



# CITY COUNCIL MEETING MINUTES

Richfield, Minnesota

## Regular Council Meeting

**June 13, 2023**

**CALL TO ORDER**

The meeting was called to order by Mayor Supple at 7:00 p.m. in the Council Chambers.

*Council Members Present:* Mary Supple, Mayor; Sharon Christensen; Simon Trautmann; Sean Hayford Oleary; and Ben Whalen

*Staff Present:* Katie Rodriguez, City Manager; Mary Tietjen, City Attorney; Amy Markle, Recreation Services Director; Rachel Lindholm, Sustainability Specialist; Melissa Poehlman, Community Development Director; Jay Henthorne, Public Safety Director/Police Chief; and Dustin Leslie, City Clerk

**PLEDGE OF ALLEGIANCE**

Mayor Supple led the Pledge of Allegiance.

Mayor Supple noted the Open Forum would be held after the Presentations.

**APPROVAL OF MINUTES**

M/Whalen, S/Trautmann to approve the minutes of the: (1) City Council Work Session of May 23, 2023; (2) City Council Meeting of May 23, 2023.

Motion carried: 5-0

<b>ITEM #1</b>	<b>MINNESOTA PARKS AND RECREATION ASSOCIATION (MRPA) PRESENTATION TO RICHFIELD RECREATION</b>
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Stephanie Schutta stated it was an honor to be at the meeting on behalf of the MRPA to present the Minnesota Parks and Recreation Association 2022 Award of Excellence to the City of Richfield Recreation Department on the project of Augsburg Adventure Park inclusive playground. She stated the MRPA award committee would also like to recognize Amy Markle, who nominated this project.

Director Markle indicated this project brought the community together during the pandemic and it meant a lot to so many people, including herself. She thanked the many people who made this project happen. She stated they wanted to build a playground where everyone could play regardless of age or ability. She thanked the Minnesota Recreation and Parks association for recognizing the board and to the community for supporting it.

Council Member Trautmann thanked the MRPA and he was glad Director Markle was able to be recognized in this way. He congratulated everyone who made this possible.

<b>ITEM #2</b>	<b>PROCLAMATION CELEBRATING LGBTQ+ PRIDE MONTH</b>
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Mayor Supple read aloud the proclamation.

Mara Glubka thanked the Mayor and the City for being a good ally to the LGBTQ community. She indicated there was still a lot of work to be done as evidenced by nearly 500 anti LGBTQ Bills that had been introduced with many of them passing this year. She highlighted some of the areas where there was a lot of misinformation going on about transgender youth, including gender ideology and the idea that children were being indoctrinated or groomed.

Council Member Whalen thanked her for setting the record straight and he was proud to live in a State where the State Legislature had been aligned with the set of values that had been making Minnesota a safer place.

<b>ITEM #3</b>	<b>PROCLAMATION CELEBRATING JUNETEENTH</b>
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Mayor Supple read aloud the proclamation.

Council Member Whalen stated there would be an event this coming Saturday at noon at the bandshell with food and live music.

<b>ITEM #4</b>	<b>PROCLAMATION CELEBRATING ELSEN BROTHERS GARAGE</b>
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Mayor Supple invited the Elsens to accept the proclamation and read aloud the proclamation.

Joe Elsen thanked the city for the Proclamation. He did not think his grandfather knew that 132 years later they would still be there.

Joe stated on behalf of the entire Elsen family, they were proud to be a part of this community. And a lot of the credit went to his father and his brothers, his grandfather, and his great grandfather.

<b>ITEM #5</b>	<b>APPROVAL OF THE AGENDA</b>
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M/Trautmann, S/Whalen to approve the agenda.

Motion carried: 5-0

<b>OPEN FORUM</b>
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Mayor Supple reviewed the options to participate:

- Participate live by calling 1-415-655-0001 during the open forum portion
- Call prior to meeting 612-861-9711
- Email prior to meeting kwynn@richfieldmn.gov

Ruane Onesirosan, 2421 W 65th Street, read a letter to the Mayor and Councilmembers regarding Section 147(f) of the IRS code of 1986 as revised on approvals being preceded by a public hearing. She believed the \$10,000,000 bonding issue transaction and approvals were unlawful and unbinding under that IRS section. She indicated the open meeting laws existed to ensure the absence of discussions prior to a meeting. She stated the public was being railroaded and the resident’s concerns and opinions were being discarded and ignored.

