



**MINUTES OF THE PROCEEDINGS OF THE CITY COUNCIL
OF THE CITY OF STACY IN THE COUNTY OF CHISAGO
AND THE STATE OF MINNESOTA PURSUANT TO DUE
CALL AND NOTICE THEREOF
SPECIAL MEETING OF THE CITY COUNCIL
MARCH 23, 2021, 7:00p.m.
MEETING HELD VIA WEBEX**

Call to Order

The meeting was called to order by Mayor Utecht at 7:00p.m.

Present

The following is the roll call of attendees:

Roll Call:

- | | | |
|----------|---|---------------------------------|
| Utecht | <input checked="" type="checkbox"/> Present | <input type="checkbox"/> Absent |
| Sawatzky | <input checked="" type="checkbox"/> Present | <input type="checkbox"/> Absent |
| Lawrence | <input checked="" type="checkbox"/> Present | <input type="checkbox"/> Absent |
| Carlson | <input checked="" type="checkbox"/> Present | <input type="checkbox"/> Absent |
| Ness | <input checked="" type="checkbox"/> Present | <input type="checkbox"/> Absent |

Others Present:

Michelle Hayes, Liz Vierling, Dan Vierling, Dennis Thieling, Troy Hoekstra, Jim Ness, Nancy Hoffman, and Phil Carlson

Purpose of the Special Meeting

The purpose of the meeting is to discuss a proposal for apartments in the Stacy Ponds Business Park.

Presentation

Mr. Hoekstra indicated that the partnership for the project includes him, David Chmielewski, and Paul Oberston. They have experience in building modular apartments and hotels; one of their projects is under construction in Lindstrom.

They are seeking do develop affordable workforce housing; with rents in the ~\$700-\$1,300 range. He sees that the area for the apartments in the Stacy Ponds Business Park (Attachment) as a good location; with the natural amenities, and ball field.

He indicated that building costs have went up significantly since last year; an apartment was \$160,000 per unit to build and now \$180,000 per apartment; for a 1,100 square foot unit. He is asking the council to contribute financially to the project;



through TIF or reduced fees. The bank has criteria for financing this type of project. He said that the project would be about 15 million dollars, he would need about 1.5 million in assistance. This could be from a combination of things: TIF, grants, tax abatement, fee reductions, or land sale price.

Member Ness said that this type of project is needed in Stacy, however, he has concerns regarding the location. He sighted noise concerns, the lack of sidewalks, and adult uses allowed in this zoning district.

Mayor Utecht said that he has concerns regarding the 1.5 million; and asked Ms. Hoffman for her input. Ms. Hoffman said that it is reasonable; she spoke with the County Auditor and they indicated the tax revenue would be about \$170,000 per year. This could be utilized for TIF or tax abatement.

Mayor Utecht stated that if the city can't make it work from the start it is only responsible to let the developer know. He also said he did see the points made by Member Ness as valid. He then asked the City Planner, Phil Carlson, does he feel this is a good fit and why?

The points made by Mr. Carlson:

- the project has good access from the main road
- the amenities mentioned by Mr. Hoekstra are valid
- the concern regarding the noise is also valid
- this parcel is not in the middle of the business park surrounded by industrial uses
- do we approve this project and set up a TIF district and have a successful project, or do we wait and see what happens with the lot, the 10 years of TIF may make sense?
- the property is unique as it has park on one side, residential across the street, and industrial.

Mayor Utecht stated the lot has already sat for 10 years.

Mayor Utecht asked Mr. Hoekstra if he had anything to say regarding the questions or comments offered so far? Mr. Hoekstra said that he could work out a solution with the city regarding the sidewalks. Regarding the noise this is something

he has taken into account; he was not familiar with the adult uses in the district.

He then said that if TIF is something that could be done at \$170,000 per year for 10 years; then the project would pay the other costs such as permit fees, water and sewer access charges, and land purchase.

Jim Ness asked Ms. Hoffman how often the county and school district participate in TIF; she said that it is up to the city to create the TIF district and the county and school district have 30 days to review the TIF plan. All three entities: city, county, and school district would be part of the package.

Dennis Thieling said that the community vastly needs this type of housing; currently this is the only area in the city for this type of project due to the infrastructure. He then said that the noise will probably be minimal as this is the light industrial district.

