

**INVER GROVE HEIGHTS CITY COUNCIL WORK SESSION MEETING
MONDAY, APRIL 5, 2023 - 6:00 P.M. - 8150 BARBARA AVENUE**

1. CALL TO ORDER:

The City Council of Inver Grove Heights met in regular session on Monday, April 5, 2023, in person. Mayor Dietrich called the meeting to order at 6:00 p.m. The Pledge of Allegiance was recited.

2. ROLL CALL:

Present In-Person: Mayor Dietrich, Council Members: Murphy, Gliva, Scales; Interim City Administrator Amy Hove, City Attorney Bridget McCauley Nason, Deputy City Clerk Katie Malott, Public Works Director Brian Connolly, Community Development Director Heather Rand, Communications Manager Amy Looze, City Engineer Paul Merchlewicz, and Parks and Recreation Director Adam Lares.
Present Via Zoom Video Conferencing: Councilmember T’Kach

3. DISCUSSION ITEMS:

A. Recognition of “Mayor for the Day” Essay Writer

Mayor Dietrich recognized a student living in Inver Grove Heights who was recently selected as an Honorable Mention recipient of the 2022 Mayor for the Day essay competition that was sponsored by the League of Minnesota Cities. She shared that Maria is a 4th grader who was chosen as one of our four Honorable Mentions. Maria was a winner from among more than 500 student essay writers from Grades 4-6, representing all areas of Minnesota.

Maria Ries introduced herself and read aloud the essay she wrote on being Mayor for a Day.

Mayor Dietrich provided Maria with a Certificate of Accommodation.

B. 65th Street Extension (TH 3 to Babcock Trail) and Development of Surrounding Parcels

Public Works Director Brian Connolly discussed the 65th Street extension and the surrounding development options. A key Council priority was to receive an update on the transportation improvements within the northwest area and to provide further discussion with engagement/direction with staff regarding progression of the remaining development of transportation infrastructure previously planned within the northwest area.

The 65th Street extension has been discussed by this and previous Councils dating back to 2016 in its current form. Location:

- From Robert Street to Babcock Trail in the northwest area
 - Under 300 acres surrounding 65th Street to the north, south of the proposed alignment

Planning History:

- Past Comprehensive Plans:
 - 1967 & 1976 showed an east/west connector road in the general area between Highway 3 and Babcock Trail
 - Subsequent comprehensive plans have been put together since that date with every one of them showing an east/west collector road in the area in order to support potential future development
- Northwest Area Alternative Urban Areawide Review (AUAR) was first developed in 2005
 - Updated and revised in 2014 and 2020
- A Regional Roadway System Visioning Study was put together by Dakota County in conjunction with the cities of Eagan, Mendota Heights, Sunfish Lake, and West St. Paul
 - Original study was done in 2010, revised in 2022 when the study was adopted
 - A key component of the inclusion of 65th Street as a future roadway within the city

- A key component of the vision study input data
- Northwest Area Collector Street Plan was developed in 2012
 - Showed 65th Street as one of the key roadway needs within the northwest area
- Referencing Inver Grove Acres Plat, to the east of the section under discussion, located off of Arlene and Athena Way
 - Area was platted in 1982 along with 65th Street
- 65th Street extension Feasibility/Design Report; most recent efforts taken on by City Staff:
 - Takes the high-level planning documents and starts to assign more detailed engineering calculations and cost estimates to what it would cost to build 65th Street along with a survey being done and impacts to the area around 65th Street

Recent Engineering Study Efforts:

- September 2016
 - Council authorized the formal preparation of a Feasibility Study for 65th Street
- March 2020
 - Feasibility Report brought to the Council for discussion and tabled for additional information
- July 2020
 - Feasibility Report was brought back to the Council and tabled due to COVID-19
- February 2022
 - Staff brought the 65th Street discussion to a City Council Work Session
 - Staff received guidance to update the Feasibility Study
- March to June 2022
 1. Feasibility Study was updated, changed, and modified to be a conceptual design and fiscal impact report
 2. Rather than look at it as done with the street projects (feasibility study, authorize a project, and build it):
 - Staff wanted to make it a fiscal impact and conceptual design report to show existing options not knowing what development was coming
 - Development proposals in queue last year did not end up coming to fruition
 - Staff still expected having development interest in the area
 - Several developers have come forward with concept plans regarding potential development proposals that may be coming forward soon
 - Staff lacks direction from Council on how the Council wants to proceed
 - Report has information that allows staff to talk with developers about how much a roadway would cost, how to pay for it, and what is expected of developers
 - Without Council direction there is no way of saying where they would go in the future
- Staff requests Council feedback on the process and on recommendations

