

City Council Study Session – 2025 Legislative Priorities

November 18, 2024

Action requested + policy considerations

- **Recommended action:** No action requested. This report is for discussion purposes only
- **Policy considerations:**
 1. Does council agree with the draft 2025 legislative positions?
 2. Does council agree with the draft 2025 legislative priorities?

Agenda

- Welcome & Introductions - *5 minutes*
- Current Political Landscape - *10 minutes*
- Prioritization of 2025 Legislative Positions - *25 minutes*
- Wrap up & Next steps - *5 minutes*

Current political landscape

State Level

- DFL maintains control of the State Senate 34-33
- State House is tied at 67-67
- Renewal of Environment and Natural Resources Trust fund passed

Federal Level

- GOP trifecta

Prioritization of legislative positions

Themes most likely to gain traction and common ground:

- Infrastructure
- Incentives
- Good government

2025 Legislative Positions, *Capital Investment Projects* – Transportation and Infrastructure

Project	Detail
Oxford & Louisiana Area Infrastructure Investment	The planned public improvements for the Oxford/Louisiana area include construction and repair of aging sidewalks; critical repairs to water, sewer, and storm sewer facilities; general improvements or upgrades related to traffic and pedestrian safety, including replacement of streetlights, striping, and signs; replacement or repair of pavement, curb, and gutter; roundabout construction; stormwater quality improvements and flood storage.
Wayzata Boulevard commercial street rehab	The planned public improvements for this project include replacement or repair of pavement, curb, and sidewalks; critical repairs to water, sanitary sewer, and storm sewer facilities; installation of a multi-use trail; general improvements or upgrades related to traffic and pedestrian safety; intersection upgrades including roundabout construction and signal replacement; stormwater quality improvements.

2025 Legislative Positions, *recommended priorities* – Climate, Energy, and Buildings

Position	Detail
Reallocate solid waste management tax	Support legislation that would eliminate the diversion of solid waste management tax revenue to the general fund for other purposes and provide to local government for recycling programs as originally intended, through increasing SCORE recycling grants.
Urban forest management [‡]	Support establishing an ongoing state grant program with at least \$15 million per year that is usable for urban forest management and wood waste utilization. Urban forests are facing numerous threats from Dutch elm disease, oak wilt, drought, storms and emerald ash borer. Related costs put pressure on city budgets.

*New position

[‡]Aligns with LMC Position

2025 Legislative Positions, *recommended priorities* – General Government

Position	Detail
Paid Family and Medical Leave* ‡	<p>Any new legislation and changes to existing legislation should meet the following goals:</p> <ul style="list-style-type: none">a) With respect to ESST, amend Minn. Stat. § 181.9445, subd. 5 to incorporate a well-defined “public employee” definition, not to include unique positions in which there is not a formal employer-employee relationship such as paid appointed advisory, committee, or commission members, election judges, or other non-traditional positions.b) Minimize legal mandates to incentivize employers to establish and/or continue to provide more generous paid leave benefits to employees. Specifically, eliminate the expansion of mandated benefits to paid leave previously negotiated in good faith and/or adopted in personnel policies in excess of what is legally required.c) Provide funding that pays the full costs of any mandated employment-related expenditures.d) Avoid and eliminate expensive and time-consuming duplicative legal protections and processes for public employees, including those that preclude promotional probationary periods.e) Eliminate contradictory existing laws regarding public employment.

*New position

‡Aligns with LMC Position

2025 Legislative Positions, *recommended priorities* – Housing

Position	Detail
Group Home Licensing and Registration*‡	<p>Support a repeal of the legislation passed in 2024 that prohibited all cities from subjecting state licensed group assisted living facilities licensed under Minn. Stat. § 144G and Minn. Stat. § 245D.02 with six or fewer residents from any city-imposed life safety rental licensing requirements.</p> <p>The Legislature should recognize the importance of city rental licensing requirements that ensure minimum life safety standards and hold providers accountable and protect residents.</p>
Housing Policy*‡	<p>Support legislation that expands housing opportunities (“missing middle” housing) across the state that helps to ensure all communities are planning for and able to accommodate a variety of housing types by supporting policies that allow local leadership on zoning and land use changes that are sensitive to individual community needs and housing goals including incentive-based approaches and options that can be tailored to each individual community and oppose policies that seek to impose one-size-fits-all rigid zoning and land use framework on cities</p>

