



**City Council Workshop Meeting
Ash North and South Conference Rooms
November 17, 2021 | 6:40 p.m.**

This City Council Workshop meeting is taking place virtually and at Woodbury City Hall in the Ash North and South Conference Room. Members of the public may attend the meeting in person and may also join the meeting using a PC, Mac, iPad, iPhone or Android device.

[Watch the Live Meeting](#)

Public comments will be accepted during the meeting both in person and by using the link to the virtual meeting to join the meeting and then submit your questions via the online Q&A feature within the meeting.

Questions regarding the meeting will be taken between the hours of 8:00 a.m. to 4:30 p.m. at 651-714-3524 or at council@woodburymn.gov. Questions received after 4:30 p.m. will be responded to in the next 3 – 7 business days.

Please note that all agenda times are estimates.

6:00 p.m. Dinner – Birch Conference Room

Workshop Agenda

6:40 p.m.	1.	2022 Proposed Property Tax Levy and Budget Update	21-285
7:00 p.m.	2.	2022 Legislative Initiatives	21-286
7:20 p.m.	3.	Administrator Comments and Updates ¹	
7:25 p.m.	4.	Mayor and City Council Comments and Commission Liaison Updates ¹	
7:30 p.m.	5.	Adjourn to closed session to discuss labor negotiation issues and annual performance review of the City Administrator	

¹ Items under comments and updates are intended to be informational or of brief inquiry. More substantial discussion of matters under comments and updates should be scheduled for a future agenda.

The City of Woodbury is subject to Title II of the Americans with Disabilities Act which prohibits discrimination on the basis of disability by public entities. The City is committed to full implementation of the Act to our services, programs, and activities. Information regarding the provision of the Americans with Disabilities Act is available from the City Administrator's office at (651) 714-3523. Auxiliary aids for disabled persons are available upon request at least 72 hours in advance of an event. Please call the ADA Coordinator, Clinton P. Gridley, at (651) 714-3523 (TDD (651) 714-3568)) to make arrangements.

**City of Woodbury, Minnesota
Office of City Administrator**

Council Workshop Letter 21-285

November 17, 2021

To: The Honorable Mayor and Members of the City Council

From: Clinton P. Gridley, City Administrator

Subject: 2022 Proposed Property Tax Levy and Budget Update

Summary

At the City Council meeting of September 29, 2021, the City Council adopted a 2022 proposed property tax levy for purposes of the required 2022 Truth in Taxation public meeting. The public meeting on the proposed tax levy and budget adoption is set for December 8, 2021. The Council has the option to decrease the tax levy but may not increase the tax levy above the amount adopted at the September 29th meeting. Ahead of the public meeting, this workshop item is to provide the City Council any updates on the 2022 budget, and hear any additional questions and/or receive direction heading into the budget and property tax levy adoption.

Recommendation

1. Staff recommends Council concurs with the proposed levy changes and for presentation at the truth-in-taxation public meeting for the property tax levy and budget.
2. Staff recommends staffing adjustments for the General Fund Community Development Department-Inspection Division to accommodate the need for an additional temporary building inspector and administrative assistant positions as well as adjustments to increase professional services for electrical inspector services and credit card payment processing fees given the sustained building permit activity increase. Revenues for these activities will offset the adjusted expenditures.
3. Staff recommends the adjustments to the Housing and Urban Development (HUD) Fund given the availability of additional Community Development Block Grant (CDBG) funds to expand the scope of work for the planned 2022 Shawnee Park rehabilitation project and decrease the HOME funds given the 2021 decision to allocate funding in 2021 to the Orville Commons project.

Governance Mode

- Fiduciary - Stewardship of tangible assets, oversees operations and ensures efficient and appropriate use of resources, legal compliance and fiscal accountability.