Current Engineering Study Efforts:

- Revised the limits of the project:
 1. Instead of being a whole connection from Highway 3 through Babcock, it was truncated the west half of the area (this is where there is development interest)
 2. East of the location is the Harmon Park Preserve and parcels owned by one property owner, Mr. Fee, who is in attendance
 3. Mr. Fee has indicated that he does not have near term interest in developing
 - There is not a need to push a roadway through where there is not active development. (There could be in the future).
- Report focuses on the area prime for development
- Clarify and adapt the current layout to match what developers have brought forward and align the north/south roadway connections in areas both topographically and logistically

- Provide two (2) different cost estimates:
 1. Option 1: Construction prior to development/platting
Would be paying the highest cost of building the road before development gets there. All grading, land acquisition work, and utility extension would need to be done without defrayment of costs from incoming developer fees.
 2. Option 2: Construct after development/platting occurs
The lowest cost option would be to let development occur and reserve right of way and easements. Get stormwater facilities that were dedicated to the city. This saves on land acquisition costs.
The cost would be somewhere in between the above mentioned two.
- Not knowing the types of developments, when they would develop, and what order they would develop, impacts how much the cost of the road would be
- Provided preliminary assessments rolls for both cost estimates
- Updated maps, figures, and text
- Updated funding options/recommendations

65th Street Extension – Benefits:

- Provides east/west roadway connection to serve 230+ acres of developable property
 - Missing link identified in past studies
 - Provides for improved public safety/response needs
 - Provides continuity in the roadway network
- Provides access to major roadways (Highway 3, Argenta Trail, Babcock Trail, Cahill Avenue)
- Roadway alignment provides corridor for utilities:
 - Watermain looping
 - Sanitary Sewer
 - Storm Sewer
 - All basins in the northwest area are landlocked and do not drain anywhere. This creates challenges and issues with development.
 - Private utilities (gas, electric, and communications)
- Putting development in may spur more development sooner

65th Street Extension – Challenges:

- Expensive to build: \$6-\$11 million dollars for Phase 1
 - Due to the topographical challenges
- Funding may be challenging
 - Higher costs mean more funding is needed from potential developers/parcel owner assessments
 - Topographical challenges make it more difficult
 - City costs for trunk utilities (watermain and storm sewer)
 - If installing 65th Street without development, costs need to be fronted by the city and recovered through future development fees
 - Look at different ways of funding the road
 - Past extensions in the northwest area. For example, 65th Street on the other side of Highway 3 were built with State Aid funds
 - The city is taking the money given to them to maintain existing roads or build new roads in the northwest area
 - The result has been not being able to have/spend as much money on some of the existing roadways in town that are State Aid roads that need some work
- Environmental Impacts:
 - Tree removal
 - To mitigate, set aside certain areas to remain undisturbed or replace trees
- Current Parcel Owner Resistance

- Some do not want to develop because they like the rustic nature of the area
- Some parcels want to develop and may need the road in order to have access

65th Street Extension – Fiscal Impact (Phase 1):

- Cost ranges from \$6.6 to \$10.7 million dollars
- From a city perspective, there is not a lot of differences in the water and sewer capital
- Storm water costs are a little lower post development due to the expectation of getting easements for stormwater management that could be combined with stormwater management for development
- Municipal street funds are not identified as a specific fund
- With State Aid funding, could also look at bonding, non-utility dedicated municipal funding sources, or other funding sources
- Special assessments

65th Street Extension – Fiscal Impact:

