

MEDINA SPECIAL CITY COUNCIL TOWN HALL MEETING MINUTES OF
MAY 28, 2014

The City Council of Medina, Minnesota met in special session on May 28, 2014 at 5:37 p.m. in the City Hall Chambers and was called to order by Mayor Weir. City Administrator Johnson presided.

I. ROLL CALL

Members present: Anderson, Pederson, Martin, and Weir.

Also present: City Administrator Scott Johnson, City Planner Dusty Finke, Chief of Police Ed Belland, and Recording Secretary Amanda Staple.

**II. TOWN HALL ON PROPOSED AFFORDABLE HOUSING NEIGHBORHOOD
(5:37 p.m.)**

Johnson thanked all the residents in attendance tonight and explained that this time is meant to receive input from residents regarding the proposed Dominion project. He advised that these are not the formal hearings for the project that will come before the City Council on June 3, 2014. He noted that written minutes or a recording of the meeting could be provided to residents upon request and advised that although staff and the Dominion staff will attempt to answer any questions, more time may be needed to gather the necessary answers.

Nick Anderson, Dominion, stated that he is excited to be present tonight in order to present information and provide clarity in regard to what affordable housing is and to also answer any questions. He explained that Dominion was founded in 1972 with the sole focus of affordable housing, noting that Dominion is headquartered in Plymouth and is the largest affordable housing company in Minnesota and the fifth largest in the nation. He clarified that this project is not section eight and explained that this project would qualify for the Affordable Housing Tax Credit Program. He explained that there will be a rent limit, income limit for tenants, and Dominion will maintain ownership of the property for a minimum of 15 years. He stated that this project would be high quality townhomes with amenities. He stated that in order to qualify for the tax credit program, four of the 32 units would be set aside for households lacking permanent housing. He noted that those units would most likely be occupied by single mothers with children. He advised that Dominion has a very thorough screening process and does not allow those with criminal records or poor rental history, and also reviews the credit history and income of potential residents. He stated that there are approximately 260 households within Medina that would qualify under the income limits for this development, noting that 78 percent of the residents occupying a similar Dominion project in Albertville previously lived within ten miles of the property. He reviewed the typical income level, household composition of the tenants, noting that rent would range between \$850 and \$1,200. He also displayed pictures from the development in Albertville that Dominion developed and owns.

Ladonna Hoy, Interfaith Outreach and Community Partners (IOCP), referenced the challenge of affordable housing, not just in Medina and Hamel but within the eight communities that IOCP services. She reviewed the areas that families IOCP assists struggle with and noted that once housing is stabilized, those families are able to get back on track. She noted that over 400 families were assisted by IOCP in the past year

and that opportunity allowed those families to move away from survival mode into a thriving mode. She stated that this project will provide a winning combination of affordable housing and support services. She advised that IOCP also works with Common Bond in affordable housing projects. She stated that there is a handout available, which provides information on the positive benefits and outcomes that have resulted from these collaborative affordable housing projects. She advised that IOCP continues to be impressed by Dominion, not only in the use of high quality materials and development but also in property management and support services. She explained the approach that would be taken to work with the families that would provide intensive support. She stated that expectations are outlined and participants are held highly to those expectations. She advised that there has been great success with those who participate in the program and explained that this changes futures and provides opportunities for children, families and parents.

Belland explained that the department received resident concern with the police calls that could be generated from this proposed development. He advised that he received information on the police calls that were made to neighboring cities with similar development projects. He explained that all neighborhoods generate police calls and advised that he could provide specific information upon request. He advised that the number of calls include all service calls. He provided the number of police calls for like units, including Gramercy and the Hamel Road townhomes, to the number of police calls for Dominion developments in neighboring communities. He explained that it is difficult to provide an equal comparison because calls range from medical and parking to criminal and nuisance. He estimated that if the development were to move forward there would be approximately 30 to 50 calls for service per year but explained that it is difficult to determine the type of calls.

Linda Lake, Dominion resident at 10820 South Shore Drive #11 in Plymouth, asked for additional information regarding the type of police calls.

Belland provided additional information regarding the type of police calls received from both Common Bond and Dominion affordable housing developments in this area.

Johnson stated that the City has also received concern regarding the impact on property values, noting that research does not commonly find negative impacts on property values. He advised that the full information can be found on the City website and asked residents to provide other relevant studies to planning staff on this subject.

