is meeting with the board and he can get their input on what their preferred terms would be.

Mayor Grant outlined that there are three councilmembers in favor of option one, with one member still considering it. He said the general consensus is option one, scenario one is favored. He said Staff can proceed with that direction.

C. North Suburban Communications Commission Broadband Franchise Discussion

City Administrator Jagoe said this item follows the discussion from the December meeting. The board of the North Suburban Communications Commission (NSCC) met and there was a presentation from the Commission Attorney, Mike Bradley, on the availability of the Cities to work with the Commission on cable communication franchising. The board recommended each of the cities within the commission to bring this discussion to their respective City Councils. The information in the packet outlines what franchising of cable communication systems is. She shared that Woodbury is the first city within the South Washington County Telecommunications Commission that has implemented cable communication franchising. She shared how they structured their franchising.

City Administrator Jagoe said Staff is seeking direction on if applicants of future right-of-way (ROW) permits for fiber installation should be directed back to NSCC to get a franchising agreement for broadband. She said we have not issued any permits for fiber installation but there have been some inquiries. The ROW permit application would be updated with a check box that indicates if they are looking to install telecommunications cable vs. fiber. That would identify when we should give them the letter that directs them to the process they need to go through. She reached out to the cities in the NSCC and there is one moving forward with requiring the franchise agreement before issuing a ROW permit. Four other cities are considering it in the month of January.

Mayor Grant clarified that the franchise fees would be paid to the City not NSCC.

City Administrator Jagoe confirmed. The revenue from the franchise fee would go to the City.

Councilmember Holden said we need fiber in the City. She thinks anyone installing should get the franchise agreement and then come to the City for the ROW permit.

Councilmember Weber agrees. We pay Nine North with the fees we get from cable. As cable dries up, we need to keep those fees coming in so we can keep providing the television service for residents. He said he has Comcast at his home. They are exempt from these rules because they are considered a telecom company, even on the broadband side. Century Link has Lumen who installs their internet. That's two different companies. We could theoretically send Lumen to get a franchise agreement but we can't do that for Comcast. Comcast is already here. If we have someone here already who doesn't have to get a franchise agreement, that gives them an advantage. Comcast may not be exempt forever, things can change. He just wanted everyone to be aware of that possible advantage for certain companies. He would like Staff to reach out to the County to see if they will notify when fiber permits are being installed on their ROWs. That is fiber coming into our City. They may hit a few houses on the County road and skip right through our city. He doesn't know if the County is amenable to that or if their software allows for it. Hennepin County is able to do it.

Councilmember Monson said she lives off a County Road and has fiber. She said Lumen has a lot of infrastructure already. What does that mean? Do they have fiber infrastructure?

Public Works Director/City Engineer Swearingen believes the infrastructure referenced in the memo is for existing conduit in the ground. He doesn't believe there is fiber in there.

Councilmember Monson said if they have infrastructure, that's not fiber, they would still have to go back for the franchise fee. She supports this.

Mayor Grant said we need to get in front of this and we should do this. He is in support of it.

Councilmember Holden asked what the cost is for a franchise agreement.

City Administrator Jagoe said that would go through the Communications Commission. There wouldn't be any cost to the City.

Councilmember Holden said she was asking what the cost would be to the business. One of the reasons people are bailing on Comcast is because of their poor customer service. She hears that over and over again. If the franchise fee for them is going to be large, it does make a significant difference to people who can't afford higher end things.

City Administrator Jagoe doesn't know that answer. She said Mike Bradley is going to speak at the council meetings of two of the other cities. It is possible to request Mike Bradley attend our February meeting to answer questions.

Discussion ensued that it may be negotiated individually and it isn't necessary to have him come to a work session. We have a member on the communications commission who can gather that information.

Councilmember Weber said the cost is negotiated. He knows Woodbury got 5% of the internet bill. That's how we can save this service.

Mayor Grant said seeing no opposition to this, he directed Staff to move on this as soon as possible.

D. City Code Related to Alcohol in City Park Discussion

Assistant to the City Administrator/City Clerk Hanson said alcohol consumption in the park is not currently prohibited. She shared the language in the current ordinance. This topic has been discussed by the 75th Anniversary Committee for the event this summer. Council would have to amend the ordinance, if we want to allow alcohol for that event. Council can leave it as it is, allow it in one park, allow it in all parks or just certain ones. We can see how it goes and it can be amended back.

Councilmember Monson said she wants to have alcohol sales for the 75th Anniversary. She envisions a beer truck. She doesn't think we need to allow alcohol at every single park. She wondered if we can stay the ordinance for one night.

