



CITY COUNCIL MEETING MINUTES Richfield, Minnesota

City Council Special Meeting

December 8, 2022

CALL TO ORDER

The special meeting was called to order by Mayor Regan Gonzalez at 4:01 p.m. in the Bartholomew Room.

Council Members Present: Maria Regan Gonzalez, Mayor; Mary Supple; Simon Trautmann; Sean Hayford Oleary; and Ben Whalen

Staff Present: Katie Rodriguez, City Manager; Kristen Asher, Public Works Director; Amy Markle, Recreation Services Director; Sack Thongvanh, Assistant City Manager; Paul Smithson, Program Manager; Kumud Verma, Finance Manager, Chris Link, Deputy Public Works Director, and Chris Swanson, Management Analyst

Others Present: Scott Barsuhn, Consultant; Glenn Waguespack, HGA; Ashleigh Grizzell, HGA

Mayor Regan Gonzalez introduced the topic for discussion for the work session and turned it over to City Manager Rodriguez.

ITEM #1	PRESENTATION AND DISCUSSION OF A LOCAL SALES TAX.
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City Manager Rodriguez introduced the items for the work session, went over the history of the Local Sales Tax (LST), and outlined the next steps in the approval process. City Manager Rodriguez provided an overview of the last meeting. The main addition to the list of projects was a community center. City Manager Rodriguez turned the presentation over to Recreation Services Director Markle.

Director Markle went over what was discussed during the October 18 work session on a LST. She introduced the team who has been working on the project. Director Markle provided an overview on a LST and the parameters for the LST. She discussed the city's goal is for this additional revenue.

Director Markle presented the first project, the Wood Lake Nature Center (WLNC). She went over the current programs and use at the WLNC and the regional significance of the project. She outlined the WLNC project scope, timelines, and budget.

Director Markle outlined the second project staff proposed, the Veterans Park complex. She went over the current amenities offered and the needs of the facilities. She discussed the major needs including the outdated pool liner and ADA upgrades to the arena. She discussed the vision the city has for the Veterans Park complex and the regional significance of the park. She discussed how 35% of the pool pass holders are from MNPLS or other cities.

Director Markle presented the third project for council review. Donaldson Park. She talked about the current use of the park, particularly the value provides to MICC. She went over the regional significance of the project and what projects within the park would be funded by a LST.

Director Markle presented the Taft Park project. She discussed some of the projects going on at the site and how the community currently use the park. Many groups from across the metro are using this park, specifically there is a lot of interest in having additional soccer fields at the property. She discussed looking at the option of siting a dome at the site and discussed the pros and cons that come with this option. Director Markle talked about how several other cities have told her it's hard to break even with a dome and there are a lot of challenges with these types of buildings.

The next project presented to council was a general park system improvement. Director Markle discussed how there is a lot of opportunity to better connect our trails and bike routes. The system is lacking many of these connections. Director Markle provided an overview of the current bike routes in the city.

Council Member Hayford Oleary asked what 5 million dollars would do in terms of upgrading existing trails in the parks. Director Markle said this amount of funding could do a lot for our trails. She believes we could upgrade three trails within our parks with the funding.

Director Markle went over the final project for council to review; this was the community center. She recognizes that the council direction was to dream big. She went over the current use of the community center and the significant regional significance of the center. She discussed the lunch for seniors and the tax prep assistance. She acknowledges that there would be a significant increased annual operating cost with a new facility. The costs for an improvement to the community center goes from around 9 million dollars for a retrofit, to 48 million dollars, for a fully reconstructed building. Director Markle discussed some of the restrictions at the site. She said the HGA, the architectural firm hired to assist with the project, looked at the site and was able to show some examples of what we could have do with the location.

Director Markle talked about what she is hearing from the community for wants and needs for a future community center. She has heard lot of needs from seniors for safe spaces to walk in the winter and from parents with small children.

Council Member Whalen asked about the difference between an event space and meeting space. Director Markle talked about the difference between the spaces. Generally, event spaces are larger gathering areas used for weddings, family reunions etc., meeting rooms are smaller area to be used to host meetings.

Director Markle talked about some of the limitations at the site, including some of the challenges that exists. This includes some challenges with parking, conservation areas, and the fact that the building is in a very residential neighborhood. Director Markle talked through the options available for the community center site. She went over what each community center offers and the cost for each level of project.

