The meeting convened at 6:30 p.m.

Councilmembers present: Mayor Jake Spano, Tim Brausen, Rachel Harris, Larry Kraft, Anne Mavity, Nadia Mohamed, and Margaret Rog.

Councilmembers absent: none.

Staff present: City Manager (Mr. Harmening), CFO (Mr. Simon), Building and Energy Director (Mr. Hoffman), Engineering Director (Ms. Heiser), Economic Development Coordinator (Mr. Hunt), Director of Community Development (Ms. Barton), Planning/Zoning Supervisor (Ms. McMonigal), Senior Planner (Mr. Walther), Planner (Ms. Kramer), Communications Manager (Ms. Smith), Senior Management Analyst (Ms. Solano), and Recording Secretary (Ms. Pappas).

Guests: Vic Moore, St. Louis Park lobbyist, Sharon Rodning Bash, consultant; Jamie Marshall, Friends of the Arts executive director; George Hagemann, Friends of the Arts board member; Chris Wilson, director of real estate development at Project for Pride in Living; Reverend Barbara Martin, Union Congregational Church; Jay Moore, developer with Oppidan.

1. Future study session agenda planning and prioritization

Councilmember Kraft proposed an in-depth discussion on the climate crisis and asked for the topic to be included in the Feb. 10, 2020 study session.

Councilmember Mavity and Brausen agreed that the climate crisis is concerning, and asked staff for a summary report on benchmarks that have been reported in the city thus far, prior to discussing this at the study session.

Councilmember Harris agreed that this conversation is needed and noted she would like to hear what sort of influential conversations have been held to expand this to neighboring communities.

Mayor Spano stated he is interested in discussing this as well, along with other topics the council needs to address such as community sidewalks and STEP facilities. He agreed an update from staff is needed prior to discussion.

Councilmember Rog agreed a staff update is needed, adding it will be important to continue talking about this in the near term on an ongoing basis.

Councilmember Mohamed also agreed, stating she would like to see where the city is on the Climate Action Plan and how it fits into the strategic plan. She noted the council will need to remain proactive vs. reactive on this topic.
Councilmember Rog stated she would like to discuss removing the mint and menthol exemption from the cities flavored tobacco policy.

Councilmember Harris stated she would like to discuss this, noting this flavor is popular among African Americans, so the council will want to keep the needs of this group in mind when discussing.

Councilmember Rog agreed and encourage staff to reach out to Latricia Vetaw, who is with the Menthol Coalition, and could be a helpful resource in discussing the topic of mint/menthol.

Councilmember Brausen stated he is causally interested in discussing this but would like some statistics and is not sure if the topic merits staff and council time, adding he is not sure it has a large impact.

Councilmember Rog stated the reason she brought this up now is because of the state-wide momentum currently on this topic.

Councilmember Mohamed added she is open to discussing this in relation to racial equity in St. Louis Park.

Mayor Spano stated he is less interested in discussing this, but if the majority want to discuss, staff will need to determine next steps.

Mr. Harmening stated staff will bring back more data to the council and ideas about outreach.

Councilmember Kraft spoke about a study session topic raised by Councilmember Rog and himself on conversion therapy in St. Louis Park. He stated one clinic in St. Louis Park does practice this, and it is a dangerous, discredited practice, which he hopes the city will ban and the state legislature will take action on.

Councilmember Mavity stated she abhors this practice and would support this discussion but would like to be limited in scope and staff time, while gathering information from Minneapolis and Duluth on their bans.

Councilmember Brausen agreed, but added he worries about limited bandwidth and the ability to legislate on every issue, precluding the council from getting to the most important topics that need to be addressed.

Councilmember Harris and Councilmember Mohamed stated they are conflicted on whether to pursue this topic; however, noted they do support human rights protections.

Councilmember Mohamed added she sees the need for a ban, would like to discuss this, and get to the heart of the problem, while searching for actual solutions.

Mayor Spano stated he is in favor of discussing this topic as well. He added he would like to better understand this issue and not go quickly to banning.
Councilmember Mavity stated the topic of future study sessions called for five minutes on the agenda and went over time. She stated since there is a new council now, it would be helpful to discuss new agreements on topics and what deserves time vs. focus and attention.

2. **Arts and culture strategic framework focus group**

Ms. Rodning Bash, a consultant with the St Louis Park Friends of the Arts, conducted a focus group with the council, along with Jamie Marshall, executive director, and George Hagemann, board member, as well as Ms. McMonigal and Ms. Solano from city staff.