Assistant to the City Administrator/City Clerk Hanson said the City Attorney said we cannot stay the ordinance. We would need to amend the ordinance to allow it.

Councilmember Monson asked if we could amend it to allow it in one certain situation.

Assistant to the City Administrator/City Clerk Hanson said we can limit it to just Cummings Park, but it needs to be for everyone.

Councilmember Monson said she is in favor of that, unless there is a strong appetite from Council to discuss allowing it 100% of the time.

Councilmember Weber said he is not in favor of allowing it all the time. He wondered if it can be allowed by permit. If someone is having a party, he would be okay with exploring allowing it by permit.

Assistant to the City Administrator/City Clerk Hanson said for the anniversary event we would do a temporary liquor license that the Council would approve. We could possibly get a sponsor. A Special Use Permit could be implemented to allow it for the general public.

Councilmember Weber said that would tie in with a rental.

Staff confirmed.

Councilmember Holden would like to see us implement it at Cummings Park. She would like to see it implemented after July 4th. There is a lot of drinking in the parks already. She would like to limit it for the shortest time possible. She doesn't think it's inappropriate for us to do that.

Mayor Grant agrees we should allow it for the 75th, at just one park. It can be allowed for a period of time and then revert back later.

Councilmember Weber isn't sure how he feels about shoehorning this to fit just a single City event. If we're going to do this, it says something about the City's willingness to allow alcohol in the parks. He doesn't think it should be sundowned immediately. It can be reevaluated later. He isn't completely comfortable with a selective policy for a City event. He thinks if we are going to allow it for an event, we need to allow it in all parks, along with a registered event, with a permit.

Councilmember Holden said one of the reasons why alcohol wasn't allowed was for the same reason we prohibited smoking. If we're going to allow alcohol we should probably allow cigarettes back in, too. The idea was to set examples for the youth who are playing at the parks. A lot of partying already takes place at the parks. She thought open it up through Labor Day.

Councilmember Monson is fine with being selective. She would like to see what the concept that Councilmember Weber brought up would work. What would be allowed? What would that ordinance look like? What criteria could be used for non-City big special events? There is a distinction there.

Councilmember Holden asked if we can just do this for now and revisit the rest later. Staff is busy.

Councilmember Weber said it sounds like we're making policy right now.

Mayor Grant said he has heard Cummings Park, by permit only and we can reevaluate that at some point in the future.

Assistant to the City Administrator/City Clerk Hanson asked if Council wants language to be brought back to another work session, covering all of those scenarios. The ordinance could go into effect in May. There's still time to pull the pieces together. There are timelines and steps for publishing in order to amend ordinances. It can't be done at the meeting following the event. Council could decide to revisit at the end of the year.

Mayor Grant said direction is to come back to a Council Meeting so it can be enacted. Don't bring it back to another work session. If we need to discuss it more, it will be from the Council bench.

E. Affordable Housing Policy Discussion (Item 3.F on published agenda)

Community Development Director Reilly said this discussion is on affordable housing. This isn't about subsidized housing. This is about everyone having a place to live and not paying more than they ought to. This presentation will also highlight that there are not enough homes for both the existing population and future expected population growth, nationwide.

Community Development Director Reilly shared a graphic from the 2030 Comprehensive plan that shows the lifecycle housing chain and identifies that Arden Hills homes are mostly "move up" homes. There are very few places to downsize, without moving into a care facility or age specific communities. By 2023, the goal of supplying enough places for people who want to live here was not on track. The housing market, interest rates and the cost of development were all impacted by the pandemic and has negatively impacted our ability to achieve that goal.

Community Development Director Reilly said when it comes to real estate, the cost of land plus the cost to build is the cost the developer has to pay. When the cost of land goes up, the costs to build may stay the same but the end result is a more expensive place to live. Arden Hills has a high value school district and limited developable land, excluding Rice Creek Commons, the combination of which results in a high cost land. People are willing to pay more to live here because of Arden Hills' proximity to all sorts of things and because the reputation of the school district.

Community Development Director Reilly said our options need to address the supply of housing units. Supply is potentially the easiest way to address the stickiness of the housing market in places

where the cost to build or buy the land is high. The more options people have, the more churn in the market and the more ability there is for different kinds of people to move in and out of the community. There are a lot of ways to approach the supply side to make it easier to build, generally.