Council Member Hayford Oleary asked if we knew how big of a cost difference would be if there was not underground parking. Glenn Waguespack, HGA, talked about the costs saving from not having structured parking. Mr. Waguespack mentioned that the going rate is around \$35,000 per stall. He also mentioned that Option 6 sees around a \$5.5-6 million dollars in parking costs. He said there is a range of savings depending on where the parking is located.

Council Member Trautmann discussed the ongoing cost savings from not having underground parking. He noted the additional costs from maintenance and heating will continue to grow.

Director Markle talked about the parking challenges and the land and water grant were the biggest limitation of the site. She then presented a slide on what we could see for price escalation in the next few years. She also talked about if we wait there may be additional building construction standards required with building a new building, specially, the building may need to meet a higher green building code standard.

Council Member Supple asked about if there would be a cost associated with the existing grade of the site. Mr. Waguespack said that it could both help or hurt and they would need to do some additional projections to know the impacts.

Council Member Trautmann asked if there were any other city sites that would maybe be better for a structure like this. He asked if this building could we take the place of an existing field. Director Markle said we did think about changing the location of the community center but that we would have to forfeit a lot of green space. She said staff was also worried about the impact it would have on our athletics programs if we were to replace a field. She recognizes there is significant challenges at any of the sites for a building of this size.

Director Markle went over the next steps for this process. Staff recommended that we ask the legislature for LST approval in 2024 so we have time to get more focused with this work. Staff was also looking to have the council provide feedback on LST projects priorities. Staff presented two options: Option A and Options B. Staff would recommend that WLNC and Veterans Park be included in LST recommendation and wanted to discuss further what direction the council wanted to go forward with regarding the community center. Director Markle opened the presentation up for questions or discussion.

Council Member Whalen talked about what the Community Services Commission recommended regarding LST projects during their last meeting. He said there was support for Option B from the commission. He said he recognizes the park work is important, but not feel these general maintenance projects would be a driver for community support like projects with the WLNC and the community center would be. He talked about how he does not feel there is a need for an event space at the community center if there is space available at the WLNC. He would also like to explore other parking options for cost and space

Council Member Supple has been evaluating when we should bring the city's project list to the legislature for approval. Recognizing we can always pair the project list down; she feels like we should go to the legislature in 2023. Going earlier would give us room to maneuver. She is leaning towards Options B.

City Manager Rodriguez said we have already had some of these conversations with our lobbyist and Representative Howard about what the best approach for a successfully lobbying the legislature for the LST approval. We were told we have a good team in place and should be able to be flexible in the future. Talked about how we cannot just look at the project estimates included in the presentation. She detailed how there is a 30-40% increase to cover the cost of the bond issuance. She talked about how we can offset some of these increased bond admin costs by being strategic with when we issue and pay off debt.

City Manager Rodriguez also talked about this list does not encompass all our needs for park and infrastructure. She said there is still a lot of need around our community as most of these facilities have not been upgraded since the 1960's. As of right now, the city does not have other tools to address these funding challenges.

Council Member Whalen asked how we used the GO bonds in the past and if we know how many times in the next ten years the city plans to go out for bonds. City Manager Rodriguez stated the city has tried to go out for bonding for large term projects when prior issuances are set to be paid off.

Council Member Whalen asked if there was any capacity to pursue more bonding for non-public works projects.

Council Member Supple wanted to follow up on Council Member Whalen's question, she said MET council has some projects coming up on their work plan. She wanted to know if we were going to use bonding to cover the city's share of this work. Public Works Director Astor said she wasn't aware of any MET projects coming up.

Council Member Trautmann said he had a few comments. He said he is supportive of pushing forward for community center early and aggressively. He feels like we have a diverse community with a lot of needs. He said there is a lot of overlap in terms of need but feels there are benefits for the senior community with the new building. He said that on a more granular note, he has had restaurant owners approach him about using some of the old park spaces for restaurants. He believes this would be a positive impact and good space making. He feels like the dome should be the first project to go if we want to look at reducing the total cost. He talked about some partnerships we should look at. He asked if we have had time to think about creating a steering committee for these community projects. He is in support for option B. City Manager Rodriguez provided a bit more info on what the difference is between the two staff recommendation. She noted that a building inventory project is schedule for next year in the strategic plan. Council Member Trautmann thanked for the additional comments. He believes this is the time to have this conversation and make some of these generational decisions.

Council Member Hayford Oleary asked if we would still do the building inventory even if we move forward with these projects. City Manager Rodriguez said we would still do this work.

Council Member Hayford Oleary said he was still torn on this decision. He thinks residents have several ways to access gyms and community center currently. He still feels like Option B is the correct next steps talked about how we still need to identify ways to get reliable funds for the trails and other smaller projects in the parks.