Fiscal Implications

The following table illustrates the 2022 proposed property tax levy:

Council Workshop Letter 21-285
November 17, 2021
Page 2

	<u>2022 Budget Workshop</u>	<u>September 29 Council Mtg.</u>	<u>Nov. 17 Workshop</u>
City Tax Capacity Rate Percent Change 2021/2022	-0.4%	-0.4%	-0.4%
Total Dollar Levy (includes HRA Levy)	\$41,979,773	\$41,979,773	\$41,976,885
Percent Change in Total Dollar Levy 2021/2022	5.5%	5.5%	5.5%
Impact on Median Value Home 2021/2022	\$30	\$30	\$30
Percent Change in Total City of Woodbury Tax 2021/2022	2.7%	2.7%	2.7%
Total Preliminary Budget	\$130,492,102	\$130,492,102	\$130,581,602

Proposed Budget Revisions

The property tax levy proposed at the Budget Workshop and September 29th City Council meeting has been revised to reflect the following changes:

2022 Proposed Budget Total as presented at the September 15th Workshop	\$ 130,492,102
General Fund: Decrease net property tax revenues-TIF tax capacity deduction change	(2,859)
General Fund: Increase development fees	73,900
General Fund: Increase miscellaneous revenues to offset net property tax decrease	2,859
HUD Fund: Decrease HOME funds due to 2021 loan/project activity	(136,526)
HUD Fund: Increase CDBG funds based on current availability	143,050
HUD Fund: Increase loan activity repayments based on revised projections	9,076
2022 Proposed Budget as presented at the November 17th Workshop	\$ 130,581,602

Expenditures by Fund:

2022 Proposed Budget Total as presented at the September 15th Workshop	\$ 130,492,102
General Fund: Increase Inspection Division for additional temporary building inspection staff	47,400
General Fund: Increase Inspection Division for contracted electrical inspections-revenue pass-through	2,500
General Fund: Increase Inspection Division for payment processing fees based on current trends	24,000
HUD Fund: Decrease HOME loan pool-reallocated activity to 2021	(159,450)
HUD Fund: Increase CDBG loan pool and project activity based on current funding availability	175,050
2022 Proposed Budget as presented at the November 17th Workshop	\$ 130,581,602

Policy

In accordance with the obligations set forth in Section 2-45 (a) (5) of the City of Woodbury Code of Ordinances, the city administrator shall prepare an annual fiscal budget and capital improvement plan for City Council and maintain financial guidelines for the city within the scope of the approved budget and capital program.

Public Process

The public budget process is as follows:

- City Council Workshop review of five-year Capital Improvement Plan and debt service projections – April 21
- City Council adoption of the 2022-2026 Capital Improvement Plan – May 12
- City Council Workshop review of budget parameters and financial projections – July 21
- City Council Budget Workshop – September 15
- City Council adoption of the preliminary tax levy, preliminary HRA tax levy, and set Truth-in-Taxation public meeting date – September 29
- City Council Budget Update at a City Council Workshop – November 17
- Truth in Taxation Public Meeting – December 8
- City Council adoption of the property tax levies and budget – December 8

Background

The annual budget is both a guide and a policy plan as the major annual city policy document that establishes the operational plan to provide continuing quality and affordable services with the flexibility of Council action to adapt to changes and issues that arise during the fiscal year. The annual budget contains detailed financial information on the city's numerous funds and sets forth a strategy for continued progress in meeting the city's capital investment needs. The budget document also includes the most recently approved Capital Improvement Plan which includes several non-budgeted capital project funds which are brought to Council for approval on a project-by-project basis.

Written By:	Lynn Haseleu, Budget Manager
Approved through:	Clinton P. Gridley, City Administrator
Attachments:	None

City of Woodbury, Minnesota
Office of City Administrator

Council Workshop Letter 21-286

November 17, 2020

To: The Honorable Mayor and Members of the City Council

From: Clinton P. Gridley, City Administrator

Subject: 2022 Legislative Initiatives

Summary

The City Council annually adopts a unique Woodbury Legislative Program. This item is being reviewed ahead of the coming legislative session for advance direction to City staff, our legislative representatives and our state delegation. While the majority of the draft 2022 Legislative Agenda is the same as in previous years, the document has been restructured to add additional focus on the City's Central Park project as well as to be more proactive regarding housing and development review.

