

CITY OF ST. FRANCIS
ST. FRANCIS, MN
ANOKA COUNTY

CITY COUNCIL WORK SESSION NOTES

FEBRUARY 8, 2018

Mayor Steve Feldman called the Work Session to order at 5:30 pm

Members present were; Mayor Steve Feldman, Council members Jerry Tveit, Rich Skordahl, Joe Muehlbauer, and Robert Bauer. Also present were Assistant City Attorney Dave Schaps, City Administrator Joe Kohlmann, Community Development Director Kate Thunstrom, City Clerk Barb Held, EDA members Mike Rodger and Sarah Udvig.

1) Discussion on Tax Increment Financing (TIF)

City Administrator Joe Kohlmann gave a brief history overview of the proposed Planned Unit Development (PUD) on a parcel on the north side of 229th Avenue NW between the golf course clubhouse and the American Legion.

- 1) 11/02/15 PUD Amendment Request by Able Companies
- 2) 12/05/16 TIF Request/Public Hearing Notice – LeGen Companies
- 3) 02/06/17 Public Hearing on TIF request
- 4) 03/06/17 Extension request (financing changes) – LeGen Companies
- 5) 01/02/18 PUD approval – GD1, LLC

Tax Increment Financing utilizes the increased property value after construction to offset the cost of construction for a project. Therefore, the monies come from the investment into the property. While following appropriate rules and regulations, it is the City's sole discretion to offer tax increment financing for a project.

Discussion held on the number of changes in partners, providers and the names of the applicants through this process. Council agreed they want a facility to come in long term. The TIF they are requesting is for 20 years. Question asked was if we have a deadline to decide.

Schaps stated on Monday, you approved the PUD amendment that portion requires you to follow deadlines within the city code. TIF is part of the development agreement. It is up to you if you want to proceed with TIF or not. Thunstrom stated all land use deadlines have been met.

Discussion continued on the different partnerships, language that could be put in the development contract to protect the city, wanting the facility, to it should not be a concern of the City who the provider is being they would be regulated by the State.

Feldman stated they are asking for public money, we are the guardians of public money and that is the reason we are asking a lot of questions. Twenty years is a long time. We need to do our research/homework.

Rodger stated the business plan that was presented to the EDA is different from who is now requesting approval. Rodger also had some concerns with the changes to the plans of the building, especially the underground parking.

The council agreed a facility like this is important for the community and if there was not public money being requested we would not have much to say if they met all city code requirements. Council felt there were still a number of questions unanswered.

The council felt there are still more questions they would like to ask Chau Le of GD1, LLC. Council asked staff to contact Chau Le to set up a joint meeting in about a month with the City Council and the Economic Development Authority (EDA) to answer some questions. The questions and information they want are; an updated business plan, financial commitment, list of companies involved, operator/provider, and updated proforma.

2) Other Discussion

Council felt these work sessions are helpful and would like to have one later this spring to review the Hwy 47/Pedestrian and Rum River Blvd/235th studies that are being conducted this spring.

Tveit asked if we could discuss snowmobile parking along the Rum River too at a work session or council meeting.

Technology for meetings was also discussed briefly.

Feldman thanked everyone for the good discussion. With no further discussion adjourned the work session at 6:46 pm.

Submitted by,

Barbara I. Held, City Clerk