Sheryl Golin, 251 Cherry Hill Trail, stated that this project is unique because it is right next to retail and bar establishments.

Belland advised that the Cherry Hill development is the closest location wise.

Johnson noted that this development would be 32 units and research shows that developments of 50 units or less have very little, or no negative impact. He provided information on the utility fees that the Council could choose to waive and would pay the utility funds back with Tax Increment Financing (TIF) funds. He advised that Ehlers and Associates would verify if the applicant would qualify for those credits under the "but for" test.

Chris Hilberg, 4559 Trillium Drive North, clarified that the resolution passed did not link the fee waiver to the TIF.

Johnson identified the process allowing residents to make comments tonight.

Julie Faxvog, 1220 Oakview Road, stated that she has lived in Medina for 26 years and supports this project. She hoped that the City Council would also support the project. She stated that Dominion is a reputable company and would fit well into the challenging site. She stated that this is the chance for Medina to support families in the city that could benefit from affordable housing.

Laura Good, 2765 Capriole Drive, stated that she has lived in Medina for ten years and is on the Board of IOCP. She stated that she supports the project because there is a need for affordable housing not only in Medina but in this area. She stated that Dominion is a great developer and property manager and believed that the location would be a good fit for the property. She noted that the location would not be adjacent to any existing development and would only be composed of 32 units, which is less than one percent of the total Medina households. She stated that this project is in line with the Comprehensive Plan and with only 32 units the project will not stress the City water and sewer services. She stated that while she agrees with the angst regarding the rapid development, she did not believe that this should be the breaking point as this is 32 units on land that does not have a higher use and focus should perhaps be on the 300 unit developments.

Christa Sullivan, 1245 Oakview Road, spoke in representation of Joann Ferris, 1225 Oakview Road, and read a letter that expressed concern with the proposed development. She stated that they had chosen to move to Medina to escape the rapid development in neighboring communities. She commented on the developments currently underway, such as Lennar. She stated that Medina is unique and residents should preserve the rural past rather than focus on additional development. She stated that they are not interested in high density as there could be expense for infrastructure and staff. She believed that high density housing should be found in other communities.

Frank Mignone, 3316 Red Fox Drive, stated that he is not against change but believed that change should be fair for everyone. He hoped that the full park dedication and building permit fees would be paid, just as anyone else would have to pay. He also believed that any variance requests should be justified. He stated that there is no time restriction on this and believed that the community should complete the full due diligence. He referenced the well house found on the property and confirmed that is City owned property and hoped that the City would not be giving that away. He stated that this property would totally segregate the development from every other development in the City and referenced eight acres near his home that he believed would be a better fit for the development.

Linda Lake, Dominion resident at 10820 South Shore Drive #11 in Plymouth, stated that she loves Medina and has driven through the community every day on her way to work. She did not believe that due diligence was being done. She stated that her grass is currently knee high and the development rarely receives snowplow services. She believed that Dominion encouraged criminal activity because they do not report activity. She explained that when she reported fire activity near the wetland the management did not respond while the fire department did consider that to be a violation.

John Shishilla, 4335 Shorewood Trail, questioned why the City must consider this request and what would happen if the City rejects this development. He questioned the influence that the Metropolitan (Met) Council has on the City. He stated that this project was nowhere on his radar 60 days ago but noted that it seems a lot of effort has been put into this project already. He questioned how the process has gotten this far and whether the City has to go along with this.

Johnson advised that this will be a policy decision that will come before the Council on June 3rd and possibly June 17th or future meetings. He stated that Dominion has brought this request forward and the Council will need to make a policy decision on whether this will move forward.

Freya Thamman, Metropolitan Council, stated that her role is to mainly work with communities and their Comprehensive Plan. She stated that this development is consistent with the Medina Comprehensive Plan and the policies of the Met Council. She explained that one of the duties of the Met Council under State law is to determine the need for affordable housing and delegate where that housing should be found in the area. She explained the process that is used to allocate affordable housing by the Met Council under State law. She advised that the Met Council is supportive of providing housing choices and diversity, and of this project.

Lorie Cousineau, 4587 Medina Lake Drive, stated that she has lived in Medina for 15 years and shared the concerns expressed by the previous resident in regard to the impact the Met Council would have should the City deny this type of development. She questioned the plan of the Met Council to address traffic and other issues that this rapid development is having on this area.