*New position

‡Aligns with LMC Position

2025 Legislative Positions, *recommended priorities* – Housing

Position	Detail
Housing TIF District Modifications [‡]	Support expanding authority for all cities to transfer unobligated pooled increment from a housing or redevelopment TIF district to support a local housing trust fund for any eligible expenditure under Minn. Stat. § 462C.16 and modify the housing district income qualification level requirements to allow the levels to vary according to individual communities to support deeply affordable units

2025 Legislative Positions, *recommended priorities* – **Public Safety**

Position	Detail
Light rail and public safety*	Support legislation allocating funding to local jurisdictions for staffing and equipment to support public safety measures related to the light rail.

*New position

‡Aligns with LMC Position

2025 Legislative Positions, *recommended priorities* – Transportation and Infrastructure

Position	Detail
Underground infrastructure funding*‡	Support creating funding for underground infrastructure replacement.

Questions?

Action requested + policy considerations

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Next Steps

- Tuesday, December 10 Study Session
 - Present 2025 Legislative Positions to the delegation

Cannabis zoning ordinance

City council

November 18, 2024

Agenda

- Background
- Present considerations
- Next steps

Recommendation

Motion to approve the first reading of the cannabis zoning ordinance.

Setting the stage



Adult-use cannabis law

- Legalizes adult-use cannabis and permits operation of cannabis businesses
- Establishes the Office of Cannabis Management
- Sets guidelines for local regulations
- Allows for 13 types of cannabis business licenses

Local governments: roles & responsibilities

Maximum buffers allowed



1,000 feet
from schools



500 feet from
daycares



500 feet from
attractions in a
public park



500 feet from
residential
treatment facilities

Local governments: roles & responsibilities

- Allow at least one retail registration per 12,500 residents to locate in the city.
- Conduct zoning compliance review for license applicants.
- Complete cannabis retail registrations.



Present considerations



On-sale regulations

- Maintain existing regulations for lower potency hemp products
- Align on-sale regulations for cannabis products with those for LP hemp products



