

**CITY OF BURNSVILLE**  
**Governance Meeting**  
**March 28, 2006**

The City Council of the City of Burnsville met in a governance session at the Burnsville City Hall, 100 Civic Center Parkway, Burnsville, Minnesota the 28<sup>th</sup> day of March 2006.

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

The Pledge of Allegiance was preceded by a moment of silence.

Present: Crichton, Daly, Kautz, and Workman  
Absent: Gustafson

**1. Additions to the Final Agenda.**

There were no additions to the final agenda.

**2. Viability of Aging Retail Strip Centers – Policy Decision**

Tammy Omdal, Deputy City Manager/CFO gave a brief background and reviewed the updates to the Business Subsidy, Tax Increment Financing, and Tax Abatement policies, as well as Appendix A specifically addressing Redevelopment of Aging Strip Centers.

Council held discussion on the following issues:

- The word “increment” be changed to “abatement” on line 524 of the Tax Abatement policy
- Discussed legal issues in reference to rental properties. Council directed staff to research residential eligibilities.
- Review of the governance procedure.
- The city’s role in redevelopment of aging strip centers. Council requested the paragraph starting on line 657 be amended to reflect the city’s option to education and facilitate.
- Discussed the correlation of financial assistance with the percentage increase in market value.
- Proposed limiting applications for redevelopment financing to “commercial to commercial” and “commercial to mixed use,” excluding “commercial to residential.”

Council reached consensus to update policies as proposed and agreed to send revised policies to Economic Growth Committee for review before scheduling for Council adoption. Other items Council may review at a future Worksession include:

- “Look-back” provision in TIF or Abatement agreements
- “Stacking” of TIF and Abatement
- Revisions to “Fundability Guidelines”
- Treatment of Fiscal Disparities (paid from within or outside of a TIF District)
- “Pooling” of tax increment

**3. Development/Redevelopment Infrastructure Fee Policy – Public Comment.**

Bud Osmundson, Director of Public Works/City Engineer, reviewed the issues with a collection of development fees from non-platted properties, governing statutes and property owners who have paid the uncollected fees under the current ordinance in the last 10 years.

Council received a summary of email correspondence from Dustin Kern, Arcon Development Inc., expressing concern regarding uncollected infrastructure fees.

**3. Development/Redevelopment Infrastructure Fee Policy – Public Comment (continued).**

Mr. Beck, Luther, addressed the Council regarding the following related issues:

- These types of proposed fees typically paid by the property seller.
- Buyers could not have gained prior knowledge that fees were outstanding.
- If collected when fees were initially due, rates would have been much lower.
- Substantially increases the burden on new owners.
- Proposed fees would significantly discourage redevelopment.

The Council dialogue session will be held at the April 2006 Governance meeting.

**4. Broadband Services in Burnsville – Professional Testimony.**

Tom Venables, IT Coordinator, provided a brief background and reviewed a tentative timeline of the governance process for this issue.

Gary Fields, Blandin Foundation, discussed broadband service issues:

- Need for increased awareness, utilization, and public and private investment.
- US ranks 16th in global broadband subscribers.
- Lower prices and easier access in denser populations.
- Currently underutilize broadband access.

Jim Erickson, Fiber First Minnesota, presented professional testimony on Fiber to the Home (FTTH).

- FTTH is growing because:
  - Demand is increasing.
  - Cost is decreasing.
  - Copper and wireless cannot meet demand.
- Fiber and wireless are complementary.
- Public policy issues:
  - Scope (one city, more than one city, county, or metro).
  - Public / private issue.

The professional testimony session is expected to be continued for the April, May, and July 2006 Governance meetings.

**5. Adjournment.**

Motion by Workman, seconded by Crichton to adjourn the meeting at 9:20 p.m. Ayes – Crichton, Daly, Kautz, and Workman. Nays - None. Motion carried.

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Macheal Brooks, Deputy City Clerk

Approved by the City Council of the City of Burnsville this 3<sup>rd</sup> day of April 2006.

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Elizabeth B. Kautz, Mayor