Katie Rodriguez, Metropolitan Council District One Representative, stated that she has voiced the concern over traffic and roads at the Met Council but noted that although the Met Council is advocating for additional transportation funding the shortfall is in funding.

Ms. Cousineau stated that perhaps the Met Council could accommodate the City in terms of growth until the issue of transportation is solved.

Ms. Rodriguez stated that the Met Council has worked with the City on this issue but noted that the Met Council does not control the market. She advised that other communities want to see the growth, noting that Medina has a very different stance in wanting to delay development. She stated that the population forecast is not what the Met Council wants to see but is their best estimate of what will occur. She stated that personally she lives in Maple Grove, near two affordable housing developments, and she believes those to be assets in the community and not a burden.

Ms. Cousineau confirmed that the Met Council is not forcing the City to enact affordable housing in 2014 and questioned the ramifications should the City not meet the goal identified for 2030.

Ms. Thamman explained that the goal of 506 units is a goal and not a mandate. She explained that if the goal is not met that means that the need for those units is not being met.

Ms. Rodriguez explained that the need for those units would still exist, even if they are not provided within the communities.

Johnson stated that the City Council and staff have provided comments regarding the 2040 plan and the issues with transportation.

Bill Ciora, 915 Sunset Court, stated that he has been a Medina resident since 1997. He asked for additional information regarding the economics of this project. He discussed the proposed cost for the development and amenities with onsite staff in comparison to the proposed rent. He did not believe that there would be any investor that would spend \$6,000,000 to generate \$300,000 per year in revenue without including expenses.

Jeff Huggett, Dominion, explained that this housing would be built through the Affordable Housing Tax Credit Program. He explained that there would be tax credits received in return for the 15 year agreement Dominion would have on the property. He confirmed that someone at Dominion would address the concerns expressed by the Dominion resident.

Ann Nelson, 235 Meadowview Lane, stated that she did not believe that 506 units of affordable housing would be needed for Medina residents. She stated that she donates time and funds to IOCP and stated that her comments are in regard to effectiveness. She referenced the comments made by IOCP in regard to moving from survive to thrive and noted that is not the only option, the residents could also stay in the same condition or their situation could become worse. She stated that there was a large campaign to redistribute people from poverty to other areas and noted that changing addresses does not always change the families situation and sometimes brings crime with them. She referenced affordable housing developments in neighboring communities and reviewed the number and type of police activity. She also discussed the impacts of low income housing on school districts and services. She questioned where kids would play in this development, noting that the proposed tot lot would not support 70 to 80 kids. She stated that in her opinion the strategy of the Met Council to change addresses is not successful and is outdated. She stated there is a program in Minneapolis called The Jeremiah Program that is nationally recognized for helping single moms thrive. They would never locate single moms in a rural area where they are far away from a community college or vocation training program. She stated she believes in affordable housing but not at this location.

Jerry Hertaus, House Representative for this District, questioned if this site conforms to the generally guided principles for highest and best use. He stated that Dominion provide a presentation noting that they would manage the property for 15 years and questioned what would occur after that 15 years, whether Dominion would sell the property and if the property would then remain as affordable housing. He referenced the fees that could be waived and questioned if the waived fees could be recaptured upon sale, should Dominion sell the property after 15 years.

Johnson noted that the \$300,000 of waived fees in discussion applies to sewer and water connection fees.

Hertaus noted that affordable housing is an issue, not solely within Medina but everywhere. He believed that this is a pursuit to create uniformity in the lifestyles of the people. He stated that he sees people lining up to receive assistance and noted that

while some deserve the assistance, there are some that perhaps do not. He questioned if the redistribution is serving the purpose, noting that the waived fees would be paid for by the residents. He noted that this is an expensive area to attempt to create affordable housing.

John Anderson, 2785 County Road 24 and City Councilmember, referenced an email that Weir received from Freya Thamman on May 8th. He read the email aloud which addressed the ramifications that the Met Council could bring on communities that do not meet the requirements of the Met Council. The Comprehensive Plan of Medina was referenced and it was explained that the cities must attempt to reach the goals set for affordable housing. It stated that the affordable housing need number is a goal and not a mandatory requirement that would have penalties. The primary impact of not meeting that goal would be that the community would not provide a diverse mix of housing for its residents.

