

1 CITY OF ST. ANTHONY
2 CITY COUNCIL REGULAR MEETING MINUTES
3 MARCH 23, 2021
4

5 **CALL TO ORDER.**

6
7 Mayor Stille called the meeting to order at 7:00 p.m.
8

9 **PLEDGE OF ALLEGIANCE.**

10
11 Mayor Stille invited the Council and audience to join him in the Pledge of Allegiance.
12

13 **ROLL CALL.**

14
15 Present: Mayor Stille, Councilmembers Jenson, Randle, Walker and Webster.
16 Absent: None
17 Also Present: City Manager Charlie Yunker, Ehlers & Associates Stacie Kvilvang, City Engineer
18 Justin Messner, and Police Chief Jon Mangseth.
19

20 **CONSIDERATION, DISCUSSION, AND POSSIBLE ACTION ON ALL OF THE FOLLOWING**
21 **ITEMS.**

22
23 **I. APPROVAL OF MARCH 23, 2021 CITY COUNCIL MEETING AGENDA.**

24
25 Motion by Councilmember Webster, seconded by Councilmember Jenson, to approve the City
26 Council Meeting Agenda of March 23, 2021 as presented.
27

28 **Motion carried 5-0.**
29

30 **II. PROCLAMATIONS AND RECOGNITIONS – NONE.**

31
32 **III. CONSENT AGENDA.**

- 33
34 A. Approve March 9, 2021, Council meeting minutes.
35 B. Licenses and permits.
36 C. Claims.
37

38 Motion by Councilmember Randle, seconded by Councilmember Walker, to approve the
39 Consent Agenda items.
40

41 **Motion carried 5-0.**
42

43 **IV. PUBLIC HEARING.**

- 44 A. Resolution 21-025; a Resolution adopting a modification to the development program for
45 redevelopment project area No. 3; and establishing the Lowry Grove TIF District therein
46 and adopting a Tax Increment Financing Plan therefore.
47

48 Mayor Stille opened the public hearing at 7:05 p.m.
49

1 Ms. Stacie Kvilvang, Ehlers & Associates, reviewed the City is considering establishing the
2 Lowry Grove Tax Increment Financing District to facilitate the redevelopment of the former
3 Lowry Grove Mobile Home Park and Bremer Bank site. The last TIF District Silver Lake
4 Village was done in 2003. The District consists of 2 parcels of land as noted and adjacent and
5 internal rights-of-way and is approximately 17 acres in size. A map was provided for Council
6 review. These two parcels are combined into one TIF District.

7

<u>Parcel number</u>	<u>Address</u>	<u>Owner</u>
8 07-029-23-23-0001	2501 Lowry Ave NE	The Village LLC
9 07-029-23-23-0002	2401 Lowry Ave NE	Bremer Bank NA

10

11
12 The City has had several projects come forward over the past several years to develop the area
13 with varying forms of rental housing. All projects have requested tax increment financing in
14 order to undertake the projects. Over the last year, the City has given preliminary approval for
15 assistance to two projects in the proposed District, of which only one is moving forward at this
16 time. Based upon the historical interest in redeveloping this area, it was determined to place both
17 parcels into one larger district in order to be flexible to accommodate any future TIF requests the
18 City and HRA may deem to be warranted.

19
20 The duration of this redevelopment TIF district will be 25 years from the date of receipt of the
21 first increment, which is anticipated in 2023. It is estimated that the District, would terminate at
22 the earlier of satisfaction of payment of any pay-as-you-go TIF Notes within the District or on
23 December 31, 2048. We anticipate that the District will be decertified earlier than 2048 since
24 currently the only obligation proposed for the District should be repaid in 9 years.

25
26 Ms. Kvilvang reviewed the TIF District Criteria and the TIF District Budget. The Project and
27 Interest Costs Total is \$56,528,057. This is the maximum budget and cannot be increased
28 without another Public Hearing being held. The City is approving an interfund loan (IFL) of
29 \$25,000 to cover any future administrative costs associated with the District that are not covered
30 by the Developer until such time there is adequate administrative TIF (10%) generated. Any
31 funds advanced under the IFL will carry an interest rate of 4%, which is the statutory maximum
32 rate. When a TIF District is created it cannot have a negative balance.

