

**WORKSHOP
OAKDALE CITY COUNCIL
February 9, 2021**

The City Council held a workshop on Tuesday, February 9, 2021, at Oakdale City Hall, 1584 Hadley Avenue North, Oakdale, Minnesota. The meeting began at 5:00 PM.

Present: Mayor Paul Reinke

Council Members: Jake Ingebrigtsen
Susan Olson
Colleen Swedberg
Kevin Zabel

Also Present: Christina Volkens, City Administrator
Jim Thomson, City Attorney
Brian Bachmeier, Public Works Director/City Engineer (virtually)
Susan Barry, City Clerk
Linnea Graffunder-Bartels, Senior Community Development Specialist
Alyssa MacLeod, Communications Specialist
Bahea Manasra, Administrative Intern (virtually)
Chelsea Petersen, Administrative Services Director
Bob Streetar, Community Development Director
Bill Sullivan, Chief of Police
Kevin Wold, Fire Chief (virtually)
Mai Xiong, Licensing Clerk (virtually)

BUSINESS ASSISTANCE

Senior Community Development Specialist Graffunder-Bartels provided an overview of financial assistance to local businesses from the federal, state, county, and local levels affected by the pandemic. She shared that slightly over \$31 million had been received by Oakdale businesses over the past year from federal, state, county, and city programs. Senior Community Development Specialist Graffunder-Bartels indicated that of the businesses closed due to Governor Walz's executive shutdown orders, 35 likely did not receive any financial assistance. She reviewed options to consider: forgivable loans for 35 businesses not known to have received any assistance, forgivable loans for 58 businesses affected by the governor's executive shutdown orders, or recapitalizing the COVID Relief Business Loan fund.

In discussing forgivable loans, City Attorney Thomson explained that municipal economic development authorities may provide such loans if used for public purpose, such as COVID relief.

Community Development Director Streetar added that the public purpose is met by existing loan programs.

The City Council discussed criteria to use to determine applicability for a forgivable loan.

Community Development Director Streetar suggested the criteria simply be any business in Oakdale on the Minnesota Secretary of State's registration list.

City Administrator Volkens explained that the loan funds would be paid out the general fund reserve, where all monies are now being held.

Mayor Reinke asked the City Council to weigh in on whether to provide forgivable loans, the amount, and which businesses would be eligible.

Council Member Ingebrigtsen stated that he would support the consensus but expressed concern with offering the loans due to the potential risk.

Council Member Zabel commented on the many financial assistance options made available to the businesses without having to offer forgivable loans but supported offering \$1,000 forgivable loans to the 58 listed businesses.

Council Member Olson supported offering \$1,000 forgivable loans to the 58 listed businesses.

Mayor Reinke supported offering \$1,000 forgivable loans to the 58 listed businesses.

Council Member Swedberg supported offering forgivable loans to the 58 listed businesses.

City Administrator Volkens indicated that a formal request to offer forgivable loans to the 58 noted businesses and to amend Policy EPD-027: COVID Recovery Business Loan Program would be brought to the February 23 regular meeting.

ATTORNEY THOMSON: Open Meeting Law, Serial Meetings, Other

Attorney Thomson provided an overview of the Open Meeting Law and serial meetings and discussed the importance of not using “reply all”, not discussing city business with more than one council member, or discussing city business at social gatherings.

PROPOSED POLICY AMENDMENT: Cellphone and Other Reimbursements

Administrative Intern Manasra provided an overview of proposed amendments to Policy PE-003 regarding staff reimbursements for cellphones and other expenditures such as uniforms, safety glasses, and footwear.

In response to questions, City Administrator Volkens explained that the cellphone portion would pertain to employees required to conduct city business via a cellphone. She added that the proposed changes had been reviewed by an attorney and that security, intellectual property, etc., would be addressed in a different policy. City Administrator Volkens explained that Section 2.5, relating to cellphone usage, would become part of another policy.

City Administrator Volkens indicated that a formal request to adopt the policy would be made at the regular meeting due to the urgency being expressed by staff to have their allowances and/or reimbursements processed.

