

**CITY OF EXCELSIOR**  
**Hennepin County, Minnesota**

**MINUTES**

**City Council Work Session**  
**Monday, October 25, 2010**

**1. Call to Order/Roll Call**

Mayor Ruehl called the meeting to order at 6:43 p.m. Council members present: Berghorst, Caron, Fulkerson, Miller, and Mayor Ruehl. Also present: City Manager Luger, City Attorney Staunton, City Planner Richards, and City Clerk Johnson.

**2. Agenda Approval**

Fulkerson moved, Caron seconded, to approve the meeting agenda as presented. Motion carried 5/0.

**3. An Ordinance to Add Article 19, Section 19-9 to Appendix E of the Excelsior City Code of Ordinances Pertaining to the Parking Impact Fee**

Staunton said that the Council asked staff to find a way to define capacity. The Council had concern about coming up with definitions on how the City would determine capacity. Staff has made some changes to the ordinance to address these concerns. The other item that the Council discussed was a resolution on how to establish parking impact fee.

Staunton reviewed the changes to the ordinance. He noted that the change from "capacity" to "available capacity" and the language that was added to address the "available capacity" shall be established each year "based on a monthly census of the utilization of the city's automobile parking facilities" and set by resolution for the following calendar year.

The City Council will also set the parking impact fee. A requirement has been inserted into the ordinance that a conditional use permit recipient must enter into a development agreement with the City that documents the applicant's promise to pay the annual parking impact fee and requires the property owner to agree to permit the City to assess any unpaid fees against the property and waive the right to object to or appeal any such assessment.

That provision also establishes that the obligation to pay runs for as long as the CUP is needed and requires the development agreement to be recorded so that prospective purchasers of the property will be on notice of the obligation to pay. Finally, a provision was added that makes it clear that payment of the parking impact fee does not preclude the City from imposing any other fees or charges permitted by law.

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Staunton said that the Council should discuss the capacity issue and provide guidance to staff on how this will be determined each year. After that is addressed, the Council can address the calculation of the parking impact fee.

Richards reviewed his staff memo. Richards said that it was suggested that a number be established, possibly on an annual basis, of parking stalls that could be made subject to the parking impact fee. In order to determine if excess stalls are available, parking counts would be utilized to determine what the occupancy levels are. The last parking counts were done in 2002 and included winter weekday, summer weekday, summer weekend and an Art on the Lake weekend. These numbers provide a baseline, but they do not adequately reflect the current parking occupancies. When these counts were taken, the former Ace Hardware (Jake's) and the office building at 355 Second Street were vacant.

The City should do periodic parking occupancy counts to update this information. The counts will probably take about an hour of staff time. Counts could also be done by an intern.

It is assumed that the City Council will establish the parking impact fee on at least a yearly basis by resolution. At the same time, the parking capacity number could be adjusted based upon parking counts that had been done on a periodic basis during the previous year. Peak capacities are running at about 90%, while other times are probably at or around 60%. The excess capacity should be set at around 90% to 95%.

Mayor Ruehl said for the first time through this approach makes sense. As the City moves forward, more data can be put together and adjustments can be made.

Caron said at some point she also wants to discuss how the money can be used.

Luger said that City Planner Richards, Finance Director Carlson, and she had discussed the fee calculations. They had used the same analysis that was used in the Parking Valuation Study. With the municipal parking lot expansions and the Lyman Lot, the proposed parking costs would be an average of \$11,512.00, and if this cost is spread out over a 10 year period the cost would be \$1,151.00 per year per parking space.

Fulkerson asked if the purchase of the Lyman property doesn't go through that number would be higher. Luger said yes.

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Caron said when the Council looked at the Lyman property and did a rough sketch it hadn't applied the design standards. If the design standards are applied, she's not sure the City would net 82 parking spaces.

Mayor Ruehl asked if the calculations included a maintenance cost. Luger said the maintenance cost would need to be added. Mayor Ruehl said once the maintenance costs are added, the cost would be closer to \$1,250 per space.