33
34 Councilmember Randle stated he does not understand why this is being done again. Ms.
35 Kvilvang stated there is no TIF District created for these parcels.

36
37 Mayor Stille stated this provides flexibility if Council wishes to proceed with a project in the
38 future.

39
40 Councilmember Webster asked if 20% of the units being affordable when the TIF District (Silver
41 Lake Village) was created. Ms. Kvilvang stated it was not part of the TIF and was self-imposed
42 by the developers.

43
44 Councilmember Jenson stated previously we had agreed to provide TIF Assistance for the
45 Bremer Bank site. Ms. Kvilvang stated the Bremer Bank site is part of the TIF District. Ms.
46 Kvilvang stated at that time discussions were held about a TIF District for the Bremer Bank site.

1 Mayor Stille stated AEON was looking at tax credits and a resolution was passed for TIF but the
2 project did not proceed.

3
4 Councilmember Jenson asked about Development 65's other units that would be built. There are
5 already a number of mobile homes that are moving in. Ms. Kvilvang stated the budgets were
6 included to maximize the budget. There is not an active proposal for either site.

7
8 Councilmember Jenson asked if Hoyt is still the owner of the mobile home park and he continues
9 to add mobile homes there. Ms. Kvilvang stated Hoyt is free to do with his property as he
10 wishes and the owner does not need to agree when a TIF district is created.

11
12 Councilmember Webster asked about the Silver Lake TIF District and when it became a TIF
13 District, did Cub continue to pay the same property taxes. Ms. Kvilvang stated Cub was not part
14 of the Silver Lake TIF District.

15
16 Ms. Kvilvang stated there is no increase in value in a TIF district until there is an increase or re-
17 development of a site. The base value is frozen and that value will be there throughout the term
18 of the TIF District.

19
20 Mayor Stille stated this is not an indication to a land owner that anything will be approved. This
21 provides Council with flexibility.

22
23 Councilmember Jenson asked when setting up this TIF on the entire parcel, are we dangling a
24 carrot in front of a developer. Ms. Kvilvang stated it is absolutely not.

25
26 Councilmember Webster asked about the TIF being paid off in nine years and there was no
27 interest the TIF District can be closed. After the TIF is closed, it must be decertified.

28
29 Councilmember Jenson asked if the entire parcel is approved does the Hoyt property increase or
30 is it fixed for nine years. Ms. Kvilvang stated it does not affect the property value. If appreciation
31 occurs the tax would increase. If a development stays as it is today, it does not qualify for TIF.

32
33 Councilmember Randle asked if the mobile home park is owner occupied and Ms. Kvilvang
34 stated some are owned and some are rented.

35
36 Councilmember Webster stated when Ms. Kvilvang reviewed the Development 65, she was
37 impressed how Ms. Kvilvang was able to capture the costs of the infrastructure.

38
39 Mayor Stille closed the public hearing at 7:30 p.m.

40
41 Councilmember Jenson stated he was very apprehensive coming into the meeting and the
42 discussion cleared up his concerns.

43
44 Mayor Stille stated this is not a commitment to occur debt and not a commitment to give funds to
45 a developer.

46

1 Motion by Councilmember Walker, seconded by Councilmember Randle, to adopt Resolution
2 21-025; a Resolution adopting a modification to the development program for redevelopment
3 project area No. 3 and establishing the Lowry Grove TIF District therein and adopting a Tax
4 Increment Financing Plan therefor.

5
6 **Motion carried 5-0.**

7
8 B. Resolution 21-026; a Resolution authorizing an interfund loan for advance of certain
9 costs in connection with the Lowry Grove TIF District.

10
11 Mayor Stille opened the public hearing at 7:33 p.m.

12
13 Ms. Stacie Kvilvang, Ehlers & Associates, reviewed Council is requested to consider adoption of
14 Resolution #21-026 Authorizing an interfund loan for advance of certain costs in connection
15 with the Lowry Grove TIF District.