On-sale



Off-sale

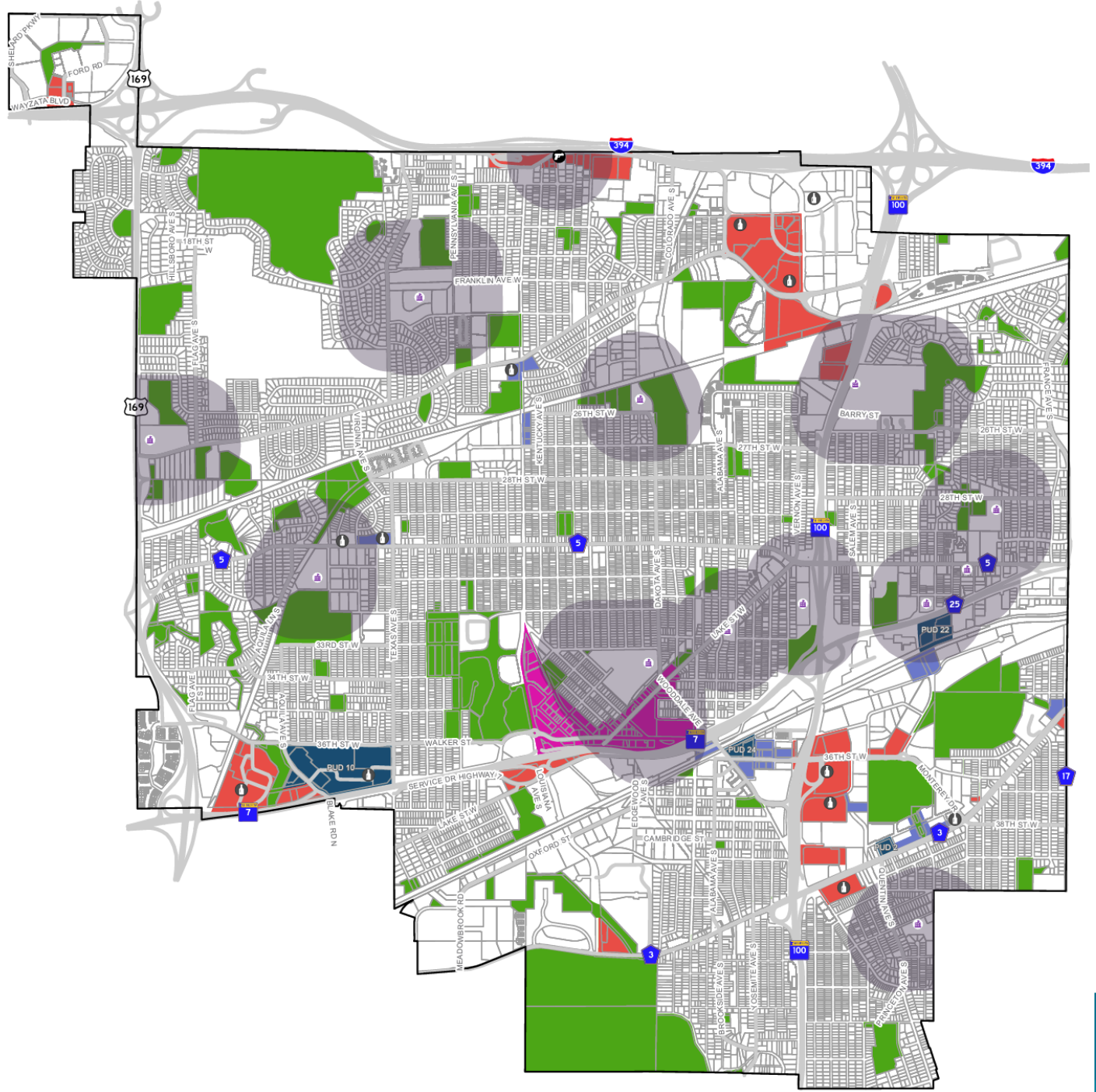
Cannabis retailer

- Permitted with conditions
- C-2, MX-1, MX-2 and PUDs that permit liquor stores
- 1,000 ft from schools, other cannabis retailers and various commercial uses



Cannabis Retailer Exclusion Areas

1,000-foot buffer from schools



Zoning Districts

- POS Park and Open Space
- MX-1 Vertical Mixed-Use
- MX-2 Neighborhood Mixed-Use
- C-2 General Commercial
- PUD Planned Unit Development

Facility Type

- School
- Firearm Sales
- Liquor Stores (Reference)