Larry Ernster, 6727 Elliott Avenue South, questioned why Best Buy originally requested a minimum assessment agreement when their headquarters was valued at over \$150 million and real estate properties were rising. He believed Best Buy wanted a minimum assessment agreement to keep their property taxes down when property taxes were going higher. He presented a graph that described what would happen in the last 2 years of the TIF at \$60 million. He asked how would the drop in commercial property tax be accommodated without shifting the tax burden to the taxpayers.

Mary Best, 6727 Elliott Avenue South, stated she had lived in Richfield her entire life and had always been proud of the Richfield, but she wasn’t so sure anymore. She indicated Richfield had many changes in the last 25 years and the City was not same as then the TIF agreement was signed by Best Buy 23 plus years ago. She stated she was a concerned citizen who was disputing the Best Buy information. She asked how would they keep her taxes from going up every year, sometimes by double digits. She noted property values were going up all over the country, but Best Buy was asking for a decrease in their value so they don’t have to pay so much. She asked if they could manipulate their property value, how much was the Best Buy land really worth, and how does the evaluation change so quickly, and who changes the value. She stated she did not want her taxes to go up.

Isaac Contreras stated he was the Twin Cities chapter past president and current Director of Governmental Affairs Committee of NAHREP Twin Cities, the National Association of Hispanic real estate professionals. He indicated he wanted to dispel some misconceptions about being on their Board or a member of their association. He stated they looked for members who were interested in their mission which was to advance sustainable Hispanic home ownership. He noted the Latino population in Richfield had grown and was in the top 5 cities in the State in terms of Latino population and the Latino’s wanted to make a better life for themselves and their families.

Dave Kunert stated he owned the building at 6621 Penn and he wanted to have a CBD business there. He asked what the council was feeling about having a business at that location. He asked if the moratorium would be revisited.

Mike Gowlik stated he was the CEO of Nature and Wellness, which was a cannabis company. He indicated he empowered people to open up their own businesses, while advocating for wellness in this industry. He indicated he took the business seriously and if the City was going to award anybody a position to have a professional environment within the City, he encouraged them to line themselves up with his management system and franchise. He stated he would ensure they were run at the highest level of professionalism possible.

<b>ITEM #5</b>	<b>CONSENT CALENDAR</b>
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City Manager Rodriguez presented the consent calendar.

- A. Consider approval of an extension to the temporary easement grated to Hennepin County for the Country State Aid Highway No. 52/Nicollet Avenue Safety Improvement Project at 70<sup>th</sup> Street. (Staff Report No. 67)
- B. Consider the approval of setting a public hearing to be held on June 27, 2023, to consider the issuance of new On-Sale Wine and 3.2 Percent Malt Liquor licenses for Toma Richfield, LLC dba Toma Mojo Grill, located at 1700 66<sup>th</sup> Street East. (Staff Report No. 68)
- C. Consider the approval of an agreement for Prosecution Services in the City of Richfield and H/J Law. (Staff Report No. 69)
- D. Consider a two-part request: Site plan review and a two-stall parking variance for Afghan Halal Supermarket at 6626 Penn Avenue South. (Staff Report No. 70)

**RESOLUTION NO. 12099**

**RESOLUTION APPROVING A SITE PLAN AND A TWO STALL PARKING  
VARIANCE AT 6626 PENN AVENUE SOUTH**

- E. Consider adoption of a resolution authorizing the City of Richfield to accept grant funds in the amount of \$2,962.40 and enter into a Source Water Protection Grant Agreement with the Minnesota Department of Health (MDH) to develop, distribute, and make available a packet of information specific to the City's Wellhead Protection Plan. (Staff Report No. 71)