Chris Hilberg, 4559 Trillium Drive North, stated that he has spoken with a lot of people about this project in the past few weeks and was stricken by the number of comments that if the residents were not in support of this that would mean that they are not compassionate. He stated that he takes that comment to heart as he donates his time and believes that Medina residents give their time, money and resources to assist others. He did not believe that a commercial district would be the best place to put a residential development and also questioned if the plan that will come before the Council is financially responsible. He stated that when TIF works, it works great, but questioned the impact that would occur if the TIF does not work. He stated that if the forecast is not met, the residents would have to make up for the downfall. He believed that a pay as you go method would be a better fit for that type of development.

Johnson stated that Ehlers and Associates will be conducting the analysis on the "but for" test to determine if this project would qualify for the fees to be waived.

Mr. Hilberg stated that members of the Council have said that while they do not like affordable housing they must allow affordable housing because of the requirements of the Met Council. He explained that there are funds that could be applied for through the Met Council for this type of project and did not believe that had been done. He also discussed the possible conveyance for the City owned well property and questioned if there is a purchase agreement in place and what the price would be for that purchase.

Johnson noted that the City Council will discuss the possible conveyance or sale of the City owned property at their June 3rd meeting.

Mr. Hilberg stated that the property has value and believed that fair market value should be paid for that property. He stated that Weir stated that she did not see reasons to deny this request and that Councilmembers that do not approve the request would have to submit findings of fact. He noted that he did prepare findings of fact and provided that to staff and Weir. He noted that the parcel is zoned mixed-use business, which requires two of the allowed uses, while the proposal would only include residential and would therefore not comply with the Comprehensive Plan. He noted that the proposal also exceeds the recommended density for the zoning district and would therefore take away the land rights of other parcels zoned mixed use business.

Weir explained that this would be a Planned Unit Development (PUD), which would override some of those aspects.

Mr. Hilberg believed that if reasons other than shorter driveways and house spacing were driving the PUD request that another review of the Planning Commission would be necessary. He also noted that the City owned property was not noticed prior to the Planning Commission review. He reviewed State statute regarding the conveyance or sale of City owned property and the requirements that would be necessary regarding notification of residents. He stated that there are a lot of technical issues that have not been thoroughly vetted. He believed that the City is doing their best to review the issues in the necessary application timelines. He believed that the Council are excellent members of the community that are doing their best to review the project.

Peg Rasmussen, owner of the Countryside Café for the past 40 years, stated that she has always loved that Medina is a large community that gets along with each other. She stated that she always makes the assumption that everyone wants the best for their family, including schools. She noted that Medina is a nice, crime free community with excellent schools. She agreed that there are a lot of residents in Medina that not only donate funds to organizations like IOCP, but also volunteer their time and effort. She believed that Medina could and wants to have affordable housing and that it could be great here. She stated that there are people living in Medina that could benefit from this affordable housing and stated that if this is not the project, than perhaps the minds in this room could get together and do it right. She stated that she would be proud to be a part of an effort that could create a meaningful effort to bring affordable housing to Medina, where her employees and employees of other local businesses could live.

Phillip Milne, 1880 Buckskin Drive, stated that he has served on the Board of IOCP with Peg Rasmussen and is on another Board that was created through IOCP. He stated that he does support affordable housing and believed that 32 units of safe housing for employees of local businesses would be a drop in the bucket in terms of density. He stated that he has witnessed the move of families from survive to thrive.

Seth Hoyt, 1382 Tamarack Drive, stated that he and his wife have heard many issues regarding development throughout their time in Medina and they have observed that over a period of time there is an absolute commitment of the Council, and past Councils, to do their best for the City. He stated that he has never felt that he has been ripped off during his time in Medina. He stated that he is a close friend of Weir and has not met anyone that cares as much about Medina as she does. He commended Weir for her contributions into this process, noting that this development has been the most contentious issue that he has seen in his 18 years in Medina.

Kim Murrin, 290 Cherry Hill Trail, confirmed that the police call information included the Dominion development in Rogers and questioned if that range of calls was similar to other neighborhoods in the city. She confirmed that Belland did not believe that the police calls would be disproportionately generated from that development. She referenced the TIF District property and believed that the purpose of the TIF district is to enhance future growth for the area.