Parcel Site Buffers - All Sites

- Cumulative Exclusion Area 1000 ft

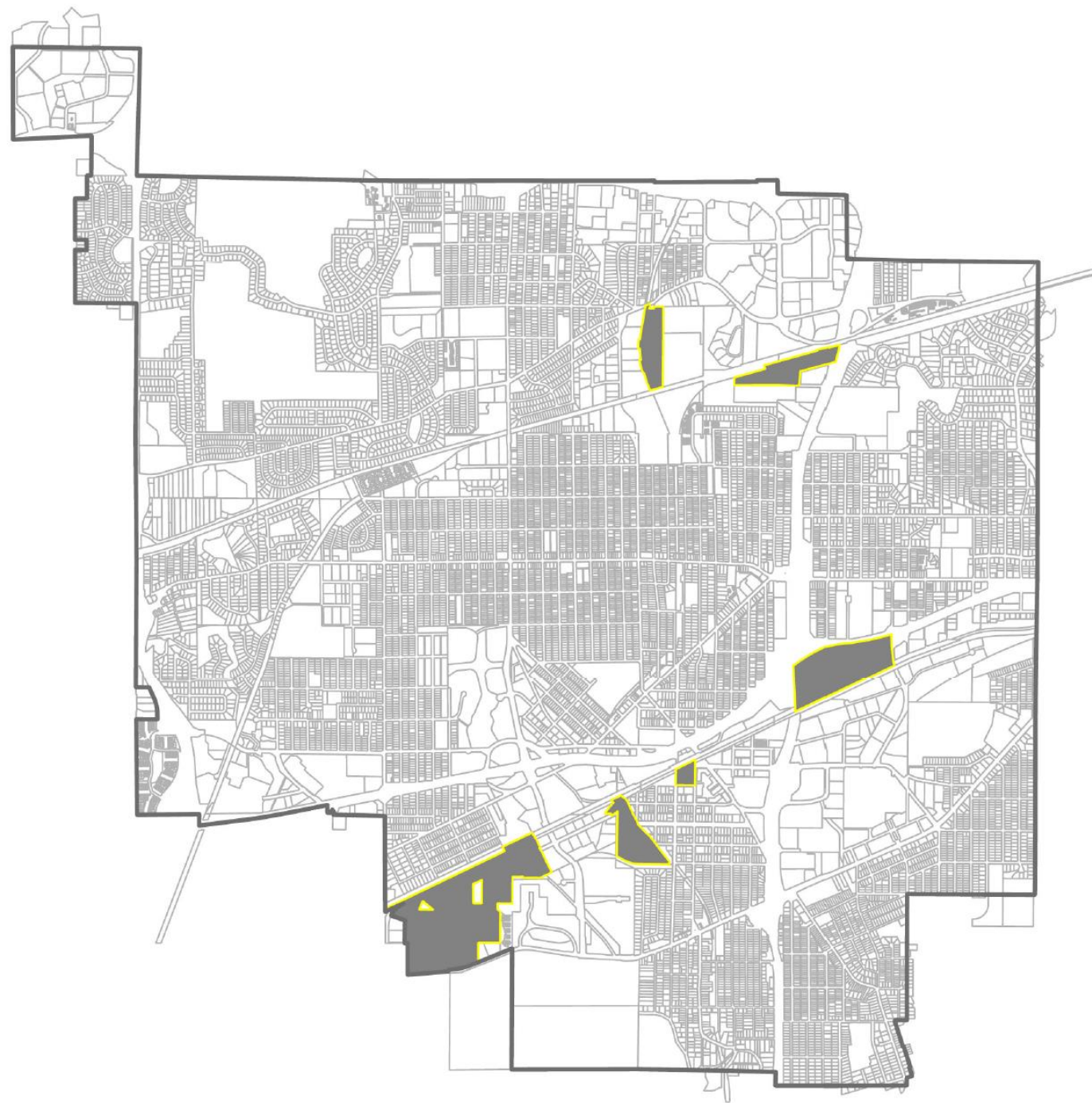
Cannabis operation

A facility where cannabis is grown, processed, or manufactured into various products such as edibles, concentrates, wax, oils and tinctures.