PROPOSED POLICY: Proclamations

After a brief discussion, it was the consensus of the City Council that no formal policy relating to proclamations was needed.

Mayor Reinke stated that he and the city administrator would review proclamation requests and determine which to bring forth. He added that should a concern arise about a proclamation request, the city administrator would speak with each council member.

PROPOSED CODE AMENDMENT: Chapter 10 – Liquor – Microdistilleries

City Clerk Barry provided an overview of a request to amend Chapter 10 – Liquor, of the City Code to allow microdistilleries the option of selling their products off-sale to the public. She added that a request to sell off-sale had been submitted by Lucky Guys Distillery, located north of County Road 14, east of I-694, and would be brought forth to the City Council on February 23. City Clerk Barry noted that language in the proposed ordinance relating to “distilleries” should be disregarded at this time as only “microdistilleries” were being presented for approval.

Licensing Clerk Xiong explained that applicants obtain a microdistillery license from the state and an associated off-sale license from the city and that a code amendment would be needed to provide for microdistilleries to sell on-sale.

Staff was directed to include on-sale at microdistilleries as part of a future code amendment.

Council Member Zabel noted that the public hearing portion of the February 23 agenda would need to occur after action on the consent motions to allow for adoption of the code amendment relating to off-sale at microdistilleries to occur prior to action on issuing an off-sale license to Lucky Guys.

City Administrator Volkens indicated that a formal request to adopt the code amendment would be made at the regular meeting due to the urgency of a pending request by a local business for an off sale license.

FLAHERTY AND HOOD: Lobbying Strategy for Local Option Sales Tax Legislation

Also Present: Bradley Peterson, Lobbyist, Flaherty and Hood

Bradley Peterson, Flaherty and Hood provided an update on the city’s Local Option Sales Tax bills. He explained that the tax bills do not need legislative approval in order for the city to implement a local sales tax. Mr. Peterson further explained that the main challenge would be to demonstrate regional significance for the police expansion and especially for the public works facility.

In response to a question from City Administrator Volkens, Mr. Peterson affirmed that demonstrating regional significant for the house bill would be more challenging.

In response to a question from Council Member Ingebrigtsen, Mr. Peterson stated that he felt that the senate would approve the city's local sales tax request and then that the house would likely follow suit; however, he also stated that many aspects of the process are beyond the city's control.

In response to a question from Mayor Reinke, Mr. Peterson explained that local sales tax for suburbs were fairly novel compared to taxes in more rural parts of the state.

Mr. Peterson reviewed the next steps: updating materials and asked the city to leverage any relationships in support of the local sales tax.

In response to a question from Council Member Ingebrigtsen on other requests for local sales tax, Mr. Peterson noted that the City of Waite Park was seeking a police department, City of Saint Peter was seeking a fire station, and Milaca County was seeking a public works facility.

Council Member Ingebrigtsen inquired whether there would be any benefit in working with these communities toward a common goal.

Mr. Peterson replied that requests are evaluated independently.

COUNCIL TOPICS

Vehicle Thefts

In response to an inquiry from Council Member Olson, Police Chief Sullivan commented on the uptick in vehicle thefts in the metro area and provided some safety tips.

The meeting recessed at 6:50 PM.

The meeting reconvened at 7:26 PM.

PRESBYTERIAN HOMES AND REUTER-WALTON

Community Development Director Streetar reviewed requests relating to the use of tax increment financing (TIF) from Presbyterian Homes to construct 131 senior housing units, including 26 units designated for affordable housing, at Helmo Station (4th Street and Helmo) and from Reuter-Walton to construct 70 to 130 units, including a portion of units designated as affordable housing, on Hudson Boulevard. Referencing the Reuter-Walton proposal, he noted that if there was a willingness to provide TIF, the rezoning process would begin. Community Development Director Streetar explained that without the use of TIF the Hudson Boulevard site would likely develop as commercial or remain vacant and he recommended the site be rezoned for multi-family housing.