- Past Practice:
 - A previous extension of 65th Street west of Highway 3; from Highway 3 to Argenta occurred between the years of 2017 and 2020
 - City paid approximately 65% to 70% of the cost for the roadway
 - Utilized State Aid funding
 - City assessed benefitting properties at a rate of 35%
 - Waited until after portions of the properties adjacent to the alignment were developed before advancing the roadway project
 - Once approved for assessing, the city had to claw back assessments for the newly developed parcels
- City's Assessment Policy:
 - Indicated that all new roads had to be 100% assessable to benefitting property owners assuming they are built to the standard neighborhood residential street width
 - In the northwest area it is typically 28' to 32' wide
 - Community collectors are built between 40' to 44' wide
 - City pays for all costs of oversizing the road; developers/benefitting properties are assessed 100% for a 32' wide street
 - For the 65th Street extension east of Trunk Highway 3, 66% would be assessable, (city would pay 33%)
- Discrepancy Between Past Practice and Policy Requirements:
 - Staff needs direction on whether the Council wants to follow the typical policy (recommended)
 - Implementation of the Assessment Policy as written may delay/deter development
 - 65th Street extension is not in the 5-year Capital Improvement Plan (CIP) adopted last year
 - Without direction from Council, it would not end up in the next CIP phase
 - Currently listed as an "unprogrammed project"
 - If programming, need to find a way to fund
 - If finding a way to fund, and money has been used on other projects, money would need to be deferred from other projects, or find other unique ways to fund

Policy Questions for Council:

- If Council supports continued planning and eventually construction of an extension from Trunk Highway 3 to Babcock Trail.
- What the Council's expectations would be as to a reasonable and fair assignment of roadway costs to developers, property owners, and the city.
- If the Council was persuaded of the necessity for 65th Street as a needed roadway as a part of the city's road network.

- If yes: Staff recommends formal consideration and adoption of the recent Engineering Study and implement efforts to plan for the roadway in conjunction with development.
- If no: Staff suggests the Council consider performing a small area plan to better understand and refine the economic impacts of building, or not building, a roadway based on different land development scenarios.

Councilmember Murphy requested clarification on bullet points 1 and 3.

Public Works Director Connolly replied they were both somewhat similar. From previous discussions, he believes the Council sees and understands the need for the roadway but may not understand the scenario if it is not built. For example: What that meant for development, if it cannot be developed, if the development could only be rural in nature, out of compliance in terms of density requirements put forth by the Met Council, and how it impacts utilities and the money invested in the past. A document has never been put together explaining why they should or should not proceed.

Mayor Dietrich asked if there would be a staff recommendation.

Public Works Director Connolly replied Staff could give a recommendation. The issue from staff's perspective is that staff does not know what to tell developers who inquire about development around 65th Street. Staff would need to tell developers there would never be a road and would need to develop property differently because there would not be a connection there, or that the road is going in and would need to develop land along with the costs in order to develop. Developers need an answer. Staff cannot give direction without having clear direction from the Council about whether to move forward or move in another direction.

Community Development Director Heather Rand discussed the solicitation of proposals from planning/engineering firms regarding conducting a small area plan for the area.

A Small Area Plan (SAP) can generate data.

If the Council wants to move forward with hiring someone to conduct a small area plan, staff suggests focusing on the following two scenarios:

1. With the 65th Street extension as a collector street as proposed in various feasibility studies.
2. Identify what the access points look like, especially for parcels south of the proposed 65th Street.

Staff is aware for public safety standards; it is not acceptable to come up 70th heading north.

- There would need to be two egresses and connections parcel to parcel to accommodate traffic flow and emergency vehicles.
- Engineering would be needed to help identify access points.
- What the buildout would look like as well as the costs.
- Determine impacts to housing density.
- What higher density could mean for the business community.
 - How that impacts number of customers, number of students in the School District.
- Utility connection fees.

Staff does not have the answers at this time. With a small area plan, consultants could identify and give data to help the Council make a decision.

- Cost for the alternative street system.
- What green space would look like and the impacts.
 - Access to Harmon Park
 - Density for trail connections

The Council may want this information to help make a decision unless they feel they have enough data to make a decision to move forward or to do something different.

In Conclusion:

- A Small Area Plan/Study, at an estimated cost of \$50,000, will not recommend whether to proceed, or not to proceed, with a 65th Street Connection. It will provide additional data on access scenarios that can assist with decision making.
 - Study could take approximately 5 months to complete.
 - Key stakeholders would have to be met with along with public input.