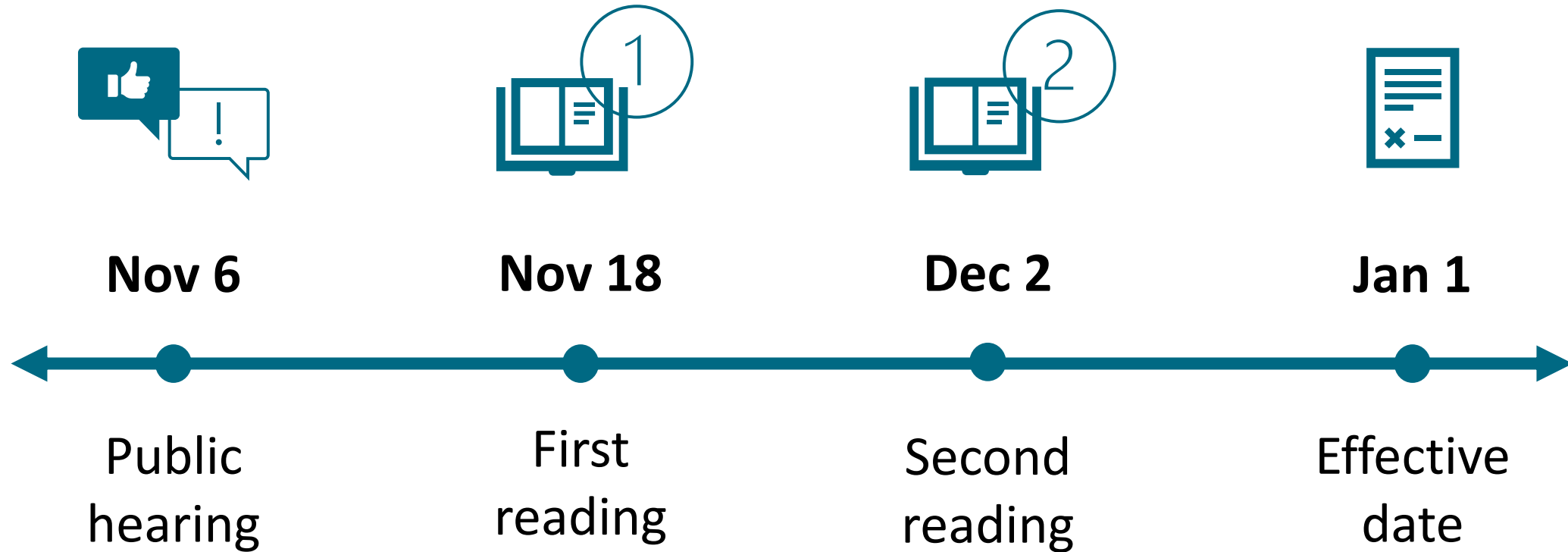


Cannabis operation

- Permitted with conditions
- I-G general industrial
- Cannabis retailer permitted as an accessory use
- 1,000 feet from schools and other cannabis operations



Ordinance adoption schedule



Recommendation

Motion to approve the first reading of the cannabis zoning ordinance.

Thank you

Sean Walther, planning manager / deputy cd director

Katelyn Champoux, associate planner

2025 Revised Budget

November 18, 2024

Presenters: Amelia Cruver, Finance Director

Action requested + policy considerations

Recommended action: No action requested. This report is for discussion purposes only

Policy considerations: Does council support the proposed 2025 budget as revised? The balanced budget consists of an "all-inclusive" preliminary levy increase of 7.52% and includes the following components:

1. \$48,598,532 for core government services and debt payments (general and debt service levies)
2. \$1,194,133 for housing projects and programs (HRA levy)
3. \$187,000 for economic development projects and programs (EDA levy)

In addition to the property tax levy, does council support the five-year Capital Improvement Plan as revised in this report?

Agenda

- Budget Process Review
- Summary of proposed budget
- Property tax impact on households
- Revisions since September, levy neutral
- Proposed 2025 Levy
- Revised 5-year financial outlook
- Next steps



Budget Process and Calendar

Date	Agenda Item	Topics
July 8	Council report and discussion: Base budget and fee update	<ul style="list-style-type: none"> • Learnings from 2023 • Base Budget spending and revenues and levy impact • 2025 economic conditions
July 15	Council report and discussion: Operating budget Public Hearing: Fee update	<ul style="list-style-type: none"> • Proposed new operating budget spending items in the 2025 budget and levy impact
Aug. 12	Council report and discussion: Capital budget and levy recommendation	<ul style="list-style-type: none"> • Proposed capital projects for 2025 and levy impact • Proposed 5-year Capital Improvement Plan (CIP) • Preliminary 2025 levy
Sept. 16	Council report, discussion and vote: Approve maximum levy	<ul style="list-style-type: none"> • Revisions to the proposed capital and operating budgets and associated levies • Adoption of maximum 2025 levy

Budget Process and Calendar, cont.

Date	Agenda Item	Topics
October	Council report and discussion: TIF Management Report and discussion	<ul style="list-style-type: none"> TIF district performance TIF district recommended transfers and decertification, if any.
November 12	<i>Truth in taxation property tax notices sent out by the county</i>	<i>Residents receive an estimate of their 2025 tax bill and information on the public hearing in December</i>
Nov. 18	Council report and discussion: Revised budget	<ul style="list-style-type: none"> Revisions to the budget and adjustments to the levy, as needed. In November, the levy can only go down from the maximum set in September
Dec. 2	Council report and public hearing: Truth in Taxation	<ul style="list-style-type: none"> Residents share feedback on the proposed 2025 budget
Dec. 16	Council report, discussion and vote: Budget adoption	<ul style="list-style-type: none"> Council adopts the 2025 budget and CIP

2025 budget outcomes

- Stop the spend down of assets in the development fund
- Multi-year plan to close deficit in capital funds
- Full-cost recovery for business licensing to match revenue sources with spending objectives
- Increases the amount of funding available to non-profits that provide housing and social services to residents
- Additional investment in forestry activities