16
17 Mayor Stille closed the public hearing at 7:34 p.m.

18
19 Motion by Councilmember Webster, seconded by Councilmember Jenson, to adopt Resolution
20 21-026; a Resolution authorizing an interfund loan for advance of certain costs in connection
21 with the Lowry Grove TIF District.

22
23 **Motion carried 5-0.**

24
25 **V. REPORTS FROM COMMISSION AND STAFF – NONE.**

26
27 **VI. GENERAL BUSINESS OF COUNCIL.**

28
29 A. Resolution 21-027; a Resolution authorizing the execution of a Redevelopment
30 Agreement.

31
32 Ms. Stacie Kvilvang, Ehlers & Associates, reviewed in June and September of 2020, the City
33 Council reviewed and discussed a request for public financial assistance from Development 65 in
34 connection to the Hayden Grove Senior Living project at a work session. The terms of the TIF
35 Agreement are as follows:

36 **General**

- 37 a. Redevelopment Agreement is between the City, HRA and SA Senior Living LLC for the
38 Development 65 Project.
39 b. Developer has deposited \$10,000 escrow with the City to pay for all legal and financial
40 consultant work in conjunction with sizing of the TIF note and preparation of the TIF
41 agreement. If \$10,000 is not adequate, the developer is required to deposit additional
42 funds until all costs are paid in full.

43
44 **Development and Timing of Construction**

- 45 a. Construction of an approximately 135-unit senior care facility with independent living,
46 assisted living and memory care units.

- b. Must commence construction by July 31, 2021 and be completed by July 31, 2023.

Declaration of Restrictive Covenants

- a. The Developer will record a Declaration of Restrictive Covenants that will be in place for 15 years from date of Certificate of Occupancy that states:
 - (1) 7 units (5%) will be affordable to persons at or below 50% AMI and the units will be mixed within studio or 1-bedroom independent living or assisted living;
 - (2) Rental rates are based upon the rents (inclusive of utilities) set by HUD on an annual basis;
 - (3) Developer will annually report meeting the affordability requirement to the City;
 - (4) Developer has to reimburse the City annually for its costs related to review of compliance with the affordability restrictions; and
 - (5) TIF payments can be withheld in any given year if the Developer is not in compliance with the affordability requirements.
- b. Developer can't transfer ownership of property without the Written consent of the City or HRA, which will not be reasonable withheld.

Minimum Assessment Agreement (MAA)

- a. Developer is required to file a MAA with the County which will be in place through the term of the TIF Note as follows:
 - (1) Value as of January 2, 2022 shall not be less than \$10,800,000.
 - (2) Value as of January 2, 2023 shall not be less than \$21,600,000.

Tax Increment

- a. The City is creating the Lowry Grove TIF District on March 23, 2021.
- b. The Developer will receive a pay-as-you-go note in the amount of \$2,350,000 after providing proof of expenditures for qualified costs.
 - (1) Qualified costs are as follows:

Demolition	\$63,610
Site Utilities	\$2,155,193
Roads & Walks (City Extension)	\$61,709
Soil correction	<u>\$137,740</u>
TOTAL	\$2,418,252
 - (2) Term of the TIF Note will be for 9 years
 - (3) Interest will be paid at the lesser of 4% or their actual financing rate.
 - (4) Developer will receive 90% of the tax increment generated from their project.
- c. The Note will not be issued if there is an event of default and will only be issued after receipt of a certificate of occupancy and the Declaration of Restrictive Covenants has been recorded.
- d. The developer has to inform the City/HRA if they petition for a reduction in their tax value. If this occurs, the City/HRA will only pay out at the MAA amount until the petition is stipulated or dismissed.

Ms. Kvilvang reviewed the Agreement in detail.

1
2 Mayor Stille stated many times in his work, he sees terms of 25 years. Ms. Kvilvang stated they
3 see a majority of agreements 15 years and under. Mayor Stille stated this would generate
4 \$338,000 of increment a year for 9 years.

