

**Adopted Minutes
Special Council Meeting
March 21, 2006**

Mayor Johnson called a Special Meeting of the Plymouth City Council to order at 6:00 p.m. in the Meeting Room A and B of City Hall, 3400 Plymouth Boulevard, on February 28, 2006.

COUNCIL PRESENT: Mayor Johnson, Councilmembers Hewitt, Bildsoe, Slavik, Stein, Willis, and Bildsoe.

ABSENT: None.

STAFF PRESENT: City Manager Ahrens, Administrative Services Director Hahn, Financial Analyst Kohn, Community Development Director Hurlburt, Park and Recreation Director Blank, Public Works Director Cote, Recreation Superintendent Evans, Recreation Supervisor Lauer, and City Clerk Paulson.

Park Needs and Funding

Park and Recreation Director Blank discussed the immediate need to acquire property for park development. He illustrated the existing park system plan that was adopted in 1980, and in that plan it was proposed that there would be 10 playfields. He stated the majority of the funding for the current playfields has come from park dedication funds. He stated during the past several years, the City each year has presented purchase offers to property owners in the Northwest Plymouth area to acquire park property, but no offers have been accepted. In the meantime, the price of property continues to increase. He illustrated a number of charts regarding school districts' population trends, participation numbers in youth athletic associations, use of the current playfields, etc. He stated there has been a 12% increase from 2000 to 2005 on the use of the playfields as well as an increase in the lacrosse program, which is a fairly new sport. Currently, that sport isn't sanctioned by the Minnesota State High School League, but once that occurs, that creates another youth athletic program, which drives the demand for more athletic facilities.

He spoke of the two areas for discussion this evening, which would be the acquisition of 40 acres for the 10th playfield and 23 acres for the corridor for the Northwest Greenway. Financial Analyst Kohn added it would cost approximately \$8 million to \$12 million to acquire the 40 acres for the 10th playfield and \$4.5 million to \$7 million to acquire the 23 acres for the corridor. He stated the price of land continues to increase, and currently property is selling for \$200,000-\$300,000 per acre. He stated these amounts could increase up to \$2 million per year.

He stated that if the Council desires to acquire land for a 10 playfield and Northwest Greenway in the near future, there are three alternatives that could be considered. Two of the alternatives involve bond issues and the other would be internal bonding. The first bonding alternative would be an appropriation revenue bonds. This alternative has the advantage of not requiring a delay for a November referendum. It would be most appropriate for acquisition of the 10th playfield because it would enable the City to use park dedication fees to pay the debt service. On

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the downside, cash flows from park dedication fees could only support approximately \$6 million in bonds. This might not be enough if property needs to be purchased at the high end of the price range.

He stated the second option would be a general obligation bond that would be used for all the properties, but would require a question on a general election ballot. Since the Northwest Greenway is of good benefit to the City as a whole, a general obligation bond would be a good fit since it is paid by general tax proceeds on all taxable property.

He stated the third option would be internal borrowing. This would be the most appropriate on the 10th playfield site because it is immediate and could be paid back in park dedication fees. The structure of internal borrowing would be more flexible than annual appropriation revenue bonds but would still be constrained by the cash flow of park dedication fees.

Councilmember Willis asked what sources of funds would be used for the internal funding option. Financial Analyst Kohn replied staff would borrow funds against the investment pool. It would basically be a co-mingling of investment funds that are on hand.

Councilmember Slavik asked if there are any drawbacks in increasing the park dedication fee as there are a number of communities that have a higher fee than the City's. Park and Recreation Director Blank replied he wouldn't foresee any drawbacks. He added that the acquisition of the Northwest Greenway was never factored in with the park dedication funds. Therefore, there needs to be an alternative funding source.

Councilmember Willis stated he would like to review sales transactions of properties in the Northwest Plymouth area. This could give the Council a feel on where land values aren't appreciating so rapidly.

Mayor Johnson asked why the City hasn't pursued working with the Wayzata School District on the 20-acre site that they own for the 10th playfield. Park and Recreation Director Blank replied staff has evaluated the location, but after one subtracts the 10 acres for the building and the woods, there would only be 10 acres remaining and that wouldn't meet the City's needs.

Councilmember Hewitt asked if the funds from the community improvement fund could be used for any of this property acquisition. Financial Analyst Kohn replied there is currently \$6.9 million in that fund, and the goal is to maintain a balance of \$5 million in that fund. Interest earnings are the only revenue source for this fund.

Mayor Johnson asked if there could be some type of partnership with either the cities of Medina or Corcoran for facilities on the east side of their cities since many of their residents currently use Plymouth's facilities. Councilmember Slavik added that perhaps the recreation fees could be increased for non-residents.

Park and Recreation Superintendent Blank noted that on the northeast and east sides of Plymouth, many residents are using the Maple Grove, New Hope, and Golden Valley facilities as well.

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Councilmember Bildsoe asked if staff has contacted Speak the Word Church on whether there could be a partnership with their property that they own for a 10th playfield. Park and Recreation Director Blank replied staff needs to know the guiding of that property which would be part of updating the Comprehensive Plan.

The Council directed staff to prepare a report for the Council on a possible bonding scenario, the election schedule for the General Elections in 2006 and 2007 as well as the pros and cons of placing a general obligation bond question on the ballot.

Adjournment

Mayor Johnson adjourned the meeting at 7:05 p.m.



Sandra R. Paulson, City Clerk