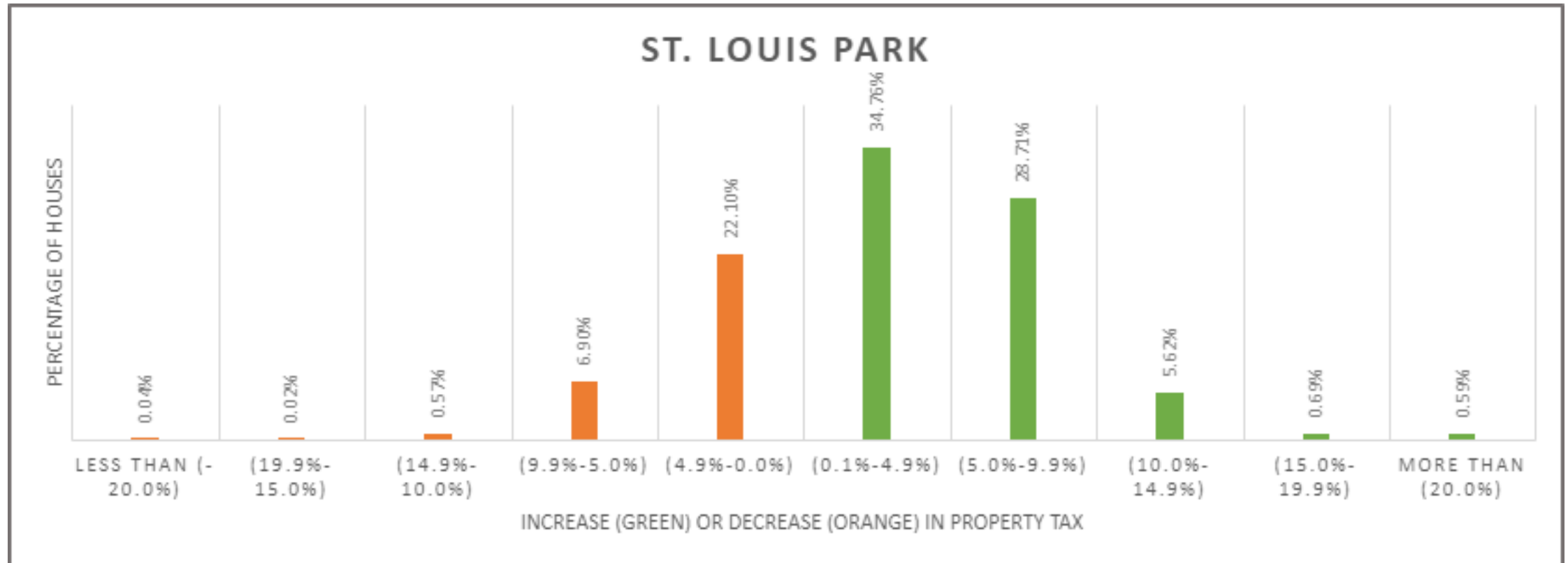
2025 Capital Budget Highlights

- Playground and Park renovations in Ainsworth, Bronx and Wolfe Park
- Streetlight repair and replacement
- MCWD: Minnehaha Greenway – Cedar Lake regional trail connection
- Pavement management projects in the Wolfe Park, Westwood Hills and Cedar Manor neighborhoods and the Minnetonka Boulevard reconstruction project in the Fern Hill and Triangle neighborhoods
- Cedar Lake Road and Louisiana Avenue Improvement Project (2024-2026)
- Utility system repair and replacement projects connected to Cedar Lake Road and Louisiana avenue, Minnetonka Blvd, and pavement management projects