This item has not been budgeted for. Staff would have to come up with a funding source. Staff wants to ensure the Council makes a decision with the right information. A Small Area Plan is one method. If a plan is done, the report with recommendations would go before the Planning Commission and then the City Council.

Staff questions if the Council is comfortable given all the research done in the past and the development interest moving forward, if the Council would like to move forward with consideration of 65th Street, or if more data is needed.

She replied about recommendations stating she did not believe staff has formally suggested a solid recommendation one way or the other, other than what has been proposed in the report. The buildout of 65th has been in many years of comprehensive planning and other roadway planning documents.

Mayor Dietrich asked if there were any meetings held for resident input from the last discussion during the Pandemic in 2020.

Public Works Director Connolly replied outreach was done on a one-on-one basis. There isn't really a neighborhood here, but individual parcel owners. Staff did reach out to all those along the corridor that would have been impacted by the construction aspect. Conversations have not been had with some of the extended property owners beyond the construction limits; the assessment rolls have not been engaged with.

He said he would have to check to see how many neighborhood meetings were held prior to 2020. Public input could still be received, this report is different from a feasibility study. When the study is advanced, conversations and input will be needed from the public. He said this was another question staff has and would need to take a closer look at and understand what the Council is looking for in terms of advancing the project.

Councilmember Scales mentioned 65th Street winds and turns as it goes through the city; this roadway plan is straight. He questioned if that was something the small area plan could help with. He said he was unsure if other streets such as Cahill and Blaine were planned around topography issues. He said he did not like the cost but if it helps design the right product, it may be a benefit.

Community Development Director Rand replied staff would have to sit down with the selected consulting team and question where they would want to go in terms of scenarios and recommendations. She was hopeful to be able to narrow things down in terms of what is already proposed for 65th Street versus something else.

Councilmember Scales asked how much thought has gone into the design on paper. He questioned if topography was looked at and what development would be going into the area; if it was single family homes, townhomes. He said that may determine the roadway. He would like to see what thought process went into the path going from Babcock to Robert Street.

Public Works Director Connolly replied this has been a point of discussion for the last seven years. There is no one perfect route. Staff recognizes the roadway is probably not going to be a perfectly straight alignment. Because there has been no right of way or acquisition of right of way easements, staff has determined the most cost effective in terms of length and amount of roadwork done would be a straight line.

When this effort began in 2016, he said it was his understanding that it looked at the feasibility of actually building a road before development happened. Efforts for the west end of the project were a lot more focused on the most realistic and cost-effective place to put the road

before development happens. That was to split the existing property line, which is along the section line, with minor deviations but no major curves. As development comes in, if knowing there is a desire or need, or that they are moving forward with the roadway, they could work with the developer in terms of layout and make deviations occur with the existing topography. If development takes place on one side of the section line but not the other side, they may want to shift it onto the property developing and not have to buy or impact the next parcel. He said that staff has an idea; it may likely be the southern parcels before the northern parcels.

Councilmember T'Kach said she has a lot of concerns about the whole project. There have been many comprehensive plan meetings over the last three or four decades. She said she felt it was just a straight-line road suggestion that would be dealt with down the road. There has not been any mention of what to go around, looking at topography, and walking the land to determine what is going on in the area for an understanding of costs. She questions the idea that a road is needed in the area. If a road was needed, previous Council's would have already gone down this path. She said their lack of actions speak volumes about the challenges here and what it means to put a road through some of the most pristine area of the city.

She said this is Inver Grove Heights; Grove implies trees. Previous reports state there will be a lot of tree removal, some of which are old trees. It is known people are already shocked about what has taken place in the northwest area regarding land that was promised not to be massively graded and tree removal occurred. Nobody is doing anything about it, it just happens.

She said she thought it was important that more than just property owners or those with development rights are in on this conversation. If doing a small area plan, she would like to see a broader engagement in the community and questioned if it would be more than \$50,000 to do that. Without seeing the reports referenced by Director Connolly, it was hard to know if a decision could be made with the available information before spending \$50,000 on a small area plan. If a decision could be made, they would save \$50,000. If more information is needed, she suggests going down that path. Without having read the reports, she said it was hard for her to approve spending \$50,000. She is willing to read those reports between now and the next Council meeting. She felt there was more to be done here.