5
6 Councilmember Webster thanked Ms. Kvilvang for walking Council through this process.
7 Councilmember Webster asked Mr. Yunker for the process on doing the checking of
8 affordability reports. Ms. Kvilvang stated staff receives the report and the report is forwarded to
9 Ms. Kvilvang for review.

10
11 Councilmember Randle thanked Ms. Kvilvang for her explanation of the process.

12
13 Motion by Councilmember Jenson, seconded by Councilmember Walker, to adopt Resolution
14 21-027; a Resolution authorizing the execution of a Redevelopment Agreement.

15
16 **Motion carried 5-0.**

17
18 B. Resolution 21-028; a Resolution Providing for the sale of \$3,100,000 General Obligation
19 Bonds, Series 2021A.

20
21 Ms. Stacie Kvilvang, Ehlers & Associates, reviewed the pre-sale report for City of St. Anthony,
22 Minnesota \$3,100,000 General Obligation Bonds, Series 2021A. There is a new money portion
23 and a refunding portion. The new money portion is \$2,615,000 for 2021 Road Reconstruction
24 Project and Mill and Overlay Projects. \$543,000 will be done through special assessments to the
25 affected residents. The 20% threshold is being met so no referendum is needed. Banks can bid on
26 these bonds. The City has a AA rating currently and this rating should be upheld.

27
28 Councilmember Jenson asked about the assessments and the number of years to be paying back
29 the assessments. Ms. Kvilvang stated the number of years is determined by ordinance.

30
31 Councilmember Webster asked if Moody's changed how they are determining credit ratings. Ms.
32 Kvilvang stated Standard and Poors determines the rating. There has not been a change in a
33 number of years. The size of the City limits the rating. Some of the development projects could
34 raise the credit score.

35
36 Motion by Councilmember Webster, seconded by Councilmember Randle, to adopt Resolution
37 21-028; a Resolution Providing for the sale of \$3,100,000 General Obligation Bonds, Series
38 2021A.

39
40 **Motion carried 5-0.**

41
42 C. Resolution 21-029; a Resolution calling for a hearing for the 2021 Street and Utility
43 Improvement project.

44
45 City Engineer Justin Messner provided a power point reviewing the 2021 Street and Utility
46 Improvement Project. The resolution sets a public hearing to be held on April 27, 2021, at 7:00
47

1 p.m. On February 3, 2021, bids for the 2021 Street and Utility Improvement Project and 29th
2 Avenue NE and St. Anthony Boulevard Mill and Overlay were opened.

3
4 Mr. Messner stated the proposed street & utility improvement project locations are Skycroft
5 Drive (32nd Avenue to 33rd Avenue) and Croft Drive (32nd Avenue to 33rd Avenue. The proposed
6 mill and overlay improvement project locations are 31st Avenue (Rankin Road to Old Hwy 8),
7 Croft Drive (Rankin Road to 31st Avenue), 29th Avenue (Stinson Boulevard to Silver Lake Road)
8 and St. Anthony Boulevard (Stinson Boulevard to Kenzie Terrace).

9
10 The proposed sanitary sewer capacity improvement location is at the Foss Road Lift Station.

11
12 Eleven bids were received on February 3, 2021 ranging from \$1,896,823.85 - \$2,443,550.46.
13 The Engineer's Estimate of the project was \$2,101,855.00. The low bid was \$1,896,823.85
14 submitted by Northwest Asphalt.

15
16 Mr. Messner provided the project costs and funding breakdown. The assessed parcels for the
17 street reconstruction were identified, as well as the assessed parcels for the mill and overlay. The
18 project schedule was reviewed. More information can be viewed on the City's website regarding
19 project updates and additional information.

20
21 Councilmember Randle asked about the mill and overlay streets and have they already had their
22 reconstruction. Mr. Messner stated that is correct. Mill and Overlay projects are done
23 approximately 20 years after a street is reconstructed.

24
25 Mayor Stille asked where the City is at as far as street reconstruction and Mr. Messner stated it is
26 approximately at 80% completed with interior residential streets.