**RESOLUTION NO. 12100**

**RESOLUTION AUTHORIZING THE CITY OF RICHFIELD TO ACCEPT  
GRANT FUNDS IN THE AMOUNT OF \$2,962.40 AND ENTER INTO A  
SOURCE WATER PROTECTION GRANT AGREEMENT (SWIFT  
CONTRACT NUMBER 229726) WITH MINNESOTA DEPARTMENT OF  
HEALTH TO DEVELOP, DISTRIBUTE, AND MAKE AVAILABLE A  
PACKET OF INFORMATION SPECIFIC TO THE CITY'S WELLHEAD  
PROTECTION PLAN**

- F. Consider Approval of a resolution updating the Public Purpose Expenditure Policy. (Staff Report No. 72)

**RESOLUTION NO. 12101**

**RESOLUTION APPROVING THE PUBLIC PURPOSE EXPENDITURE POLICY**

- G. Consider a resolution authorizing submittal of a grant application by Beacon Interfaith Housing Collaborative to Minnesota Brownfields for environmental investigation at 6613-25 Portland Avenue. (Staff Report No. 73)

**RESOLUTION NO. 12102**

**RESOLUTION AUTHORIZING SUBMITTAL OF A GRANT APPLICATION  
TO MINNESOTA BROWNFIELDS FOR ENVIRONMENTAL  
INVESTIGATION AT 6513-25 PORTLAND AVENUE**

- H. Authorize a first reading of an ordinance approving renewal of a cable television franchise with Comcast of Minnesota, Inc., and schedule a public hearing and second reading for June 27, 2023. (Staff Report No. 74)

- I. Consider adoption of a resolution authorizing the City to affirm the monetary limits on statutory municipal tort liability. (Staff Report No. 75)

**RESOLUTION NO. 12103**

**RESOLUTION AFFIRMING MUNICIPAL TORT LIABILITY LIMITS ESTABLISHED BY MINNESOTA STATUTES 466.04**

- J. First reading of a transitory ordinance providing funding for certain capital improvements from the Liquor Contribution Special Revenue Fund. (Staff Report No. 76)

M/Whalen, S/Hayford Oleary to approve the consent calendar.

Council Member Hayford Oleary stated he did not have any concerns and welcomed the Afghan Halal Supermarket on Penn. He indicated this was an interesting example of parking issues he had raised in the past and with no off-street parking here. He believed the variance was justified and he was glad they went out of their way to make it work. He stated he was excited to welcome the supermarket to the community and thanked them for their willingness to be a useful test case on minimal parking.

Council Member Trautmann expressed excitement to have the supermarket come into Ward One. He recognized Masehullah Sahil and his business partner and welcomed them to the City.

Maria Lata Hill indicated they were the first Afghans to come to Minneapolis and now there are over 2,000 Afghan individuals living in Minnesota. She thanked every Minnesotan who came forward to help the new Afghan community members and she thanked the City of Richfield for supporting them in their plan.

Council Member Trautmann believed this business was an incredible asset in addition to the authentic Afghan food.

Motion carried: 5-0

<b>ITEM #7</b>	<b>CONSIDERATION OF ITEMS, IF ANY, REMOVED FROM CONSENT CALENDAR</b>
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None.

<b>ITEM #8</b>	<b>CONSIDER A REQUEST TO MODIFY (2024) AND THEN TERMINATE (2025) BEST BUY'S MINIMUM ASSESSMENT AGREEMENT.</b>
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Council Member Trautmann presented the Staff Report.

Director Poehlman explained why the minimum assessment agreement was in place, and what its intended purpose was. She noted the base taxes were paid on the \$20 million and that would stay regardless of what was done tonight and the residents were not being asked to make up any loss as a result of what was done at this meeting. She stated property values were set by the County and the City did not have anything to do with the property values. She indicated the agreement before the Council at this meeting was a compromise and staff believed this protected the HRA and the City going forward from litigation, it maintained the HRA, the City's budget throughout the life of the test TIF District, the money they were able to recoup, and make sure that in the next 2.5 years they were not seeing a

reduction of the work that the HRA could do. She stated they were actually coming out ahead. With respect to Best Buy, this would allow them to go to the County and discuss what the true value of their property was. She stated the staff and Best Buy had worked hard to come to this compromise and staff was recommending this be approved because they believed it was a good path forward for everyone.