Community Development Director Reilly shared a list of low or no cost ways for a city to address the supply side of residential real estate development. There are non-financial incentives that allow flexibility for the developer. They can offer more amenities, dedicate space for public use, include affordable units or add sustainable design elements. Many of these options are being used by suburban communities in the Metro. New buildings will increase our net tax capacity. The more net tax capacity you have, the less expensive it is for anybody to live here because property taxes are spread among more property owners.

Community Development Director Reilly provided some examples of code language that may be appropriate for Arden Hills, outside of Rice Creek Commons. He shared examples of what other communities do. Cottage Grove uses Planned Unit Developments (PUDs) for most of their developable areas and Forest Lake has made zoning code changes allowing for density bonuses to incentivize developers to include affordable units.

Discussion ensued regarding what density is needed in order for a developer to build a successful product. It will vary depending on location. In Arden Hills the maximum density in the R-4 high density residential is 12. It is 20 units per acre in the B-2 zoning district.

Councilmember Holden asked what percentage “mostly” means when Staff says Arden Hills homes are mostly move-up homes.

Community Development Director Reilly said it’s the majority. If we take the houses at the manufactured home park and the remaining insulated summer cottages, we have our non-move-up home calculation.

Discussion ensued regarding what number of homes that is. Further discussion ensued regarding the number of homes in certain neighborhoods that aren’t 1,500 square feet. Council thinks it’s not just the manufactured homes and summer cottages.

Councilmember Holden asked how many non-TCAAP acres are available for development where this could even make a difference?

Community Development Director Reilly gave three examples of sites in the City that are either for sale or available for redevelopment.

Councilmember Holden asked if there is vacant land that is not commercial.

Community Development Director Reilly noted there is a vacant parcels list. Those properties would be developable through subdividing existing residential lots.

Councilmember Holden noted Director Reilly said the school district is a hidden gem. She pointed out that Arden Hills has been listed as a top ten place to live by Forbes Magazine and a few other sources. The school district is low on the list of variables they consider. She asked about eliminating parking as one of these tools. Are we just talking about multi-family?

Community Development Director Reilly said it would be eliminating the requirement for there to be parking spaces. It doesn't eliminate parking all together. It allows the developer to determine how many parking spaces any property would have on it. It could include a single-family home but does not have to.

Councilmember Monson is hearing that our improvement will come through redevelopment. We aren't necessarily looking at individual lots that are not yet developed. We have an opportunity to make a difference any time there is a redevelopment.

Staff confirmed.

Mayor Grant said in terms of density, if we add a few more units, you have to still spread that over the land value. It seems like that may be hard to do, even with adding units.

Community Development Director Reilly said adding density is one way to address the cost side of the equation.. In Arden Hills, we are talking about redevelopment when it comes to adding more housing. That can be splitting existing large lots, pocket neighborhoods or cottage style homes. It is trying to get more places for people to live on each piece of land, in order for the developer to be able to maintain and have a project that cash flows. There is a point at which construction of a building flattens out. When it comes to multi-family, the more units you can build the more your project cash flows. More renters equals more revenue.

Mayor Grant said Director Reilly stated 20 units per acre is difficult to get something to pencil out, in existing Arden Hills. Does 30 units per acre make it a little better or a lot better?

Community Development Director Reilly said 25-30 units per acre becomes a lot better. It becomes feasible to build a project without subsidy.

Mayor Grant said that is the tipping point where the proforma becomes positive.

Staff confirmed.

Councilmember Weber said affordability has to be a goal. In terms of proformas, it has to be financially feasible for a developer. We have these competing goals. The solution is a financial statement showing us how it doesn't work. The city wants the benefit of additional affordable housing units. Looking back at the last development we saw the developer claimed it didn't pencil out, but that wasn't proven. It can be a balancing act and negotiation.

Councilmember Holden asked if we would have to hire someone to prove the developers numbers are right. She can't know if those numbers are correct. A growing concern across the metropolitan area is people who find affordable housing or qualify for homeowners assistance programs aren't able to maintain their homes. How do we deal with that, under this same umbrella?

Community Development Director Reilly said he has the knowledge to make sure the proformas are right. We should require developers to provide their proformas. A lot of agencies require them. He said the existing housing and homeownership conversation is important to identify how we can effectively connect people who have a need to the resources that are out there. There are a lot of resources out there through the County and other agencies. The crisis right now is supply.

Discussion ensued that there need to be more options for downsizing than just senior living or assisted living. Seniors are staying active and want to have places with yards and space for their grandkids.

Mayor Grant said if 20 units per acre is allowed and we bump it to 25 or 30 units, and if some of those units are affordable, someone has to pick up the affordability component of that for the developer to financially justify the project. If the developer has to fund the affordable units, it puts more strain on his proforma.