Johnson stated that the total project cost for the Dominion project would be roughly \$7,000,000 and noted that the sewer and water connection waiver that will come before

the Council in the future would be in the amount of \$300,000. He explained that this property would change from a bare piece of property to a \$7,000,000 project.

Ms. Murrin understood how Target enhanced the area and questioned how the housing development would enhance the area.

Johnson explained that the property would pay property taxes from the property valued at \$7,000,000 once the TIF district expires. He confirmed that the County and School District taxes would not be paid as long as the development is within the TIF district.

Ms. Murrin questioned if the opportunity to build within the TIF district were not available, would Dominion build in another area of Medina, or whether the incentive of the TIF district is driving the project.

Huggett stated that he would be unable to answer that because this project is within the TIF district.

Ms. Murrin questioned what would occur should the TIF district July deadline expire and the sewer and water connection fees were not waived.

Huggett explained that the sewer and water connection fees and TIF district inclusion were not available Dominion would not proceed with the project.

Ms. Murrin stated that there is a lot of opposition and questioned if Dominion has experienced this in other communities.

Huggett stated that there has been some opposition and some support, which is common of other communities as well.

Ms. Murrin stated that there is a lot going on for both sides, in favor and opposition, and questioned the basis for the Council to vote; whether their vote would be based on the input of the residents.

Johnson stated that the point of this meeting is for the public to provide input and for the Council to hear that input. He advised that the Council will review the issue and make their comments at the meeting on June 3rd. He confirmed that resident input does matter.

Councilmember Martin stated that she appreciates the input of the residents and is here to listen. She stated that the Council would not have requested these public meetings if they did not care what the residents say. She stated that the Council works hard and spends a lot of time reviewing and discussing projects of this nature. She stated that there have been a lot of negative comments and the Council is doing their best to thoroughly review the issue and receive resident input. She stated that she also has her issues with the requirements that the City must meet density requirements without transportation support but noted that this development of 32 units is not the breaking point and stated that perhaps the residents should provide similar input in the review of the next large development that is proposed that will affect traffic.

Ms. Murrin stated that perhaps the City should take a step back to thoroughly evaluate the project and ensure that residents are being best represented.

Karl Hanson, 2000 Lost Horse Road, stated that the Met Council Charter is not set in stone and can change in the future, noting that the force from the Met Council may not be there in the future. He stated that while he is in favor of affordable housing he is not in favor of subsidized housing and did not believe that taxpayer money should be used to subsidize housing. He stated that subsidized housing attracts crime and believed that families with single parents, specifically mother run households, create more crime. He did not believe that subsidized housing would provide a benefit to the community as a whole.

Sheryl Golin, 251 Cherry Hill Trail, stated that her family has lived in Medina for the past 15 years and commended the City Council for their efforts. She believed that the residents are reasonable and could be respectful. She stated that there is a need and everyone has been down and out at one time. She believed that there was a way for this to be a win if the process is slowed down. She stated that she loves kids and walked the proposed property with Weir. She believed that the location should be the best place for the kids and that there should be enough room for the kids to play. She noted that the proposed location would be fenced on three sides and would be neighbored by a bar. She believed that location would be too much for kids to thrive in. She stated that the development proposed is beautiful but did not include enough playroom for older kids and would not provide the right opportunities for children. She believed that there is a lot of talent in this room that could work together to make this successful. She stated that her family has always has positive interaction with the police and Mayor Weir.

Linda Lake stated that she is passionate about this because she lives this every day as a resident of a Dominion development. She stated that if the rules in the handbook were followed, the community could be nice.

Johnson believed that those issues brought forward by Ms. Lake should be brought forward to Dominion.

Ms. Lake, Dominion resident at 10820 South Shore Drive #11 in Plymouth, stated that there are teenagers wandering the property with nothing to do and not sufficient space. She invited everyone to visit the property, and other Dominion properties, in order to gather additional information.

Johnson thanked everyone for attending tonight and advised that a town hall meeting will be held the following night.

Weir also thanked the residents in attendance for the time they spent to provide their input.

III. ADJOURN

The meeting adjourned at 7:50 p.m.

Elizabeth Weir, Mayor

Attest:

Scott Johnson, City Administrator