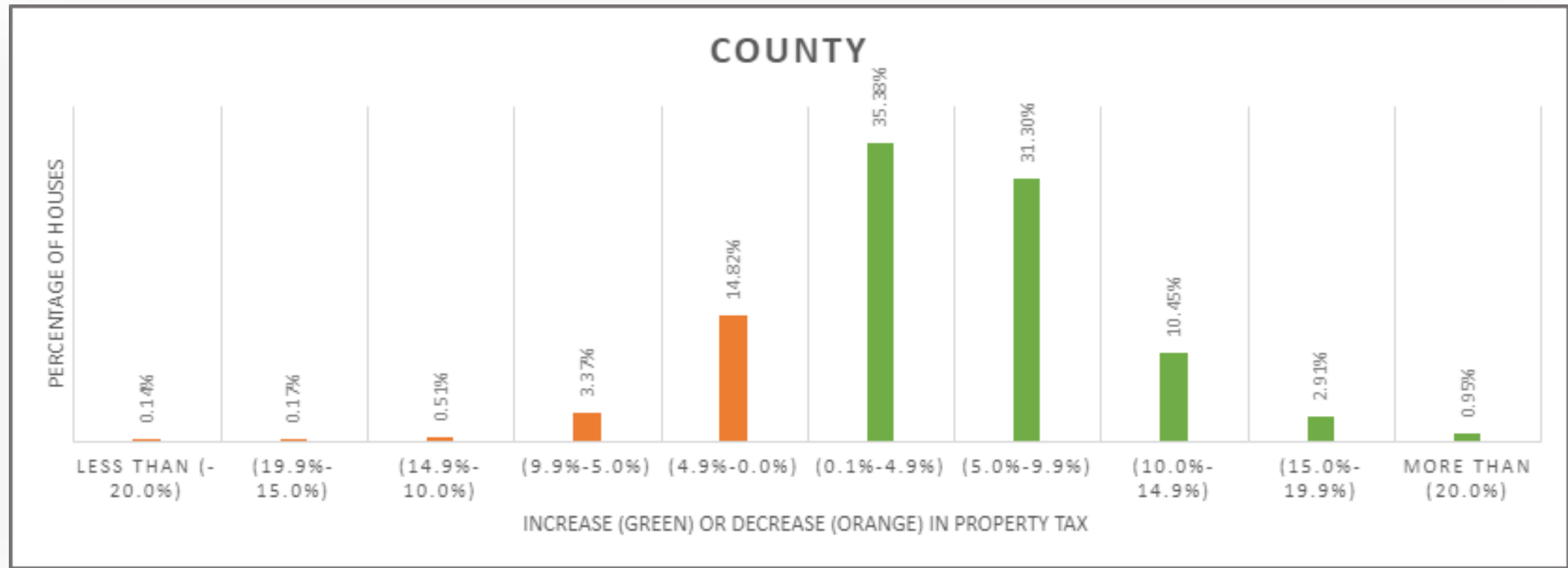
2025 Operating Budget highlights

- Boards and commissions program support \$35,000
- New forestry technician position
- Social Services Program \$50,000 (\$200,000 from external revenue)
- Community development specialist \$100,000
- Website redesign \$50,000

Property tax impact: Summary and comparison



Property tax impact: Summary and comparison



Property Tax Impact

7.52% Levy Impact							
	2024		2025		Percent Change 24 to 25	Annual Increase	Monthly Increase
	Median Est. Market Value	Property Tax Payable	Median Est. Market Value	Property Tax Payable			
Single-Family							
Homestead	\$373,300	\$1,646	\$377,200	\$1,755	6.60%	\$108.71	\$9.06
Non-Hmstd	\$373,300	\$1,663	\$377,200	\$1,816	9.21%	\$153.15	\$12.76
Condominium							
Homestead	\$208,800	\$848	\$203,900	\$846	-0.24%	-\$2.00	-\$0.17
Non-Hmstd	\$208,800	\$930	\$203,900	\$981	5.55%	\$51.58	\$4.30
Townhome							
Homestead	\$260,700	\$1,100	\$252,200	\$1,099	-0.05%	-\$0.53	-\$0.04
Non-Hmstd	\$260,700	\$1,161	\$252,200	\$1,214	4.56%	\$52.93	\$4.41
Apartments							
Class A	\$280,500	\$1,562	\$280,000	\$1,685	7.89%	\$123.21	\$10.27
Class B	\$192,200	\$1,070	\$185,000	\$1,113	4.03%	\$43.16	\$3.60
Class C	\$124,000	\$690	\$123,900	\$745	8.00%	\$55.19	\$4.60
Class A (4D-1)	\$280,500	\$937	\$280,000	\$337	-64.0%	-\$599.97	-\$50.00
Class C (4D-1)	\$124,000	\$414	\$123,900	\$149	-64.00%	-\$265.08	-\$22.09