Mayor Utecht asked Mr. Carlson how the council would approve this project, would it be a text amendment or by some other means? Mr. Carlson said that the property would need to be rezoned and an amendment made to the land use plan. He then addressed the question posed regarding this being "spot zoning;" he said that spot zoning is when there is no relationship or pattern of land around a parcel. This parcel is across from residential, and next to the ballfield

Member Ness said that he has concerns expressed previously, with noise being his number one concern.

Mr. Carlson said that the timing between the development of the TIF district and zoning will need to be worked out. Mayor Utecht asked Mr. Hoekstra to help prepare a timeline for what needs to happen based on the discussion tonight.

A meeting will be set up with Mr. Hoekstra to discuss this project further.

Adjourn 7:49p.m.

Motion by Utecht to adjourn. Second by Ness.

Roll Call Vote:

Utecht Yes No
Sawatzky Yes No

Carlson Yes No
Lawrence Yes No

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Ness Yes No

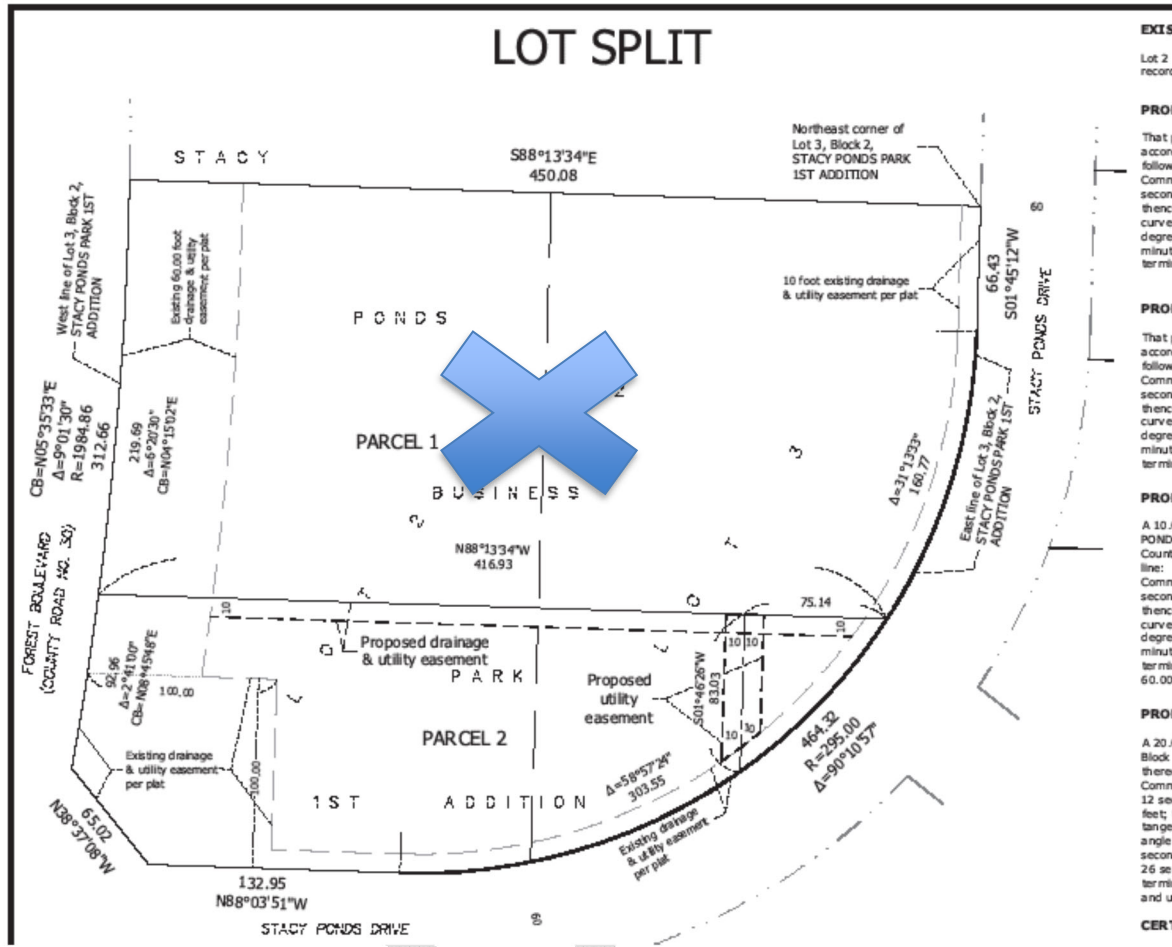
Mayor Utecht declared the motion passed unanimously.