Council Member Trautmann asked if the \$1,000 valuation of the property didn't change the total valuation, but it was recognizing the increase of the land at the same price, so it was not a tax break. Director Poehlman responded that was correct and the property value was broken down by the value of the land and the value of the structure and it has simply shifted the value of the structure to the land. She noted the value of the land had gone up over the past several years.

M/Trautmann, S/Hayford Oleary to approve Resolution Approving Agreements with Best Buy Co., Inc.

## **RESOLUTION NO. 12104**

### **RESOLUTION APPROVING AGREEMENTS WITH BEST BUY CO., INC.**

Council Member Hayford Oleary noted a resident at the Open Forum had shown a graph that seemed to suggest that agreeing to a lower amount would have a permanent decades long effect on the level at which it would be assessed, but it was his understanding that no matter when the TIF district was up, the minimum assessment agreement went away no matter what was decided tonight and in 2030 the assessed value would be the fair market value of that property with or without a change to the assessment agreement. Director Poehlman responded that was true and the TIF District would be decertified on December 21, 2025 and going forward from there, the City would have no say in what the value would be.

Council Member Whalen pointed out when this is done, the share of City taxes paid by anyone other than Best Buy compared to the percentage they are paying, will shift and will be receiving more from Best Buy. He acknowledged no one disagreed that the market had changed and the Best Buy property was not worth what it was at the start of the TIF, but the City would still be receiving more money. He clarified that the minimum assessment agreement was just a minimum and it was never arbitrarily lowering the property value; it only stopped it from going lower. He appreciated all of the work that went into this compromise and he believed it was reasonable.

Mayor Supple asked if Best Buy's property value went to 60 million, and the assessor came out and said it was worth 80 million, would Best Buy pay taxes on the 80 million. Director Poehlman responded that was correct and explained the amount coming to the City would not change and what was changing was the amount of the increment.

Mayor Supple noted while the County, the School District, and the City amounts would not change, there were other governmental entities such as the State of Minnesota that receives money and was not a part of the TIF agreement. Director Poehlman responded that was correct and the State was paid the full value, so the State has been reaping the full benefit of the minimum assessment agreement. If the value dropped below that minimum assessment the taxes that went to the State will drop.

Mayor Supple inquired about the timeline. Director Poehlman stated State Statute said that in order to modify or terminate a minimum assessment agreement, the City, the County, and the school board must approve that agreement, and it must be recorded by June 30 of that year, in order to be effective for the following tax valuations.

Mayor Supple asked if Best Buy had requested the school board or the County go forward. Tracy Smith, an employee of Best Buy approached the podium. Ms. Smith responded they were not on any of those agendas yet but they had had conversations and they are waiting to see what happened at this meeting.

Council Member Hayford O'Leary believed staff and Best Buy had reached what seemed to be a reasonable agreement. He acknowledged there was an estimated loss, but as noted this was a compromise and it was not perfect however litigation and staff time was not free either, so in the end he believed this was a better deal for the City and other possible outcomes and he would be supporting this.

Council Member Trautmann thanked staff and Best Buy for this compromise. He acknowledged not everyone was thrilled with it, but it was a good settlement. He stated he had made a comment a couple of weeks ago about bad faith and he wanted to make it clear that he never meant to question anyone's integrity in this process and he believed everyone conducted themselves in good faith.

Mayor Supple thanked the staff for all of the time that was spent on behalf of the City in the good faith negotiations with Best Buy. She stated her top priority had always been what was best for the City as a whole and it had been made clear earlier in the negotiation process that there should be no financial loss to the HRA and this proposal did a better job of meeting that criterion. She indicated they worked to make sure local taxpayers were protected, but it was also fair to Best Buy, who was the City's largest employer and Best Buy's success helped the community as a whole. She indicated reaching a fair agreement mitigated many risks and uncertainty while allowing them to move forward as a community.

Motion carried: 5-0

<b>ITEM #9</b>	<b>CONSIDER THE APPROVAL OF RECOMMENDED CLIMATE ACTION PLAN (CAP), PRIORITIZED ACTIONS FOR IMPLEMENTATION FROM 2023-2026 AND THE RELATED AMENDMENT IN THE CITY'S STRATEGIC PLAN. (STAFF REPORT NO. 77)</b>
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Council Member Whalen presented Staff Report 77.

