

LAUDERDALE CITY COUNCIL
MEETING MINUTES
Lauderdale City Hall
1891 Walnut Street
Lauderdale, MN 55113

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May 28, 2019

Call to Order

Mayor Gaasch called the Regular City Council meeting to order at 7:33 p.m.

Roll Call

Councilors present: Roxanne Grove, Andi Moffatt, Jeff Dains, Kelly Dolphin, and Mayor Mary Gaasch.

Councilors absent: None.

Staff present: Heather Butkowski, City Administrator; Jim Bownik, Assistant to the City Administrator; and Miles Cline, Deputy City Clerk.

Approvals

Mayor Gaasch asked if there were any additions to the meeting agenda. There being none, Councilor Dains moved and seconded by Councilor Grove to approve the agenda. Motion carried unanimously.

Mayor Gaasch asked if there were any corrections to the meeting minutes. There being none, Councilor Dolphin moved and seconded by Councilor Dains to approve the minutes of the May 14, 2019 city council meeting. Motion carried unanimously.

Mayor Gaasch asked if there were any questions on the claims. There being none, Councilor Grove moved and seconded by Councilor Dolphin to approve the claims totaling \$23,364.21. Motion carried unanimously.

Consent

Councilor Dains moved and seconded by Councilor Grove to approve the Consent Agenda thereby acknowledging the April Financial Report and approving the Lauderdale Community Park reservation application, the Recreation Agreement with Falcon Heights, and Resolution No. 052819A – Assigning a House Number to 1703 Eustis Street.

Informational Presentations/Reports

A. Annual Recycling Program Updates by Eureka! Recycling

Dave Weidenfeller from Eureka! Recycling presented the Council information on the recycling program for 2018, which was the last year of the previous contract. He covered the 2018 Year-End Recycling Report, the 2018 Tonnage & Revenue Report, customer service calls from residents, composition method, participation methodology, and a log of contamination reports.

B. 2019 Infrastructure Improvement Project Update

Administrator Butkowski noted that the contractor will continue to lay water main in the upcoming weeks. After that is done, they will begin working on the road base.

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C. City Council Updates

Councilor Moffatt stated that she has been monitoring the construction going on in the City. Councilor Gaasch shared that she attended the Minnesota Mayors Association conference in Stillwater, and the two primary factors they focused on were childcare and workforce issues.

Discussion/Action Items

A. Discussion of Real Estate Equities Planned Unit Development Application Public Hearing Comments

At the May 14 meeting, the City Council took public comment on the Planned Unit Development (PUD) application submitted by Real Estate Equities (REE). Butkowski noted that one of the questions raised during the meeting was the financial impact between the construction of senior apartments as proposed and single family homes. Stacie Kvilvang, the City's financial advisor, prepared financial models to explain the difference. Staff summarized the information further to explain the up front and long-term financial differences between the two types of projects.

Butkowski explained the anticipated demolition costs are \$300,000 inclusive of ~ \$100,000 in asbestos abatement costs. Assuming the City sells the site as is, it is expected that single-family homes would generate \$300,000 compared to the \$1,295,000 REE has agreed to. The single-family home value is derived from the lots being valued at \$50,000 per lot before factoring the price reduction for the buyer taking on the demolition costs. This is a difference of \$995,000.

Earlier this year the City Council adopted a Park Dedication Ordinance that requires developers to contribute land or money to improve the City's park system. Single-family homes would generate \$36,000 for these improvements; REE's project would generate \$342,000. This is a difference of \$306,000.

To create affordable housing, REE has asked the City to be the conduit for the bonds that will be sold to private investors. The City receives a 0.9% fee for providing this service that would net \$126,000. The City would not receive a fee in a single-family home project.

In summary, the City would receive \$336,000 from the buyer for the creation of single-family homes. In the REE scenario, the City will receive \$1,763,000. In the single-family home scenario, the City will need to refinance the debt from the purchase of the property. In the REE scenario, the bond would be repaid and the City would receive \$468,000 at closing to apply to park projects and repayment of the bonds for the Eustis/Roselawn Project.