The Council and staff discussed what days and time during the day the parking counts should be taken. Mayor Ruehl said he did not think it should be the same day and at the same time each month. He would like the City to use the standard methodology that is used by parking consultants. Richards said he has talked with WSB's Traffic engineer about this.

Staunton said the City will want to have some consistency year-to-year. He said that staff needs to know how specific the Council wants this to be reflected in the ordinance.

Caron said there is a formula and schedule that needs to be established, which will not necessarily be created by a traffic engineer. Mayor Ruehl said you would start with the traffic engineer and then fine tune it based on our community.

Miller said they would need to incorporate slow and busy times. He doesn't want all the City Council's in the future to fine tune this process each year, so they need to have that criteria in the ordinance. This way the same criteria is used every year. Staunton said that can be referenced. Berghorst said that the ordinance can reference the methodology and then they can have a policy that provides more detail.

Staunton asked if there is a minimum frequency that the Council would like outlined in the ordinance.

Caron said she would prefer to see it directly in the ordinance. Mayor Ruehl said he agrees. Miller said it would be stronger that way.

Miller asked if this would also identify how the Council comes up with the deficient parking spaces. Staunton said they can include what was done the first year to establish this. Miller said maybe there can be a table and then build on that.

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Richards asked if the Council thinks it's necessary to include parking counts for Saturday or community events. The Council stated that those times should not be included in the parking counts.

Staunton asked what the Council wanted to do with regard to the language for the formula for establishing the fee. Mayor Ruehl said that assumptions need to be put in a worksheet that can be used each year. Luger said the ordinance could have a generic methodology and the resolution could have the fee.

Mayor Ruehl said he would like to see the equivalent of 10 years with interest for 15 years.

Miller asked if the fee would change from year-to-year. Staunton said that when the City enters into the developer's agreement, it would be locking into a fee. He said that the City may want to charge maintenance costs separately like it does for other properties.

Mayor Ruehl said that once you sell the parking impact fees, the deficit parking would increase and the maintenance costs would decrease until such time as you expand your parking areas.

Miller said he is still concerned that the cost does not increase for the parking impact fee once you enter into the agreement. Mayor Ruehl said that the City is accumulating those dollars and that will help fund future parking.

Miller said he is concerned that construction costs may double. Staunton said that a waiver of objection to assessment is only good if you identify the costs up front. Miller said the City needs to put an inflation factor into the agreement and maybe add in finance costs.

Caron said that she had asked Luger and Staunton to look at how this money can be used. When the Council was looking at the Lyman lot she heard from some residents that they weren't interested in the City purchasing the property unless there was a benefit to them.

Staunton said that the Council must first remember that municipalities have limited authority. He noted that there are a number of statutes that grant different powers to cities, but the legislature has to grant them. When it comes to taxes, fees, or other revenues those are very specific. The City can't impose a sales tax without permission from the legislature. There is a

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State Statute (§ 459.14) that addresses parking and grants the City the authority to charge more. Moving some of the funding to the General Fund may be possible if the City has a need to be reimbursed by those fees. If the City took the money they received and shifted all of it to something else, the City could be vulnerable. There is some flexibility, but for the most part it needs to tie into the parking.

Mayor Ruehl said you would want that fund to build up so future parking can be achieved.

Miller said that the costs for plowing the roads are paid through the General Fund. At the point when there is an excess in the fund, a case could be made that the parking fund could be used to assist to pay for these costs.

Staunton said the City would need to articulate the allocation or the costs that are being reimbursed from the parking fund to show they are associated with parking.

Caron said she would want to make sure that the City could legally take advantage of those funds to help offset other costs. She doesn't see this as a fund for additional parking.

Miller said there also needs to be strong justification to use those funds to cover other costs otherwise the commercial district would be upset.

Mayor Ruehl said the language needs to be clear with regard to the maintenance costs.

**4. Other Business**

None

**5. Adjournment**

Caron moved, Fulkerson seconded, to adjourn the meeting at 7:54 p.m.  
Motion carried 5/0.

Respectfully submitted,

Cheri Johnson  
City Clerk