Council Member Whalen appreciates the comments, in his mind getting approval doesn't commit use to putting everything on the ballot. Think it's a different question for which year we ask and which year we put it on the ballot. Think it would be good if we put it on the 2024 ballot. Feels like there are certainly other needs that would be described as reginal but think that we may struggle to get past the local feel of these projects. City Manager Rodriguez said we would have to do more research between now when we bring to residents for a vote.

Mayor Regan Gonzalez asked Council Member Whalen if he was in support of Option B. Council Member Whalen said he was. Mayor Regan Gonzalez said she has been thinking about this conversation for a long time. She understands there is a lot of prior conversation about bonding and how we are trying to move away from maxing out the bonding each year. She also feels like we need to look at how our community, particularly our commercial sector, is changing. She recognizes that what happens with the HUB is a big question. She feels like there is only so much that can be done at the site. She said looking at all our infrastructure needs, particularly energy efficiency work that could be done, would be of more value. She is more in support of Option A. She also like if we are going to make these big changes this is the time. Regardless she feels like we should do this building inventory assessment before we make a big decision.

Council Member Whalen didn't know how legislature is going to receive this proposal. He said that given that we are still in conversation about the community center, he didn't want to miss any opportunity to do another project if the city decides to not pursue this project. He wanted to know if there is any reason we should not propose all 5 projects. City Manager Rodriguez said most communities were approved for the 20-year timeframe and \$90 million in LSTs was the most that was approved by the legislature last year. She said anything above this amount would be a large ask from the legislature.

Director Markle said she has also been thinking about the future for the community center. If not now, she doesn't know when we can find money for this project. She feels we will need to make an investment in this building. City Manager Rodriguez said that Director Markle told her that there are more sources to find funding for some of these other projects than to get funding for a new community center. She said Director Markle feels they can piece together funding for these smaller park projects over the next years, where the community center would be a challenge.

Council Member Trautmann said this is the type of project that will suck up the air in the room, but also provides an amazing opening for the community. Says he supports this robust discussion, he feels it's important, and is willing to lean into this work.

City Manager Rodriguez said she has heard consensus on going to the legislature in 2023 and that we should proceed with Option B. She said we will bring more detail on the projects when we bring the resolution to council for final approval. Director Markle said staff recommends of Option 5 for the community center project. She talked about how the two gyms would afford the opportunity to hold tournaments. Talked about some of the challenges of indoor play places. Think the gym and walking track is the greatest need in the community.

Council Member Whalen would support staff's recommendations. He said the gyms can be used for any number of things. He talked about various uses like resource fair and does not feel like we need some of the other amenities include in the proposals.

Mayor Regan Gonzalez asked if the standard programming in the community center would continue at the new site. Director Markle said the programming would continue.

Council Member Trautmann said he was open to option 5 and 6 for the community center. He still wanted staff to look at the parking requirements. He recognized that the 10-13% increase of cost from unground parking is challenging. He said we can also look at leasing office space at this site. Council Member Trautmann left at 5:25. Council Member Supple said she would support options number 3 or 5. She also supports reducing the amount of parking at the site.

Council Member Hayford Oleary said he didn't really know how many gyms we would need and asked about how specific we would need to be with the LST ask to the legislature and if there is flexibility once approved. Director Markle said there was some flexibility with the ask and what the actual projects look like once approved.

Mayor Regan Gonzalez didn't have any strong feedback. She feels the two gyms make sense but would also like to have an additional event space.

Council Member Whalen wanted to comment on the bigger conversation we've had on the financing. He thinks is great we've historically invested in roads and instructed, but also thinks we need to provide more financial support to Parks and Recreation. He feels like at some point we may have to move towards including parks in the normal bonding schedule for the city. He feels this is part of a broader conversation we will continue to have. City Manager Rodriguez thanked Council Member Whalen for his comments.

Mayor Regan Gonzalez said that in addition to a needs assessment it would be good to look at our financing levers available and how we can best use them. She feels this is the time to start seeing what the big picture for sustainable funding is. This goes through all departments and facets of city work. She is also excited for these projects and cannot wait to be part of the team as a community member.

City Manager Rodriguez summarized the next steps for this process.

Mayor Regan Gonzalez thanks staff for all their work.

ADJOURNMENT

The work session was adjourned by unanimous consent at 5:33 p.m.

Date Approved: January 10, 2022



Chris Swanson, Management Analyst



Mary Supple
Mayor



Katie Rodriguez
City Manager