If the City Council elects to refinance the bonds to support the creation of single-family homes, the outstanding costs would be structured into a new 10-year bond issue and the old bond retired. The cost to homeowners would vary based on the value of their home. The owner of an average priced home price in Lauderdale (\$225,000) would pay approximately \$1,459 over ten years.

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In the single-family home scenario, the City would receive an estimated \$12,124 starting the year after the homes are completed. In the REE deal, the City would receive an estimated \$4,000 (25% of the base value taxes of \$11,867) starting the year after the apartment is completed. The TIF district is estimated to last 16 years. Starting year 17, the City would receive \$48,590 in tax revenue. Over the first sixteen years, the single-family homes will generate \$193,984 in taxes compared to \$64,000 by the apartments as the remaining taxes paid by the developer will be used to help finance the project. Over the next sixteen years, the single-family homes will generate \$193,984 in taxes compared to \$777,440. All totaled over the first 32 years, the homes will generate \$387,968 in taxes compared to \$841,440 by the apartments.

Jennifer Haskamp prepared a memo highlighting the concerns of those that spoke at the meeting. She approached the dais and discussed her comments with the Council.

City Council members then provided their perspectives on the REE project. Based upon those comments, staff will seek additional information from REE on such things as parking usage and real estate values around similar projects. Thereafter, Councilor addressed community concerns about the project and their overall belief that the REE project should proceed as it is in the best overall interest of the community.

Set Agenda for Next Meeting

Administrator Butkowski stated that the June 11 council meeting may include the Post Issuance Compliance Policy Update and a draft of conditions for the REE project.

Work Session

A. Opportunity for the Public to Address the City Council

Mayor Gaasch opened the floor to anyone in attendance that wanted to address the Council.

Heather Brian, 1778 Eustis Street, stated that property values for houses immediately adjacent to the project would be negatively impacted. She continued to say that parking may be an issue and that parking permits could be used for those directly affected.

Joe Steinger, 1955 Carl Street, shared that he is concerned about damage to the street from the school construction but wanted to be sure utilities were being planned for the site during the Eustis Street construction. He also expressed concerns about storm water and drainage issues.

Josh Hauser, 1778 Eustis Street, wanted to let residents know that Target stores collect film plastic for recycling. He also mentioned that construction in the area is loud and he would like to see work being done during the confines of the agreed upon hours.

Mayor Gaasch thanked those in attendance for contributing to the discussion.

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B. Community Park Parking Concerns with Affected Neighbors

Over the fall and winter, Council Member Dolphin and staff communicated with residents living on Pleasant Street next to the Lauderdale Community Park about their parking concerns. Butkowski explained that neighbors felt parking on both sides of the street creates congestion, may be unsafe for pedestrians/children, inhibits mail delivery, makes it difficult to back out of their driveways, and may obstruct fire trucks from passing through.

Mayor Gaasch opened the floor to anyone in attendance that wanted to address the council on this matter.

Elizabeth French, 1907 Pleasant Street, stated that parking has been an issue when the park is heavily used and the times people have parked over night in front of her house. She said neighbors would like no parking along the west side of Pleasant Street by Community Park.

The Council discussed the request. They noted their while they understand their frustrations that eliminating that parking with exacerbate some of their concerns. They also noted hear from other neighbors on that street that don't want the parking situation changed.

Some Council Members expressed support for posting signage about the blocking of driveways. Staff will look further into the matter.

C. Community Development Update

Butkowski mentioned the developer buying Luther Seminary's land will be meeting with the St. Anthony Park Community Council in July. The City received and inflow and infiltration exceedance letter and is addressing the issue with the City of Roseville as Pacal may be the source of the water. The city attorney will be at the May 29 special city council meeting to discuss the alley vacation request. Government Alliance on Race and Equity (GARE) training is scheduled for June 4.

Adjournment

Councilor Dains moved and seconded by Councilor Mofatt to adjourn the meeting at 10:45 p.m. Motion carried unanimously.

Respectfully submitted,



Miles Cline
Deputy City Clerk