In response to a question from Council Member Ingebrigtsen, Community Development Director Streetar indicated that a multi-housing development, using tax increment financing, would produce more property taxes than would a commercial development.

Council Member Zabel stated that the financial benefit for the affordable housing units would be minimal until the tax increment financing district was retired.

Community Development Director Streetar suggested that a small area plan be prepared for the Hudson Boulevard site and noted that two tax increment financing districts would be decertified in 2022/2023.

Council Member Ingebrigtsen expressed concern with financial uncertainties the city may be facing, particularly if the city does not get approval for local option sales tax.

City Administrator Volkens commented on the need to consider the need for affordable housing in the community and not just the financial aspect.

Referencing the Presbyterian Homes project, Council Member Olson noted that affordable housing would equate to only one-ninth of the site and commented on her belief in the need for affordable housing.

Council Member Ingebrigtsen indicated that approving tax increment financing for the Presbyterian Homes project could lead to other requests from Helmo Station developers.

Mayor Reinke did not agree.

Community Development Director Streetar stated that approval of one project does not require the City Council to approve other requests. He also stated that the city's adopted Comprehensive Plan calls for 435 to 791 new affordable housing units in the community. Community Development Director Streetar suggested developing a policy to define when tax increment financing (TIF) would be considered for affordable housing projects and include a finite number of units for which TIF is applicable. He also explained that the use of TIF does not result in additional revenue for developers.

In response to questions from Council Member Ingebrigtsen, Community Development Director Streetar indicated that the mission of Presbyterian Homes calls for affordable housing; however, they need to limit the number of affordable housing units for the project to be successful and, hence, are only requesting TIF for 26 of the 131 units.

Council Member Swedberg did not support the use of tax increment financing (TIF) at the Helmo Station site but would possibly consider TIF at the Hudson Boulevard site once more details were provided.

Council Member Zabel agreed.

Mayor Reinke supported the use of tax increment financing (TIF) for 26 units of affordable housing of the 131 units at the Helmo Station site and at the Hudson Boulevard site.

Council Member Olson supported providing affordable housing, especially for seniors, per the city's Comprehensive Plan.

Council Member Ingebrigtsen stated his support for affordable housing but not the use of tax increment financing.

Council Member Zabel agreed.

Staff was directed to draft a policy to define when tax increment financing (TIF) would be considered for affordable housing projects.

COUNCIL TOPICS (continued)

Codes and Policies

Council Member Swedberg asked that when modifications are made to proposed codes and policies at workshops, staff provide updated copies to the City Council with the next two days, and then post the document on the web page; no decision was agreed to.

Council Member Zabel expressed frustration with the amount and the timeliness of proposed cellphone reimbursement policy versions provided to the City Council prior to the workshop.

Mayor Reinke indicated that staff does not habitually provide packet materials at the last minute.

Council Member Olson commented on the number of things the new city administrator has been tasked with since coming to Oakdale and the City Council to be flexible.

Council Member Ingebrigtsen added that Oakdale operates with a lean staff.

Council Member Zabel commented on the importance of the City Council being prepared to discuss the matters that come before them.

Letters of Support

Council Member Zabel expressed concern about a letter sent to legislators by the city administrator asking them to oppose taking away cities' authority to charge developers to cover infrastructure improvements tied to new residential development. He stated that the City Council should formally take a position on proposed legislation before correspondence is sent.

City Administrator Volkers noted that it was common for city administrators to take a position on behalf of the city and that a request to oppose the legislation had been made by Metro Cities and the League of Minnesota Cities.

Council Member Zabel indicated that many cities adopt legislative agendas.

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Council Member Ingebrigtson stated support for the city administrator to do her job and believes she did so in this situation.

Local Option Sales Tax

In response to a comment from Council Member Zabel, City Administrator Volkens noted that she would be garnering local support for the city's local option sales tax efforts.

ADJOURNMENT

The meeting adjourned at 8:36 PM.

Respectfully submitted,
Susan Barry,
City Clerk