27
28 Motion by Councilmember Webster, seconded by Councilmember Jenson, to adopt Resolution
29 21-029; a Resolution calling for a hearing for the 2021 Street and Utility Improvement project.

30
31 **Motion carried 5-0.**

32
33 D. Resolution 21-030; a Resolution declaring the cost to be assessed and ordering
34 preparation for the 2021 Street and Utility Improvement project.

35
36 City Engineer Justin Messner reviewed this resolution declares the amount to be assessed to be
37 approximately \$543,800.

38
39 Motion by Councilmember Jenson, seconded by Councilmember Randle, to adopt Resolution
40 21-030; a Resolution declaring the cost to be assessed and ordering preparation for the 2021
41 Street and Utility Improvement project.

42
43 **Motion carried 5-0.**

44
45 E. Resolution 21-031; a Resolution calling a hearing on the proposed assessments for the
46 2021 Street and Utility Improvement project.

1
2 City Engineer Justin Messner reviewed this resolution sets an assessment hearing to be held on
3 April 27, 2021 at 7:00 p.m.
4

5 Motion by Councilmember Randle, seconded by Councilmember Jenson, to adopt Resolution
6 21-031; a Resolution calling for a hearing on the proposed assessments for the 2021 Street and
7 Utility Improvement project.
8

9 **Motion carried 5-0.**

10
11 F. Resolution 21-032; a Resolution renewing the Master Partnership Contract with the
12 Minnesota Department of Transportation.
13

14 City Engineer Justin Messner provided a copy of a proposed master partnership contract between
15 the Minnesota Department of Transportation (Mn/DOT) and St. Anthony. The Master
16 Partnership Contract provides a framework for Mn/DOT and Local Agencies to provide services
17 and payment to each other. A few Mn/DOT provided routine services are included in the contract
18 – but all other services require work orders describing costs and scope.
19

20 Motion by Councilmember Walker, seconded by Councilmember Webster, to adopt Resolution
21 21-032; a Resolution renewing the Master Partnership Contract with the Minnesota Department
22 of Transportation.
23

24 **Motion carried 5-0.**

25
26 G. St. Anthony Police Department Annual Report.
27

28 Police Chief Jon Mangseth provided the 2020 St. Anthony Police Department Annual Report
29 including Department Summary, Part I and II Crimes, Calls for Service, Patrol Review,
30 Investigation Review, Training, Police Reserves, Social Media, Community Engagement, Body
31 Worn Camera Program, Progress Report and What's on Deck. Chief Mangseth also mentioned
32 the challenges in 2020. Updates are available via the St. Anthony website.
33

34 Councilmember Randle asked about the 7 reserve officers with allotment for 14 and can this be
35 increased. Chief Mangseth stated interviews are held for 3-7 candidates per year and 3 were
36 added in 2020 and 3 were lost.
37

38 Councilmember Randle had breakfast with a friend that lives in Minneapolis. His friend talked to
39 him about the zone and the amount of crime that is going on there. Councilmember Randle stated
40 he appreciates the St. Anthony Police Department and all they do as there needs to be law and
41 order. The Police Department will always have his support.
42

43 Councilmember Webster thanked Chief Mangseth for providing the overview, noting that last
44 March, during the stay-at-home order, the Police and Fire Departments were deemed essential
45 workers. She thanked Chief Mangseth and the Department for their work during that time, and

1 engagement with the community that continued between the Police Department and the
2 residents.

3
4 Chief Mangseth stated he appreciates the comments and he will relay all to his Department.

5
6 Councilmember Walker thanked Chief Mangseth for the report. He appreciates the weekly feeds
7 on Facebook noting crime that has occurred. He appreciated being in a video talking about
8 crimes. Councilmember Walker asked about the 4 officers contracted to Lauderdale. Chief
9 Mangseth stated the contracts includes 4 full time equivalents.