The consultant asked the council when they think about creativity, culture, or history in St. Louis Park, what comes to mind? The councilmembers replied:
- Unity sing, mural creation in different venues
- Opportunities for youth in schools
- Developments and streets all have art in them
- Wolfe Park music series, cultural and community activities at the Roc, and more to come at the nature center
- Statue at Excelsior and Grand
- Seeing children play piano at Byerlys
- Piece missing in arts is a connection between young people working through their creativity and how this can be a vocation for them
- Would like to see better connection between school district and arts community for young people
- Taking art to a higher level – creativity is not always about music, arts, it’s about our city government, and the need to look at things within government from a different angle

The consultant asked the council for their thoughts on how the city has in the past supported arts and culture and where can more be done? The councilmembers replied:
- Friends of the Arts has been helpful for artists in our community and been helpful with city events
- Allowing home occupation would be helpful for artists, city resources and helpful staff, city’s financial contribution to friends of the arts
- Absent – pop up bus license to ease the burden of opening new business, find out what creative entrepreneurs want and need, help to set up grants or co-op workspaces
- Strengthen are Friends of the Arts and people are willing to participate in cultural events and want to be engaged, incorporating public art in development projects
- Barriers – the city does not have a community arts facility, possibly the Jr high school theater can be this facility, however this has not been addressed by the school district as yet
- Facilities – not necessarily a school – could be The Nest
- The Nest supports art by showing rotating art, having open mic nights, along with storytelling at the library
- Barriers – lack of performance space, not enough art in schools to feed community in future, arts are still in silos within the community, and there are all kinds of ways art could be more integrated
- Make a business case on why art matters, and then can leverage this
- Art brings out emotions, and want St. Louis Park residents to feel they can contribute, or they can engage and own art, and have it represent our community
- Unique identity of St Louis Park, hyper local and creates a unique sense of place with art – so people love their community
- Identity and landmarks, reflecting identity of the city through logos and icons for city identity
- Love most about city’s art is it’s participatory and all can get involved
- Opportunities also to do a theme i.e.: climate change thereby bringing more folks into art

Mayor Spano asked the members to highlight from the annual report, things that went well and things that they might do less of.

Mr. Marshall stated the group facilitated its first public art for the city, with selected artists creating work, and focused on local artists.

Mr. Hagemann noted the successful St. Louis Park art fair, and the diversity of artists that participated. He noted smaller events that were successful as well such as the poetry jams, which he stated were impactful.

Mayor Spano noted the city made it affordable to rent the Roc also, adding the city will need to continue to support folks to be creative in these public spaces.

3. Draft legislative priorities and local options sales tax

Ms. Solano noted the state legislature will reconvene on Feb. 11, 2020, and as in previous years, staff has prepared a draft list of legislative topics for the council to review. Staff will make changes based on council discussion and a final draft will be reviewed at the Jan. 27, 2020 study session, prior to being presented to the city’s legislators.

Ms. Solano stated additionally, information on a local option sales tax to fund regionally significant municipal state-aid road projects is provided in the staff report.

Ms. Heiser noted the city can look at one local road improvement program with improvements at the following locations:
- Cedar Lake Road
- Louisiana Avenue
- Shelard Parkway
- Oxford Industrial Area
- Texas Avenue/Minnetonka Boulevard intersection

Ms. Heiser noted the majority of these projects are already in city’s CIP, adding that big data was run on these areas, which showed a large percentage of non-local traffic.

Ms. Heiser stated the estimated costs for the road improvements noted above is $37.5 million, and with the city sales tax, it will propose a 0.5% sales tax (one half of one percent), which
generates $5 million per year for approximately 7.5 years, from 54.8% non-residents and from 45.2% residents. She added the project would conclude when all the funds are collected. Ms. Solano noted the timeline and stated that a referendum would be needed within 2 years if the issue was to move forward.

Mr. Moore stated because the legislature has failed to fund a new transportation bill in recent years and gas taxes will continue to decline, the city must look for other options. Data shows St. Louis Park is a destination. As such, he explained, the city can add the sales tax in order to have those who use the roads, pay for the improvements, vs. putting that burden on city taxpayers.

Councilmember Mavity stated this makes sense rather than asking taxpayers to pay for these regional roads. She stated she wants to know the actual cost to the city to run a referendum, along with costs for a marketing team to educate folks, adding this feels like a big job. She stated she supports moving forward on the sales tax, and recommended talking to Discover St. Louis Park and the city’s Rotary groups in order to inform and create buy-in.

Mr. Harmening noted the city is not allowed to promote or encourage voting yes on a referendum but can provide information on what is being proposed. He stated local citizens committees would be required to promote the sales tax, but the city would not fund that group. Mr. Harmening added staff has already reached out to the city business council, met with the chamber of commerce president, and Discover St. Louis Park.

Councilmember Mohamed asked what exactly would be taxed. Mr. Moore stated everything but food and clothing, adding that restaurants would be included, but most services would not be taxed.