The City has been seeking assistance from the State Legislature both with funding requests as well as more technical tax-related items for the Central Park project and it makes sense to consolidate these items into one clear area. Separating the Central Park legislative items from the other sections highlights and prioritizes this important project. A preamble for this project has been added to this section as well as language from a prepared draft bill seeking to leverage TIF District #13 as additional funding support to the project. A draft bill in this regard has been attached.

Regarding housing and development review, there are increasing efforts at the State Legislature to preempt local control over zoning and development review authorities. Sections 3.a, 3.c and 3.d have previously been included in the City's Legislative Agenda while Section 3.b, 3.e and 3.f are new for the 2022 version. The new language is an attempt to ensure that if a "grand bargain" piece of legislation is successful at passing the State Legislature, said legislation would be all-encompassing with regard to housing variety. Additionally, if the State Legislature is successful at adopting this type of bill, the City wants to ensure that any forced deregulation of zoning authority is paired with meaningful metrics as opposed to an effort to merely increase the profit margins of developers.

Governance Mode

Strategic (setting priorities, reviewing and modifying strategic plans, and monitoring performance against plans. Focus is the "ends" rather than the "means").

Council Workshop Letter 21-286

November 17, 2021

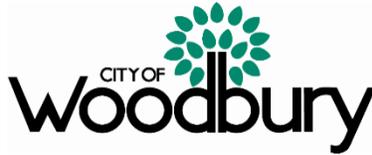
Page 2

Recommendation

Staff recommends Council provide feedback on the proposed 2022 Woodbury Legislative Program prior to consideration for adoption.

Written By: Clint Gridley, City Administrator
Karl Batalden, Community Development Coordinator

Attachments: 1. Draft Woodbury 2022 Legislative Program
2. TIF #13 amendment special legislation



2022 Legislative Agenda (draft)

1. PARKS & RECREATION FACILITIES

The City of Woodbury is the largest Washington County city, and is the eighth largest city in the state of Minnesota. As a result, it has a number of parks and recreation assets and programs that are available and used by the region. In particular, the Central Park multi-use indoor facility, constructed in 2002, provides a regional focal point and is an important gathering space for Woodbury, the east-metro area and the entire state. Central Park facilitates community-building by linking many resources and people. It is an outstanding example of successful joint partnerships among various public and private stakeholders, including the Washington County Public Library, the 833 School District Community Education program (ECFE), Great Rivers Adult Education Consortium, the YMCA, Stonecrest Senior Living and the City of Woodbury. Now 20 years old, serving a community and region that has grown substantially since first constructed, the facility needs significant upgrades and improvement so it can meet the current and next 20 years of needs. The following legislative items are necessary to help support this critical renovation capital program.

- a. The City of Woodbury supports special legislation regarding State Statutes 469.190 **Local Lodging Tax** that would allow Woodbury more flexibility to utilize the lodging tax as follows:
 - i. Woodbury version of 2019's SF1040 and HF877.
 - ii. Two-thirds of the revenues from this special lodging tax to be used for capital improvements to public recreational facilities and the remaining one-third used as allowed under the law - to fund a local destination marketing organization.
- b. The City of Woodbury supports \$15 million of state bonding to help fund **expansion and renovation of the Central Park** capital project to be included in the 2022 State of Minnesota bonding bill during the upcoming legislative session.
- c. The City of Woodbury supports **general obligation (G.O.) park and recreation or building bonds authorization for the future Central Park** project. The Central Park project may not be G.O. qualified, short of issuing general obligation abatement bonds. If so, we may otherwise have to use non- G.O. debt (higher interest costs) for this project. To anticipate this potential, we are requesting state legislative authorization for G.O. authority for the Central Park project to reduce our project interest costs.
- d. The City of Woodbury supports a **sales tax exemption** for construction material purchases for the **Central Park capital project** (City, County and ISD 833) between January 1, 2023 and December 31, 2024.
- e. The City of Woodbury supports special legislation to allow **tax increment from TIF District No. 13 to be used for the "maintenance and facility and infrastructure upgrades" to Central Park**. All