10
11 Councilmember Walker asked why in 2019 there were so many calls. Chief Mangseth stated
12 there were more calls for service that generated a case number. The increase in calls it was noted
13 there was a deduction in traffic enforcement and other calls for service then the community
14 drifted back to sense of normalcy. Some increases were due to weather for snow parking
15 violations and moving back to a more-steady medical and calls. Councilmember Walker asked
16 about the training – Crisis, Conflict and Community Diversity. Chief Mangseth stated due to
17 pandemic they were forced to use the LOMC online training format.

18
19 Councilmember Jenson stated he appreciates how well the Strategic Plan was put together for the
20 Police Department.

21
22 Mayor Stille stated it was a fabulous report. He suggested residents watch the message from the
23 Chief on Facebook, noting the Big Hearts of the Department members show. Mayor Stille stated
24 the Department has the Council's full support.

25
26 H. Resolution 21-033; a Resolution approving a 2021 appointment to the Planning
27 Commission.

28
29 City Manager Yunker stated a vacancy on the Planning Commission opened when
30 Commissioner Dan Payne resigned effective January 1, 2021. At its work session on February 9,
31 2021 the City Council chose to return the previous top remaining candidates from the recent
32 application group to fill the vacancy. At its subsequent work session on March 9, 2021 the
33 Council interviewed those two candidates and agreed by consensus on appointing Chelsey
34 Hendrickson for a term ending on December 31, 2023.

35
36 Motion by Councilmember Webster, seconded by Councilmember Walker, to adopt Resolution
37 21-033; a Resolution approving Chelsey Hendrickson's appointment to the Planning
38 Commission.

39
40 **Motion carried 5-0.**

41
42 I. Resolution 21-034; a Resolution supporting the Wyland Foundation's Mayors Challenge
43 for Water Conservation.

44
45 Mr. Yunker described the Mayor's Challenge for Water Conservation. The Wyland Mayor's
46 Challenge is an annual month-long campaign, from April 1-30, to promote drought resiliency
47

1 and protect water quality. This is a friendly competition to see which City is the most “water
2 wise” in the nation, where residents make a pledge to change behaviors in their water
3 consumption at home and reduce human impact on lakes, rivers, streams, and other water
4 systems.

5
6 All residents are invited to join in the efforts to reduce St. Anthony’s water consumption and
7 preserve water resources. Students and teachers can join the effort by participating using the
8 educational resources available on the website. WWW.mywaterpledge.com and click on “Take
9 the Pledge” to sign-up. When searching for the City, enter it as “Saint Anthony, Minnesota” and
10 follow the instructions.

11
12 Motion by Councilmember Walker, seconded by Councilmember Randle, to adopt Resolution
13 21-034; a Resolution in support of the Mayor’s Challenge for Water Conservation.

14
15 **Motion carried 5-0.**

16
17 **VII. REPORTS FROM CITY MANAGER AND COUNCIL MEMBERS.**

18
19 City Manager Yunker had no report.

20
21 Councilmember Webster had no report.

22
23 Councilmember Walker had no report.

24
25 Councilmember Jenson stated last week he attended two meetings with the Ramsey County
26 League of Governments.

27
28 Councilmember Randle stated on Sunday, March 14, he attended the Zoom Sister Cities
29 Meeting. He will be meeting with the Booster and will report on that meeting at the next Council
30 Meeting.

31
32 Mayor Stille attended the Regional Council of Mayors Meeting on March 15.

33
34 **VIII. COMMUNITY FORUM.**

35
36 Mayor Stille invited residents to come forward at this time and address the Council on items that
37 are not on the regular agenda.

38
39 Hearing none, Mayor Stille moved forward with the agenda.

40
41 **IX. INFORMATION AND ANNOUNCEMENTS.**

42
43 It was noted that May 1, 2021 is City-wide Clean Up Day.

44
45 **X. ADJOURNMENT.**

City Council Regular Meeting Minutes

March 23, 2021

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1 Mayor Stille adjourned the meeting at 9:02 p.m.

2

3 Respectfully submitted,

4 Debbie Wolfe

5 *TimeSaver Off Site Secretarial, Inc.*

6

Mayor

7

8 ATTEST: _____

9

City Clerk

10