Councilmember Mohamed asked if other methods of funding had been researched. Mr. Harmening stated there are limited options and the funding would come from either a tax increase, special assessments, or increased franchise fees. He noted there would be some funding from MSA and possibly grants but other than that, there is no other funding source.

Councilmember Mohamed stated she is very conflicted but understands the need. She is concerned about a sales tax on top of the levy, which was just raised, adding it will be a burden for low income families. She added she will be glad if it goes to a referendum so residents can decide.

Councilmember Rog stated the sales tax could have a significant impact on residents, upwards to $100 per household, and if so, she would not support this. Councilmember Rog added this feels very rushed and she too is very conflicted and would like to examine the data more before proceeding.

Councilmember Mavity noted she wants to be sure the city takes advantage of a potential opportunity, and also encourages folks to get on committees in order to encourage pushing this forward.

Councilmember Kraft added he is also conflicted on this issue and asked if this could be put off until next year.
Mr. Harmening stated the council can wait a year; however, staff assumption is that they would want to work on this sooner, rather than later.

Councilmember Brausen stated the other driver on this is that construction costs have gone up 25% in the last year and will only get worse. So, it is better to share the burden with those who use the roads, adding he is in favor of this.

It was the consensus of the council to include this item on the agenda for the Jan. 21, 2020 city council meeting.

Mayor Spano noted the list of city priorities for the state legislators is not manageable with 25 pages of items. Mr. Harmening stated the council should note their highest priorities, but staff wanted to be sure not to miss anything, so included all items council has been interested in.

Councilmember Brausen stated if marijuana legalization goes before the legislature, he would like to see a portion of the tax go back to cities and would like this added to the priority list. He added the mint/menthol and conversion therapy topics might also be added to the list.

Councilmember Kraft stated he would like to see energy and climate concerns, 100% renewable energy, and low emission vehicles added to the list.

Councilmember Rog stated she would like to add a state match for local housing trust funds and using pool TIF for affordable housing trust funds to allow for greater flexibility.

Councilmember Harris stated what is most impactful for the legislature to hear from St. Louis Park, and noted the focus from the 3.0 visioning is affordable housing and its impact on all ages in the city.

Ms. Solano noted the final document will be reviewed by council on Jan. 27, prior to the meeting with legislators on Feb. 3, 2020.

4. **Union Congregational Church affordable housing redevelopment**

Reverend Barbara Martin stated due to decreasing church membership, and the fact that the church has space available, the congregation decided they wanted to do something to help with affordable housing, which would help those in need, while also helping the church financially and with their facility. She added the church community would also want to work with residents and volunteers on programs and projects to help residents.

Mr. Wilson stated Project for Pride in Living (PPL) proposes to develop approximately 80 units of new affordable and sustainable housing at 6027 37th St. W. and the northern portion of 3700 Alabama Ave. The church would sell a portion of their property to an affiliate of PPL, and PPL will own and manage this new housing for the long term. The church will preserve the existing sanctuary building, update the narthex, and continue to operate on the southern portion of the property.
Mr. Wilson stated the proposed building would be four stories tall and include a mix of studios, 1, 2, 3 and 4-bedroom units. Rents will be affordable to households ranging from 30% of the area median income (AMI) to 80% of AMI or $80,000 for a household of 4 people. He noted that most of the units will be set aside for households at or below 50% and 60% of AMI and average incomes for the building will be below 60% of AMI.

Councilmember Mavity stated she has been a consultant in the past with PPL for the Downtown View Project, but currently is not involved with PPL. She appreciates the congregation coming forward and leading on this, especially since developers are interested in the land around light rail, and many higher-end proposals are coming in. She stated she appreciates the church has chosen this path and it aligns nicely with the city’s affordable housing goals and the city’s strategic plan, in looking to leverage light rail.

Councilmember Mavity added she appreciates the entrances on the 1st floor and making it more family friendly and wants to continue to work with neighbors so the project is appropriately sized for the area. She asked if PPL might look at a program with shared cars, to help mitigate parking especially in relation to neighbor concerns.

Councilmember Harris also appreciated the church bringing this project forward. She asked if there are alternatives within the design to make the fronts look more like townhomes and then have apartments behind the façade, which might also help to mitigate some neighbor concerns. She stated she is in favor of parking for one car per unit and added that PPL cannot always count on street parking to be available, especially with city snow removal requirements.

Councilmember Rog stated she would prefer to see greater affordability in the larger bedroom units and asked if there will be support services for residents. Mr. Wilson stated yes, there are services as needed, and PPL is speaking with Perspectives in St. Louis Park at this time, while PPL also has in-house services that can be used as well.

Councilmember Rog asked if there will be any rent to own opportunities for residents. Mr. Wilson stated no, these are all rental units.