increment used for this purpose will be treated as in-district expenditures. Additionally, that the City may elect to extend the duration of Tax Increment Financing District No. 13 by five years.

2. LOCAL CONTROL

Local governmental entities are closest to their constituents, are most knowledgeable about its jurisdiction, and are most invested in the welfare and success of its community. Therefore, elected local governmental officials are best suited to making important decisions about its finances, operations, regulations and activities. The following are specific areas of home-rule authority pre-emption that the City of Woodbury opposes.

- a. The City of Woodbury supports the principle of representative democracy that allows city councils to formulate local budgets and therefore oppose **state-imposed levy limits**.
- b. The City of Woodbury State opposes imposition of artificial limitations such as the “**taxpayer’s bill of rights**”, **valuation freezes, reverse referenda, fund balance restrictions, limits on use of G.O. bonding authority, super majority** requirements or other limitations to the local government budgeting and taxing process are not supported by the City of Woodbury.
- c. The City of Woodbury supports **exempting cities from local government compensation limits** per Minnesota State Statute 43A.17 which limits the compensation of a person employed by a political subdivision of this state. The salary cap has made it difficult to recruit and maintain the high-quality employees it needs to operate the city, and is an impingement on city home rule authority. Furthermore, the Legislature has exempted the state university system, school districts, the MAC, hospitals and clinics owned by a government organization.
- d. The City of Woodbury supports **expanding the state sales tax exemption** to include general vehicle purchases (marked squad cars and emergency vehicles are exempt), fuel purchases, lodging and prepared foods, and municipal golf course purchases. (MS297a.70 see subd 2 subparagraph b regarding exemptions).
- e. The City of Woodbury opposes **the use of fiscal disparities to fund housing, social or physical metropolitan programs** (e.g., Bloomington Mall of America). Fiscal disparities should be solely used for tax base redistribution.
- f. The City of Woodbury supports **property tax relief via the Circuit Breaker** (Regular Homeowner's Homestead Credit Refund) as opposed to Local Government Aid (LGA).
- g. City of Woodbury supports flexibility to use **State Fire Aid**, which subsidizes pension costs for fire relief associations, for all fire associated pension costs.

3. HOUSING AND DEVELOPMENT REVIEW

- a. The City of Woodbury opposes legislation that reduces or eliminates the City’s authority in the areas of **local land use controls** - local zoning, land use, comprehensive planning, utility and transportation planning, etc. These types of regulations have significant impacts to local neighborhoods. Cities are best positioned to govern these matters and have effective processes for hearing and addressing concerns of affected citizens. The City’s adopted 2040 Comprehensive Plan is based on broad

community input that articulates the community's goals. Interference with these effective local processes impedes the City's ability to effectively implement its Comprehensive Plan.

- b. If there are any new legislative limitations on local development review processes connected to housing, they should be paired with **meaningful and measurable metrics and requirements** to achieve housing affordability based on a commonly understood and agreed-upon definition.
- c. The Legislature should authorize local units of government to impose **infrastructure fees** so new development pays its fair share of the off-site, as well as the on-site, costs of public infrastructure and other public facilities needed to adequately serve new development.
- d. The City of Woodbury supports federal action to **increase the amount of private activity bonds available** in Minnesota to better leverage the 4 percent Low Income Housing Tax Credit thereby expanding cities' ability to facilitate the development of affordable rental communities.
- e. Housing is a broad and complicated system. The state should continue to invest in **both rental and ownership** tools.
- f. No governmental regulation can overpower the natural forces of the real estate market. Given the recent and sustained increase in sales of residential real estate, the state should consider a significant investment in a new **regional or statewide down-payment assistance mechanism**. A significant component of the funding can be in the shape of loans as opposed to grants. A key barrier to more affordable homeownership continues to be lack of down payment resources.

