

MEDINA CITY COUNCIL SPECIAL MEETING MINUTES OF MARCH 31, 2004

The City Council of Medina, Minnesota met in special session on March 31, 2004 at 7:00 p.m. at Medina City Hall. Mayor Phil Zietlow presided.

Members present: Workman, Lane, Zietlow, Smith, Brinkman

Members absent: None

Also present: City Administrator Chad Adams, Public Works Director Jim Dillman, City Attorney Ron Batty, City Planner Josh Doty, City Engineer Tom Kellogg, and Shelly Eldridge with Ehlers and Associates.

Tax Increment Financing (TIF) and Infrastructure Master Plan

Shelly Eldridge, Ehlers and Associates reviewed some TIF basics for Council. She commented school bond referendums are based on tax capacity. She clarified that TIF captures inflation to benefited properties. She explained general uses of TIF and stated 90% must go to redevelopable costs. Developers will need to provide a proforma regarding their projects for TIF. Eldridge defined the "but/for" test.

Lane requested clarification of Eldridge's discussion of affecting tax rolls compared to tax base. Eldridge explained that taxes paid in TIF as part of a development would be same if outside TIF as part of a development. Properties pay the same taxes, but the increment is captured to pay for infrastructure improvements.

Batty discussed the TIF affects on schools and implications on taxes. Batty stated TIF can be used as a subsidy, if not properly calibrated. TIF, as part of the current proposal, will not be used as a subsidy directly to developers.

Discussion was held on how city services will be affected by a TIF District and if other taxpayers will be picking up new costs. Adams mentioned that the public benefits of improvements compared to cost of increased services needs to be evaluated as an economic policy discussion.

Discussion of the plan budget and if costs exceed the budget. Staff clarified that budget should not be exceeded and that budgets can be amended within five years of creation of district.

Adams updated the Council on the proposed TIF boundary. He explained that Hamel Road has been extended west to the Uptown Hamel zoning boundary. Discussion of how to add parcels later in the process if needed.

Adams reviewed the Master Plan Infrastructure costs. Discussion on accuracy of the intersection improvement figures. Discussion on completing the Hamel Road overlay compared to a complete reconstruction.

Dillman and Kellogg presented an option for the west storm water pond, to consist of a large berm from free dirt hauled in. Consensus that staff should continue evaluating option.

Eldridge provided an overview of the TIF financial analysis and explained the numbers presented are very conservative and do not include inflation. Zietlow commented that he preferred to get the district to 10 years, rather than 25 years. Discussion on special assessments being used along with TIF.

Batty discussed progress with the SEH report.

Discussion held on Ryan Companies involvement in Open House. Consensus that no change in current course be made. Lane questioned potential conflict with Donald Brauer as planning consultant making alternative recommendations on site under contract with Ryan Co.

Farmers State Bank of Hamel (8:50 p.m.)

Discussion of the changes requested. Discussion on lighting ordinance change regarding consistency in orange, yellow, or white glow of light.

Workman moved, Smith seconded for authorizing staff to prepare final resolution for site plan approval. Unanimous approval of the motion.

Adjournment

Workman moved, Smith seconded to adjourn. Unanimous approval. The Council meeting was adjourned at 9:10 p.m.

Phil Zietlow, Mayor

Attest:

Chad M. Adams, City Administrator