Councilmember Rog supported the parking request and liked Councilmember Mavity’s shared car idea. She encouraged Mr. Wilson to look at landscaping while keeping sustainability in mind.

Councilmember Mohamed stated she would like to explore using public art on the façade and hopes the city can get creative on that and explore possibilities, so as to diminish the affordable housing feel.

Councilmember Kraft appreciated that this fits into the values of the church, adding he likes the sustainability plans included. He asked if there is any possibility of creating net zero energy including with the use of solar panels. Mr. Wilson stated that would be difficult, especially with the number of people on site and electricity needed but added there will be a much lower electric usage in the development.

Councilmember Brausen stated he is supportive of this concept and is familiar with the area.
Councilmember Mavity asked if the historic playground in the area can be incorporated into the plans.

Mayor Spano stated he is very interested to see this move forward and asked if Kid Zone will be relocated. Reverend Martin stated Kid Zone will be moving and the church will help them with their expenses.

Mayor Spano added the scaling integrates with the neighborhood and asked staff to shift the curb cut onto West 37th Street vs. having it on Alabama Avenue, as it might create car stacking. He stated he appreciates the affordability and sustainability within the project and hopes to see more of this type of project as time goes on.

5. **Sam’s Club development proposal**

Mr. Walther introduced the developer, Jay Moore from Oppidan, and stated staff is looking for feedback from the council on this proposal.

Councilmember Mavity stated she is delighted to see the reuse of this existing building, along with the green space, sees this as a job growth area, and fitting the vision well. She asked about the large amount of surface parking with 500 spots, if the proposed business needs all those spots, and if they might also utilize the nearby light rail. She added this parking does not seem to be a good land use adjacent to the light rail.

Councilmember Rog stated she supports reuse of the building; however, she is really disappointed by the minimum affordability provided with the plan for apartments here. She stated there is opportunity to provide affordability near the transit station and she is not happy with only 14 affordable units, adding this does not match the discussions about this area and the goals outlined. She stated the plan seems very car-centric and this is not something she wants to see.

Councilmember Harris stated with the light rail proximity, it seems that reducing the surface parking to maximize land use would be better. She asked if there might be expansion here as well. Mr. Moore stated yes, expansion would be part of the plan, but because of the difficulty with the land and underground stormwater detention system which cannot be undone, the residential needed to be pushed to the east side of the land. He added the environmental clean-up would be very costly and dangerous, so is not feasible.

Councilmember Brausen stated he understands about the environmental issues in this area and asked if they could have 6 floors and increase TIF so as to increase parking as well. He stated he is supportive of the reuse of the site.

Councilmember Mavity stated this is a signature project near the light rail and asked if the housing could be denser, with 12 stories if appropriate.
Councilmember Kraft stated he likes the idea of 500 more jobs coming to the city and asked if solar panels and artwork could be added to the project, perhaps as a solar carport, and artwork in the area facing the light rail.

Councilmember Mohamed stated she is very impressed with this project but hopes to make it more affordable on a larger percent of the units.

Councilmember Rog added this project does not meet the city’s affordable goals for the site, and she does not see the rush in doing this project, especially since it is a significant site for the city. She noted the goal is to have the site align with affordability and neighborhood goals.

Councilmember Mavity, however, noted the project does comply with the city’s policy regarding affordability.

Councilmember Brausen added this project will positively impact the city’s tax base and allow more affordability in other areas, and he will support this.

Mayor Spano stated perhaps the surface parking could be shared by the business and residents, which could lessen the number of parking stalls and then use funds to create more affordability. He stated he is interested in this project but wants to look at the parking again.

Mayor Spano summarized that the majority of the councilmembers indicated support for staff to continue work with the developer to advance the concept, and that there was not consensus as Councilmember Rog did not agree with this direction.

**Communications/meeting check-in (verbal)**

Councilmember Brausen referred to the written reports and noted he is supportive of the former Santorini site and the additional TIF.

Councilmember Mavity noted the written report about the Prince of Peace site and stated the project should be reversed with the building facing north vs. south in order to move it away from pointing towards Highway 7.

Councilmember Kraft asked about the St. Louis Park Ventures project and how the numbers work.

Mayor Spano suggested he and Councilmember Mohamed meet with staff to learn more about and understand TIF.

The meeting adjourned at 10:15 p.m.

Written Reports provided and documented for recording purposes only:

1. Traffic Study 713 – Installation of stop controls on Quebec Avenue at 29th Street
2. 2020 Pavement Management Project Update – Fern Hill (4020-1000)
3. Prince of Peach affordable housing project
9. Update on Purchase and Redevelopment Contract with SLP Park Ventures, LLC
10. Texa-Tonka small area plan
11. November 2019 monthly financial report

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Melissa Kennedy, city clerk     Jake Spano, mayor