4. TRANSPORTATION

- a. Support for a **comprehensive transportation funding package**
- b. Support for long-term **I-94, I-494, I-694 interchange improvements**
- c. Support for the **METRO Gold Line** project with the following priorities as identified within Council Resolution 20-171:
 - i. The Express Bus routes currently operating in Woodbury provide a critical transit service for residents, and the METRO Gold Line should supplement and support this service.
 - ii. While outside the scope and funding of the METRO Gold Line project, the City will continue to advocate for consolidating the Express Bus park and ride lots with the end-of-line BRT station at I-494 and Guider/Woodlane Drive, and for a parking structure expansion as part of a future consolidation phase at this location to provide the best opportunity for transit-oriented development and consolidation of service.
 - iii. Safety and security at the station locations and on the METRO Gold Line busses is of utmost importance. City of Woodbury Public Safety Department should have representation during Gold Line Project Office meetings regarding safety and security of the METRO Gold Line operations.
 - iv. Aesthetics and community context are important, and the stations should be consistent with Woodbury's design standards.

- v. The City will work with the Met Council to explore development opportunities at the Woodbury Theatre site in conjunction with the relocation of the park and ride to the end-of-line BRT station.
- vi. The City's station area master planning process will include public review from both businesses and residents along the corridor.
- vii. The City will continue its efforts to reach a fair and equitable ownership and maintenance agreement between all benefitting parties.
- viii. The City supports an efficient and effective feeder bus network to serve the broader Woodbury community. Further planning should occur in the near term to plan and implement the role of the feeder system¹.
- ix. Support for the METRO Gold Line does not diminish the City's support for transportation improvements in the east metro.
- x. The METRO Gold Line's potential impact to service levels on city streets should be minimized to the extent possible.
- xi. The City, through its representation on the various METRO Gold Line committees, will continue to stay engaged and involved in this process.

5. WATER RESOURCE MANAGEMENT:

- a. The City of Woodbury supports legislative action resulting in more **flexible approaches to water reuse regulations** that meet economic and environmental goals including addressing overlapping, duplicative, and conflicting requirements from the MDH, MDNR, and other state agencies in the current system.
- b. The City of Woodbury opposes funding of any implementation cost involved with the **DNR North & East Metro** study (e.g., connection of northeastern metro cities to surface water) if it does not directly result in supplying water to Woodbury residents.
- c. The City of Woodbury supports state and federal legislative action promoting and funding the **cleanup, treatment, removal and/or disposal of PFAS**.
- d. From the **3M and State of Minnesota settlement** agreement to address drinking water contamination by per- and polyfluoroalkyl substances (PFAS) in the southeast twin cities metropolitan area, the City of Woodbury supports:
 - i. Preserving groundwater as the City of Woodbury's continued source of drinking water.
 - ii. Protecting water quality for all residents in the Twin Cities east metropolitan area irrespective of current PFAS health-based value levels.
 - iii. Providing treatment for all existing municipal wells, in the settlement area.
 - iv. Health Index to be lowest threshold feasible equally applied to all communities.
 - v. Compensate Woodbury for lost production of the City of Woodbury idled water production wells and the depreciation of Woodbury's other wells that have been overtaxed to make up for the loss of impacted water wells and any other damages.
 - vi. Include costs for the construction of one of the proposed five new wells needed, to ensure Woodbury is compensated for the loss of Well 1 and its State proposed abandonment, due to PFAS contamination.