Mayor Dietrich asked if the Council was in agreement with asking for resident input.

Community Development Director Rand replied with Work Sessions, input is often not solicited. It is the Council's purview if choosing to accept input.

Steve Povolny, 14 High Road, said he has very little information on this situation. His property is included in the rectangle shown. He wanted the Council to know he and his wife were not informed that anything was going on, or that there was the potential for land that they have no interest in developing. He commented that staff has said they have potentially spoken with everyone; he has not been spoken with and has no interest in ever developing their land. He suggests additional exploration be done before anyone decides to spend money or make changes. He said his home was built by Harmon, the park behind it was given to the city. The point in giving the land and preserving the beautiful place they have is to preserve that part of the city. He asked the Council to keep that in mind and to include them in what is happening. He said they are aware development can happen, he asked that they be careful and judicious. He said the notion of not asking for input on something this important when the Council requests it, is somewhat offensive to him.

Mayor Dietrich wanted residents to know there is a form outside of the Chambers for contact information. That information is provided to the Deputy Clerk to be added to the list to be contacted.

Mr. Povolny stated staff knows who he is, where he lives, and has included his 17 acres in the rectangle highlighted in the diagram. A potential assessment has also been determined for him; if true, he finds it to be shocking.

Tom Fee, 6515 Babcock Trail, stated they are the landowners the Public Works Director was referencing. They are located on the eastern side that is currently not open for development. He mentioned that conversations he has had with Public Works Director Connolly have been good; there has been dialog back and forth which is something that is relatively new. He said looking at a project on paper that is \$6.9 to \$11 million dollars, how many times projects come in under budget. This is a unique part of the city with an incredibly challenging topography. He commented with a project coming in at that price range and not willing to spend \$50,000, look at the alternatives to get more input from land owners. He said it felt like they were not giving enough critical thought to one of the remaining areas that would be significantly impacted by a road going through. Future decisions would be based off what is going to happen today. He suggested taking more time in the interest of the city and stakeholders with the money at stake.

Councilmember Murphy shared that he believes the Council needs to decide on 65th Street one way or another because it is impacting future development. This has been on the comprehensive plan since 1967. He has only been on the Council two years; this has been discussed frequently; a decision is necessary. He said having 65th Street there is necessary to him, he was unsure of the path for the road. He said another study would just prolong this longer, which is something the Council has been doing since he has been watching Council meetings. He thought they could get plenty of resident input on the best course of action without spending \$50,000-\$60,000 on a small area plan. He addressed the road stating there have been times when the city did not stick to policy and got in a little hot water. Keeping with policy and paying to make it wider makes a lot of sense to him. He believes staff deserves direction on 65th Street.

Councilmember T'Kach shared that she did not imply that they should not do a small area plan, she would like to see the other documents first. She questioned if the small area plan would include alternative development possibilities; not just thinking it would be single family homes because they have had a lot of single-family homes or townhomes. She questioned looking at a different concept in the rectangle shown. She suggested soliciting ideas and information from residents in the area that would be impacted financially along with residents in other parts of the city. She said this is a big decision and may be why previous Council's have not decided. It would either destroy an incredible part of the city and get something done, or they could be much more thoughtful. Doing so would be more tedious, challenging, and slower, but they may end up with a much better product 5 or 10 years down the road. She questioned if staff had an idea of a broader scope, or if the small area plan includes a broad scope for a different development project. She asked if the Public Works Director or the Community Development Director could address this.

Community Development Director Rand stated if the Council wanted to give staff direction to pursue proposals for small area plans, staff was thinking of pursuing them with two scenarios:

1. A 65th Street that is relatively straight.
2. Another scenario with a different roadway system without 65th Street that would still meet/achieve development potential.

This could mean less density; she was unsure what that would look like. Staff needs engineering advice before understanding this.

