

**CHANHASSEN CITY COUNCIL
WORK SESSION
SEPTEMBER 24, 2018**

Mayor Laufenburger called the work session to order at 5:30 p.m.

COUNCIL MEMBERS PRESENT: Mayor Laufenburger, Councilwoman Tjornhom, Councilman McDonald, Councilwoman Ryan, and Councilman Campion

STAFF PRESENT: Kate Aanenson, Bob Generous, Paul Oehme, Todd Hoffman, Greg Sticha, Chief Don Johnson, and Roger Knutson

PUBLIC PRESENT:

Mark Halla	6055 Highway 212, Chaska
Boy Ayotte	6213 Cascade Pass
Tim Erhart	9611 Meadowlark Lane
M. Halla	670 Creekwood Drive
Don Halla	720 Creekwood and 495 Pioneer Trail

FOLLOW UP DISCUSSION OF FRANCHISE FEE PROCESS.

Greg Sticha introduced Jim Strommen who walked the council through the process of setting up franchise fees, how utility companies will determine the amount of the franchise fee needed to raise the income the City is looking for, public hearing requirements and how that will play into this process. Mayor Laufenburger asked for clarification on how staff will proceed in meeting with utility companies. Jim Strommen explained how other communities have proceeded with implementing franchise fees. Councilwoman Ryan asked Mr. Strommen to clarify what he means by using the term “fixed fees” from the utility companies. Mayor Laufenburger asked for clarification on what Mr. Strommen means by saying 50 percent residential, 50 percent commercial can be considered fair. Greg Sticha explained how staff worked with Ehlers and Associates to establish a fixed based franchise fee with the utility companies using different residential/commercial splits of 50/50, 60/40 and 70/30. Councilman McDonald asked how other communities use franchise fees and what utility companies are looking for with the pavement management program and not the percentage of split between residential and commercial. Jim Strommen re-emphasized that the negotiation process is at the beginning with the utility companies. Mayor Laufenburger asked for clarification on how to set up what the council requests of utility companies to meet the dollar amount needed by the City and how many scenarios the City can request. Jim Strommen explained that it depends on timing when the city wants to begin the franchise fee. Councilwoman Ryan explained that she would like to see elimination of the levy amount and the use of just franchise fees. Councilwoman Tjornhom stated that she would favor pushing this item back to make sure the process is done right rather than fast. Councilman Campion agreed that it feels like the council is being rushed to make a

decision. Mayor Laufenburger proposed that utility companies come back with 3 scenarios. One, \$2,284,000 as the full pavement management program split 50/50. Two, leave \$384,000 levy in place and \$1,900,000 from 50/50 residential/commercial split. And three, 60 percent from residential and 40 percent commercial to fund the \$1,900,000. Jim Strommen suggested a fourth scenario asking the utilities how they would fund \$1,900,000 and \$2,284,000. Mayor Laufenburger reviewed the process moving forward and asked what the next step will be. Mr. Strommen suggested that the council pick one scenario to move forward to a public hearing. Mayor Laufenburger reiterated the five steps that the council will follow in moving forward.

DISCUSSION OF 2040 COMPREHENSIVE PLAN.

Kate Aanenson and Bob Generous presented an overview of where staff is in the Comprehensive Plan process and text revisions that have been made per public comments. Bob Generous reviewed the proposed text revisions each individually. Councilwoman Ryan expressed concern that the wording was confusing regarding infill development and would work with staff to clean up the wording. Kate Aanenson explained that all the watershed districts have given their approval to the plan before reviewing the 2020-2040 land use comparison chart, especially noting the high density numbers that have increased and anticipated development sequencing chart. Paul Oehme reviewed the future sewer development scenarios to provide service on Highway 101 explaining the best scenario is extending service through Bluff Creek Golf Course to connect to Highway 101. Kate Aanenson continued with land use change impacts associated with development of the Bluff Creek Golf Course and property owned by the Halla family. Roger Knutson suggested how to proceed with receiving information from the Halla family regarding their development proposals. Mark Halla explained that his family supports the realignment of 101 which will likely put his business, The Mustard Seed, will go out of business. Therefore they are requesting a higher density zoning change in the 2040 Comprehensive Plan. Mayor Laufenburger discussed drawings being shown for Halla Greens and Mustard Seed property and if they have looked at low density residential use for the property. Councilman Campion asked for clarification on the Halla requests regarding sewer and water in relation to development. Kate Aanenson clarified that currently the property is guided low density and their request is to guide the property for high density. Mayor Laufenburger asked when council will adopt the 2040 Comprehensive Plan. Kate Aanenson stated it is tentatively scheduled for October 10th. Tim Erhart asked for clarification on his request for the 3.2 acre change and Planning Commission action voting to deny his request. Councilwoman Ryan asked if further discussion is warranted for the requests by the Halla family and Tim Erhart.

Mayor Laufenburger adjourned the work session at 7:05 p.m.

Submitted by Todd Gerhardt
City Manager

Prepared by Nann Opheim