Community Development Director Reilly said it depends. If they are going to build the unit anyway, it has a cost. They could lease it for a lower rate than the rest of the units they are leasing but it will look the same. No one has to put extra money in, in order for some of the units to cost less than the others.

Discussion ensued regarding the benefit to the developer is less on a per unit basis. A developer will determine how much they need to make on each unit. Building a place to live shouldn't necessarily be a revenue generator.

Mayor Grant said it was presented that Arden Hills has higher land cost. He agrees and that causes certain pressure for developers as they have to maintain something, on paper, to take to lenders to get financing. He asked if we are in an environment today where capital is easy to come by in the lending world.

Community Development Director Reilly said capital is easy to come by for the "right" people.

Councilmember Monson said in terms of supply, she thinks a number of the options are managed through our ordinance in some capacity. She is supportive of maintaining flexibility for density bonuses. She asked if staff has a recommendation from the items on the list.

Councilmember Holden said just because we give someone a density bonus doesn't mean we're getting anything affordable out of it.

Community Development Director Reilly has heard some on City Council say they want to tie affordability to the density bonus.

Councilmember Holden said density bonuses don't necessarily drive affordability. How do we force affordable housing within the density bonus?

Community Development Director Reilly pointed to a sample policy in the agenda packet that shows how that can be done.

Councilmember Holden said we would have a policy but we will still want to have discussions on a parcel by parcel basis. We could not have the policy but still have it in our mind to bring it forward. We need to figure out what we would want knowing we have limited land. She thinks it will come down to the discussion with the developer.

Community Development Director Reilly confirmed we can do a case-by-case negotiation using these parameters. We can also adopt a policy that says on a case-by-case basis density bonuses

consistent with the comprehensive plan may be granted to increase the maximum permitted density if the project meets affordable housing policies.

Councilmember Holden said the density doesn't necessarily equate to affordability. If a developer builds a six-story building and two floors are affordable, are there lesser amenities?

Community Development Director Reilly said they are not allowed to make units that have lower quality units. The quality standards need to be the same.

Councilmember Weber said with so few lots available we shouldn't build policy based on what exists now. We don't know what will happen in the future. There have been several lots that are available that we didn't think were an option before. We should be creating a policy and a list of items we can negotiate for affordability, in exchange for density. He asked Staff what they need in order to move this forward.

Community Development Director Reilly said he believes he has what he needs. He shared a slide that shows next steps. If we can address the items on the list and we increase the net tax capacity of the municipality, everything from a housing cost burden standpoint will be reduced for existing residents and more flexibility to have other choices beyond what exists today. The Metropolitan Council is identifying the existing supply, the need of people who are here and what developers may do. Arden Hills is participating in those conversations.

Councilmember Holden said the density bonus does not mean affordability. There is a list showing other ways to get density bonuses. Are we doing density bonuses to gain affordable housing or are we offering density bonuses to get whatever we want? If we are only doing density bonuses for affordable housing, then we wouldn't have to think about other incentives within the zoning code.

Community Development Director Reilly said he heard Council saying they want a menu of solutions to the supply problem, along with a solution that will allow us to put teeth in a policy to require the developer to provide some affordable units. If a developer has a purchase agreement and is unable to do affordable units, we want some other no cost benefit to the community.

Councilmember Holden said we have always gotten that through a PUD.

Councilmember Weber said he would like to see a menu of items that we can ask for. He also noted that if affordability is out for a developer, the City needs to be able to say no to that developer.

F. Committee/Commission Liaison Role Policy (Item 3.E on published agenda)

Not Discussed.

G. Rice Creek Commons/TCAAP Discussion

Not Discussed.

H. Agenda Planning

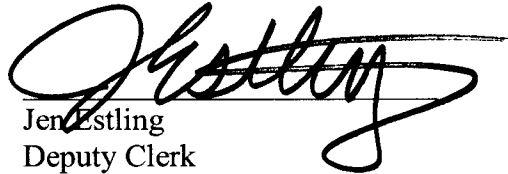
Not Discussed.

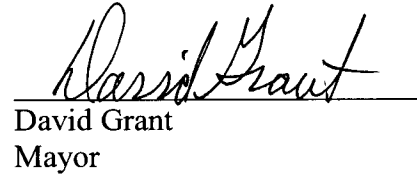
4. COUNCIL/STAFF COMMENTS

None.

ADJOURN

Mayor Grant adjourned the City Council Work Session at 6:55 p.m.


Jen Estling
Deputy Clerk


David Grant
Mayor