Public Works Director Connolly agreed with the two scenarios mentioned by Community Development Director Rand. It is a build and a no build scenario:

No build does not mean no development or no roads, it means there is no 65th Street that connects east to west between Highway 3 and Babcock Trail. It can also mean:

- Could be access off Highway 3 in a line with 65th Street but does not go anywhere; it could turn into a development or loop into a residential neighborhood or something already there.
- Looks at how much traffic the roadway can sustain and what it would do to adjacent roadways.
- Compares what is in the Regional Roadway Visioning Study, MnDOT, and Dakota County policies with respects to access management when making upgrades.

MnDOT has already told the city they would only get one access off Highway 3 in this area, it is at 65th Street. There is not an option to put another public road access between 70th Street and 60th Street. There is not one at 60th Street. MnDOT has not committed to giving the city one to the east. It is a limited scope in terms of where future roadway access points were going to be given.

The current plan in the Comprehensive Plan and future Zoning Plan shows the need for this road. It would be looked at from an economic development standpoint. The small area plan is not intended to do the same level of detailed design that has already been done in these studies. That would be a separate effort. Once a small area plan is done, if Council wants to give direction to Staff one way or another, staff would check how much the infrastructure would cost. Staff have an idea of what it would roughly cost with respect to something along 65th Street as a community collector roadway. Other roads would be considered local roads, not paid for by the city, paid and built by developers.

From a cost impact to the city, he said he was unsure if they would receive the engineering infrastructure cost. If developing at a higher density, there would be a higher tax base, more long-term income from taxes, how that compares to what is put in the comprehensive plan, and what it might require if changing the comprehensive plan. If the densities cannot be put in this area because the system cannot support it because there is not a 65th Street, it would need to be put somewhere else within the MUSA boundary. The city would be able to say they only have a certain amount of capacity in the existing utility infrastructure. Information could be given stating the infrastructure was built to a certain size in order to accommodate the density that has been in the plans.

He said he supports Councilmember Murphy's ascertain that a decision has been put off for quite some time. This Council and everyone at the city have been going in the same direction because that is the way the plans have shown. The city has not always taken a closer look at the possibility of doing the opposite. He said there is a reason that is not done; putting it as an option sometimes makes things difficult to understand. He commented if the Council felt that was important and wants to explore a lower density or is shifting the way the comprehensive plan zoning has been put together in the past and making those changes to the comprehensive plan in the future, this would be the way to do that for this area. This is one of the last areas in the northwest area that has not developed yet.

Councilmember Murphy questioned if the small area plan shown on the slide was if the Council did not think 65th Street was necessary.

Public Works Director Connolly replied that would be the 'no' option.

Councilmember Gliva referenced the cost of \$6-\$11 million that was mentioned for the roadway and asked if the estimate reached all the way to Babcock or if it was just the rectangle shown.

Public Works Director Connolly replied it was just the western portion of the road.

Councilmember Gliva mentioned that this has been on the comprehensive plan and under discussion for 40 years. She said inaction is an answer, it is also an action. She said she struggles with trying to get the roadway in and making sure it is funded properly. She asked if there were many developers currently looking/interested.

Community Development Director Rand replied there have been multiple parties looking at a few of the parcels south of the proposed 65th, there has been property to the north.

Councilmember Gliva commented that if doing another proposed study, they could find out if it still makes sense to have 65th Street. She questioned if the study would be so focused that it wouldn't answer the need for 65th.

Community Development Director Rand replied she did not believe a small area plan would directly guide the Council toward a recommendation of yes or no to 65th. It would provide the Council with information so the tough decision can be made. This involves a lot of money that impacts many people, their land, and land development opportunities in the present and future.

Councilmember Gliva asked if the study could take five months.

Community Development Director Rand replied that was her estimation. She said she would have to start calling around. Staff appreciates having discussion on what type of data is needed and where the Council is at.

Councilmember T'Kach said she would support moving forward with a small area plan to create alternatives. She said she does not believe 65th Street as proposed is what the city needs. She would like to see a fresh look and more information beyond what they already have. The volume of information could be used to make a decision. She encourages public engagement, especially those in and around the area.

Councilmember Scales liked the idea of having the small area plan, but not the cost. He said he was not sure if they are doing this because they need the development in the future or if it is because a developer is asking to develop now. Knowing what direction that is would help them know if it is being driven by the city or by a developer or landowner. He is aware it has been a long time for this, there are a lot of things that have taken a long time in the city. He would like to hear from all property owners along the route; those that would be assessed and have to pay for this. He would like to see a study done.