Sharon MT Payne

DRAFT



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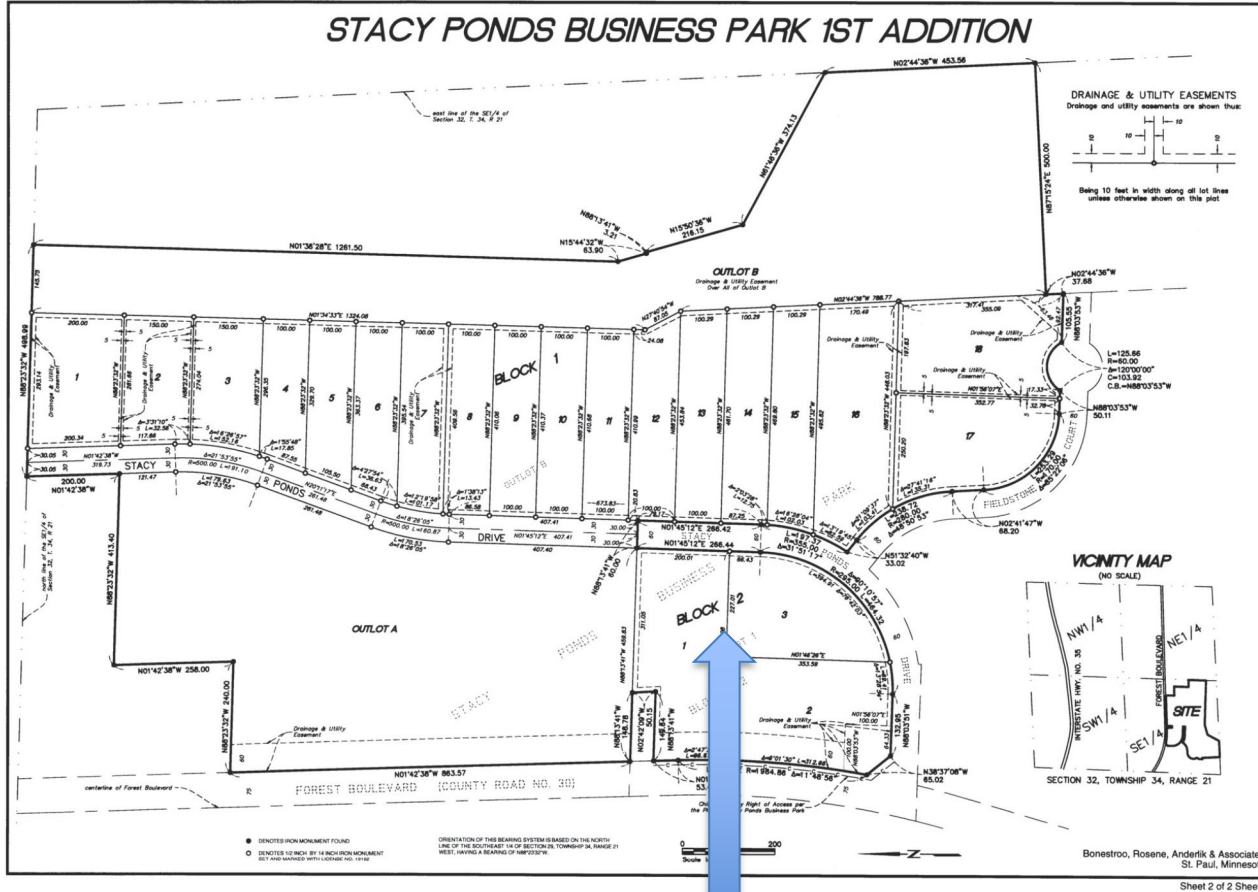
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STACY PONDS BUSINESS PARK 1ST ADDITION



Location of Project, the plat on the previous page should replace this section of the plat.