¹ Metro Transit's extensive public outreach for feeder service for new transit-ways typically starts closer to construction.

- vii. An independent, 3rd Party evaluation of capital and operating and maintenance (O&M) estimates to ensure adequate funds have been allocated.
- viii. Modification to the Drinking Water Plan to comply with the Settlement by fully and equitably funding capital needs and O&M expenses for treatment of drinking water.
- ix. Greater emphasis on complying with the priorities identified in the Settlement that places priority on ensuring clean drinking water in sufficient supply to residents and businesses in the East Metropolitan Area to meet their current and future water needs.
- x. Contractual commitment from the State of Minnesota for all capital costs and ongoing O&M and a financial guarantee for projects included in the final Conceptual Drinking Water Supply Plan.
- xi. Indemnify all LGUs and private owners for ownership and disposal of treatment material.
- xii. 100-year O&M reimbursement standard for both POET **and** municipal water treatment systems.
- xiii. An advisory board be assembled, consisting of representative from each of the East Metro agencies to provide accountability and support to State’s funding decisions going forward.
- xiv. Settlement funds should not be utilized for the remediation of contamination.

6. METROPOLITAN COUNCIL:

- a. The City of Woodbury favors a modification to the present governance model for the Metropolitan Council as follows:
 - i. The City of Woodbury favors a modification to the present governance model for the Metropolitan Council in the form of a “**council of governments**” type model utilizing elected city and county officials to serve as the metropolitan governing board with appointments being made by the local governments themselves.
 - ii. **Nominating committee** process that maximizes participation and input by local officials.
 - iii. **Bipartisan or bicameral legislative commission on Metropolitan Government**, or another entity, to monitor and review the Metropolitan Council’s activities and to provide transparency and accountability of the Metropolitan Council operations and functions.
 - iv. Metropolitan Council members should be appointed to staggered terms to avoid complete turnover as different governors are elected quadrennially.
- b. The City of Woodbury opposes:
 - i. Any expansion of Metropolitan Council powers such as the conversion of **housing, resiliency, potable waters to a “metropolitan systems”** classification as defined in the Metropolitan Land Use Planning Act.
 - ii. **Mandatory targets for affordable housing** or mandatory inclusionary housing provisions in the regional comprehensive planning process or through other regulatory processes.
- c. For the upcoming **2050 Comprehensive Plan cycle**, the City of Woodbury **opposes Metropolitan Council scope creep** and recommends that comprehensive plans focus on land use and infrastructure planning.

1.1 A bill for an act
 1.2 relating to taxation; tax increment financing; providing special rules for the city
 1.3 of Woodbury.

1.4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.5 Section 1. **CITY OF WOODBURY; TIF DISTRICT NO. 13; EXPENDITURES**
 1.6 **ALLOWED; DURATION EXTENSION.**

1.7 (a) Notwithstanding Minnesota Statutes, section 469.1763, subdivision 2, or any other
 1.8 law to the contrary, the city of Woodbury may expend increments generated from Tax
 1.9 Increment Financing District No. 13 for the maintenance and facility and infrastructure
 1.10 upgrades to Central Park. All such expenditures are deemed expended on activities within
 1.11 the district.

1.12 (b) Notwithstanding Minnesota Statutes, section 469.176, subdivision 1b, the city of
 1.13 Woodbury may elect to extend the duration of Tax Increment Financing District No. 13 by
 1.14 five years.

1.15 **EFFECTIVE DATE.** Paragraph (a) is effective the day after the governing body of the
 1.16 city of Woodbury and its chief clerical officer comply with the requirements of Minnesota
 1.17 Statutes, section 645.021, subdivisions 2 and 3. Paragraph (b) is effective upon compliance
 1.18 by the city of Woodbury, Washington County, and Independent School District No. 833
 1.19 with the requirements of Minnesota Statutes, sections 469.1782, subdivision 2, and 645.021,
 1.20 subdivisions 2 and 3.