Councilmember Murphy asked if the city was trying to expand the study off of what is on the slide provided. His understanding was that the study would not direct whether 65th Street is a good idea or not. It would provide an alternative if directing staff that 65th Street was not necessary.

Councilmember Scales said his thought was that the study would show the impact of having or not having the road on the future city and what it does to the tax base.

Community Development Director Rand replied the small area plan takes the two scenarios:

- With 65th Street and what it looks like for development and costs

- Without 65th Street and the new roadway structure

And the impacts on development including an estimate on property tax and number of households

Councilmember Scales said it would tell them if it was or was not a smart decision and if the city could afford it or not. He commented that the city might not be able to afford not to build 65th Street.

Mayor Dietrich asked if the small area plan would give that information.

Community Development Director Rand replied staff would ask for calculations on property tax. It could be rough calculations on cost.

Mayor Dietrich stated that Councilmember Scales had a good question about what has been driving this. She said she took note of it on the comprehensive plan herself. She asked what brings this to the forefront now and why.

Public Works Director Connolly replied the reason it keeps coming up now is because there is active development interest adjacent to 65th Street. Staff does not have direction to give those developers/property owners an answer about where a road would go, the costs, and the

utilities. There is no current ordinance indicating whether a developer comes in and staff can tell them no. There is an issue where there are developers or parcels with limited or no access to the existing street network have indicated a desire to put something in and need access to the street network. The question is how they would get it. The only thing staff can tell them is that 65th Street is in the comprehensive plan and would be constructed somewhere along this corridor. Staff has stopped short of saying how much it would cost, the right of way dedication, and grading.

He shared it has been shown that it can be a deal maker for developers and property owners whether they sell or are able develop a property the way they want to. With the costs for larger parcels between \$.5 and \$1 million dollars, it is a big dollar value for someone to come in and put a lot of design effort into a preliminary or final design only to have it rejected or pulling the application after the fact because they were not aware they would have to pay for it. This is the problem staff has right now.

Doing a small area plan would be a way to get information but may not be what the Council is looking for. The same can be said for the reports. If bringing a report forward knowing how much it would be, the Council will have to vote yes or no. That response would be the direction given for all development moving forward until another Council requests different. He said that staff does not want to keep spinning their wheels, they want to be efficient with their time. There are several project initiatives in the city.

He replied about the question of what is driving this, stating it is development. This is one of the priorities that the Council set at the beginning of 2023.

Mayor Dietrich questioned if the small area plan would give a return on investment for potential tax base.

Community Development Director Rand replied an estimate would be given on the two scenarios as to what they thought the tax base would be.

Councilmember Murphy commented there are a lot of people on staff with experience. He said he could be supportive of a small area plan, but was curious if this was previously done in this area of the city. He questioned if the WSB report would have a lot of the same information the small area plan would. He asked if this has been done before and are looking at spending another \$50,000 to \$75,000 on something that has already been done, or if they already have half of the information.

Community Development Director Rand replied she was not aware of a study being done in this specific area in a small area plan. It would have to be updated even if it was over five years ago. She addressed the question of other small area plans stating that in the last couple of years there have been plans done north of Highway 55 and south of Highway 55 and Argenta. The Council approved the one north of Highway 55. The one south of Highway 55 had issues with impacts further down Argenta. It was rejected because it may have been ahead of it is time and may cause development pressure in areas the Council did not want it to. She said there were cost ranges of the tax base for the two different scenarios.

Mayor Dietrich stated as a policymaker, she needs to be fiscally responsible and would need to see the data in order to do that. She said for her, it must be data driven and to have determined an estimate on tax bases and the return on investment. She said she was not excited about spending \$50,000 to do it.

Councilmember Scales mentioned \$50,000 in the end might be well spent.

Councilmember Murphy said he disagrees.