Single Family Homestead Quartiles

	2023 EMV	Property taxes Payable 2024	2024 EMV	Property taxes payable 2025	Percent increase
1st quartile	288,900	\$1,236.57	291,800	\$1,306.92	5.69%
2nd quartile	331,700	\$1,444.34	336,900	\$1,543.55	6.87%
3rd quartile	373,300	\$1,646.28	377,200	\$1,754.99	6.60%
4th quartile	438,300	\$1,961.81	442,200	\$2,096.03	6.84%
5th quartile	632,600	\$2,905.01	644,200	\$3,155.86	8.64%

Revised 2025 overall levy

Fund	2024 Adopted	Change	2025 Proposed	Percentage Change
General Fund	\$34,147,654	\$4,661,161	\$38,808,815	14%
Capital Replacement Fund	\$2,177,793	\$45,703	\$2,223,496	2%
Park Improvement Fund	\$860,000	-\$350,000	\$510,000	-41%
Employee Benefits Fund	\$200,000		\$200,000	0%
Subtotal General Levies	\$37,385,447	\$4,356,865	\$41,742,311	12%
Debt Service Levy	\$6,362,813	\$493,408	\$6,856,221	8%
General and Debt Service Levies	\$43,748,260	\$4,850,273	\$48,598,532	11%
Housing Redevelopment Authority Levy	\$1,744,133	-\$550,000	\$1,194,133	-32%
Economic Development Authority Levy	\$877,000	-\$690,000	\$187,000	-79%
Total Property Tax Levy	\$46,483,749	\$3,495,916	\$49,979,665	7.52%

Connecting the TIF Management Report

- One of the goals of Tax increment financing is to grow the tax base of the city of St Louis park by eliminating financial barriers to re-development.
- When a TIF district decertifies the tax base grows and the property tax levy can be increased with much less impact to the property tax bills of individual property owners.
- When that happens, council has two options:
 - Capture additional tax revenue by increasing the levy to fund new projects
 - Leave the levy stable and lower property tax bills for residents and property owners

Revised 5-year financial outlook

Five-year Financial Outlook						
Fund	2024 Adopted	2025 Proposed	2026 Forecast	2027 Forecast	2028 Forecast	2029 Forecast
General Fund	\$34,147,654	\$38,808,815	\$40,749,256	\$43,176,719	\$45,335,555	\$47,602,333
Capital Replacement Fund	\$2,177,793	\$2,223,496	\$2,557,020	\$3,068,424	\$3,835,531	\$4,410,860
<i>TIF district planning</i>				\$868,600	\$2,200,135	\$2,200,135
Park Improvement Fund	\$860,000	\$510,000	\$700,000	\$860,000	\$860,000	\$860,000
Employee Benefits Fund	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000
Subtotal General Levies	\$37,385,447	\$41,742,311	\$44,206,277	\$48,173,743	\$52,431,221	\$55,273,328
Debt Service Levy	\$6,362,813	\$6,856,221	\$7,523,750	\$7,566,453	\$8,139,875	\$8,690,269
General and Debt Service Levies	\$43,748,260	\$48,598,532	\$51,730,027	\$55,740,196	\$60,571,096	\$63,963,597
HRA Levy	\$1,744,133	\$1,194,133	\$1,194,133	\$1,194,133	\$1,194,133	\$1,194,133
EDA Levy	\$877,000	\$187,000	\$374,000	\$374,000	\$374,000	\$374,000
Total Property Tax Levy	\$46,483,749	\$49,979,665	\$53,298,159	\$57,308,329	\$62,139,228	\$65,531,730
Total Levy Growth		7.52%	6.64%	7.52%	8.43%	5.46%

Questions?

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2025 Base Budget: License and permit fees

2024 revenue

Non Owner-Occupied	\$559,905
Other Licensing/permitting	\$276,953
Point of Sale	\$200,000
Total Revenue	\$1,036,858

2025 revenue w/fee increase

Non Owner-Occupied	\$829,605
Other Licensing/permitting	\$310,390
Point of Sale	\$280,000
Total Revenue	\$1,419,995