M/Whalen, S/Trautman to approve the three recommended cap actions and amend them into the strategic plan. Staff recommend counsel and executive leadership establish clear guidance and direction for the participation in support of the cap implementation actions by all city of Richfield departments.

Council Member Whalen thanked staff and he had not anticipated how helpful this would be. He was excited this was one of the City's top priorities and they have a plan to work across all of the departments.

Mayor Supple lifted up and thanked the Sustainability Commission who gave staff a lot of feedback.

Motion carried: 5-0

<b>ITEM #10</b>	<b>CITY MANAGER'S REPORT</b>
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City Manager Rodriguez stated she had no report.

Council Member Hayford O'Leary requested staff give an update at the next meeting on the question of the moratorium for the CBD business that was brought up at the Open Forum.

<b>ITEM #11</b>	<b>CLAIMS AND PAYROLL</b>
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M/Whalen, S/Trautmann that the following claims and payrolls be approved:

<b><u>U.S. BANK</u></b>	<b><u>06/13/2023</u></b>
A/P Checks: 314569 – 314951	\$2,175,444.49
Payroll: 179035 – 179373 43646	<u>\$748,220.04</u>
<b>TOTAL</b>	<b>\$2,923,664.53</b>

Motion carried: 5-0

<b>ITEM #12</b>	<b>HATS OFF TO HOMETOWN HITS</b>
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Council Member Hayford Oleary stated the neighborhood at 64<sup>th</sup> and Grand welcomed the Mayor and himself last week to discuss some of their concerns about development and traffic. He thanked them for a productive discussion. He thanked the City staff who had come with. He stated he was excited about the State law changes to traffic laws for bikes.

Council Member Trautmann gave hats off to Masehullah Sahil, the new Halal Supermarket owner, for his vision on the functionality of Main Street on the west side of Richfield.

Council Member Christensen stated she had the opportunity to go with a group of people this past weekend to Fireside Foundry at 6736 Penn where the food and service was excellent, even though they were short staffed.

Council Member Whalen stated tonight was the kickoff for music at the bandshell at Veterans Park. He reminded residents not to water their yard in the middle of the day, which was technically illegal in the City. He recommended residents water before 10 or 11 a.m. or after dinner. He thanked and gave hats off to the water utility staff for emailing him when he accidentally left a sprinkler on in his garden overnight.

Mayor Supple gave hats off to the Class of 2023 and the graduates. She lifted up the Juneteenth Celebration and noted before the celebration there would be a Freedom Walk at 11:30 a.m. at Veteran’s Park Memorial which would end at the bandshell where there would be a celebration with live music, guest speakers, community resources, and local vendors from noon until 4 p.m.

<b>ITEM #13</b>	<b>CLOSED EXECUTIVE SESSION REGARDING THE CITY MANAGER’S ANNUAL PERFORMANCE EVALUATION. (STAFF REPORT NO. 78)</b>
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M/Hayford Oleary, S/Trautmann to recess the meeting to enter and hold a closed meeting for the purposes of conducting a performance evaluation of City Manager Katie Rodriguez, pursuant to Minnesota Statutes Section 13D.05, subd. 3(a).

Motion carried: 5-0.

M/Hayford Oleary, S/Whalen, to go back into the Open Meeting.

Motion carried: 5-0.



Mayor Supple stated the Council just conducted a closed session for a performance evaluation of the City Manager. The Council would be holding another closed performance evaluation meeting on June 15, 2023. And as required by law the Council would be providing a summary of the performance evaluation at its next regular meeting on June 27, 2023.

<b>ITEM #14</b>	<b>ADJOURNMENT</b>
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M/Trautmann, S/Hayford Oleary to adjourn the meeting at 9:50 p.m.

Motion carried: 5-0

Date Approved: June 27, 2023



\_\_\_\_\_  
Dustin Leslie  
City Clerk



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Mary B. Supple  
Mayor



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Katie Rodriguez  
City Manager