Councilmember T'Kach stated that during the Council retreat it was agreed they would have a conversation about 65th Street. She wanted to be sure people listening do not think the Council wants

to move forward with 65th Street, the Council wants to move forward with a decision about 65th Street. She said she is concerned that they do more than just have a straight cost benefit analysis of the street. She felt it was a great deal of money which may stop the project at some point. She would like to see the city move forward with a small area plan and try to understand the benefits to the city beyond the fiscal dollar amount. For example, what it means to the culture, heritage, and ecological services. She said she does not see how they can be a Green Steps city and only look at every decision from an economic standpoint. She was unsure that could be included in the scope but thought it should be. She would like to see more comprehensive thinking.

Mayor Dietrich said it sounded like there is a majority agreement on moving ahead with a small area plan. She asked where the resident meetings would fit in and if it would be after the data was received.

Community Development Director Rand replied she has noticed small area plans where the consultant comes in and gets direction from staff. The consultant would scan the studies already done and would engage with surrounding property owners. She addressed larger public meetings/input and said she thought that may be done about halfway through the process. She said she hears Council feedback that this not be just a cost benefit type study, it would be nice to look at cultural/ecological impacts. One way to accommodate that would be to ask for proposals in the scope of services to provide context and costs. She stated that this could add more money and time to the bottom line. She suggests having that as an alternative or option as they solicit proposals.

Councilmember Scales requested they reach out further in terms of resident input/awareness for this type of study. There is a plan on paper showing an area affected, he questioned if all property owners in the area could be included.

Community Development Director Rand replied staff would request that the consultant reach out directly to all property owners in the area. For broader public meetings, staff would use social media and have an open house. Eventually a small area plan would be a part of a public hearing during the Planning Commission process before going to the City Council.

Councilmember Murphy asked how soon this would come before the Council to approve/not approve a small area plan and/or who would be hired. He said it was mentioned that the consultant may scan in old reports. He asked how much information has already been paid for.

Community Development Director Rand replied consultants want staff to provide data that has already occurred. This helps provide a baseline for the study. She did not believe it would duplicate existing efforts but build upon them.

Councilmember Murphy clarified he did not mean it would duplicate efforts, he said whatever was scanned in might be part of the information they would provide to the city. For example, it has already been done, why are they being hired to do it again.

Community Development Director Rand replied that the consultant would like the baseline data when they start their study, so they have the information. The consultants would not incorporate what is already done and report back on it.

Councilmember Murphy said he was talking about the end product. He was referring to the product the consultant would be delivering to the city. If moving forward with the small area plan, he wanted to know if the city has any of that information yet.

Community Development Director Rand replied the city does not have the small area plan data with the two different scenarios yet. Staff wants to provide the consultant with studies and reports that have been presented to the Council by Public Works Director Connolly along with the most recent Comprehensive Plan and what it suggested such as densities for given parcels.

Mayor Dietrich asked if the assessment policy in general, would come before the Council at a future work session. She said she felt it needed to be addressed.

Public Works Director Connolly responded something could be brought forward to clarify and be user friendly later this year. He does not anticipate changing the assessments and the way they are calculated; it would be streamlined. The policy is long and allows a lot of leeway. He said he felt it was too much for staff to just decide, a lot of it needs to be clearer.

He asked the Council if they believe the policy should be enacted the way it is written, or to look at other ways to fund this outside of the assessment policy.

He stated the reason the policy exists, whether changing the policy or not, is to have consistency from project to project. If the Council believes they should have that level of consistency and looks at this project the same way they look at every other project in the city, staff will not make any changes to what they have done and would wait for the small area plan to come forward before bringing forward additional discussion. If the Council feels they should assess less and the rates are different, that would be a different undertaking for staff that Council would have to give clear understanding of what they would like.

Mayor Dietrich believed there was a consensus of the three to do a small area plan.

Community Development Director Rand said she was unsure of the timeline for a small area plan. There are developers looking for answers that would have to be told to be patient; doing this may have impacts.

Councilmember Scales mentioned there were a lot of trees down and roads blocked after the last storm. He said city staff did a wonderful job getting the roads cleared. He appreciated the work the city did, they did great work to keep the roads open.

4. ADJOURN:

Motion by T'Kach, second by Scales, to adjourn the meeting at 8:44 p.m.

Ayes: 5

Nays: 0 Motion carried.

Minutes prepared by Recording Secretary Sheri Yourczek