



## **NOTICE OF AGENDA**

### **CITY COUNCIL WORKSHOP**

Forest Lake City Center – Community Room  
Forest Lake, Minnesota

**November 20, 2023 - 6:30 PM**

1. Call to Order
2. Roll Call
3. Pledge of Allegiance
4. Open Forum - Citizen Petitions, Requests and Concerns  
*The Open Forum is available for residents to express personal opinions for any item of business. Please limit your comments to three (3) minutes.*
5. Chris Taylor Fenway Avenue Development Request
6. Veteran's Memorial Update and Funding Request
7. Discussion on Human Resources Position
8. 2024 Budget
9. Adjourn



**Date:** November 20, 2023

**To:** Mayor Bain and City Council Members

**From:** Abbi Wittman, Community Development Director

**Re:** Chris Taylor Request – Cost of Extending Fenway Avenue

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## Introduction

Chris Taylor owns an (approximately) 40 acre parcel of land located near the southwest corner of Headwaters Parkway and Fenway Avenue North. He has made the enclosed request for the City to share the costs associated with the development of Fenway Avenue North given the City is the property owner to the east (Headwaters 123).

This request comes before the City after the City had been advised a reputable builder, who had expressed interest in purchasing this property for the last year, determined the infrastructure costs associated with the development were too high for the development to be profitable. In high-level discussion with said developer, it was determined the public infrastructure costs for the development of Fenway were nearly \$1.3m; this estimate was on par with estimates provided by the City Engineer in 2017 when asked to provide estimates for all of Fenway Avenue North to the City's southern border. It is worthy to note the roadway and utility extension costs associated with the development were approximately \$1.5m and these costs do not include the costs for the development's internal streets and utilities.

## Background

Twenty years ago the City of Forest Lake sought out a private development team to partner on the development of over 600 acres of private and public land in this area. Known as the Headwaters at Forest Lake, the 2006 approved Planned Unit Development (PUD) intended to respect the context of the area and its evolution while providing for a mix of land uses, housing types, and open spaces. A total of 281 acres of the development would encompass the existing Taylor Farm properties (including the subject property) and be developed by Fenway Investments Inc.

The final PUD included details for the roadway infrastructure of Fenway Avenue North, designated as a major collector in the City's street classification system. The plan for full build out was to have Fenway be a four-lane, divided road with a trail on one side and a sidewalk on the other. To date, a portion of Fenway Avenue North (to the northern property line of the subject property) has been constructed as a two-lane road. While this portion of the road is divided, it predominantly serves as the approach to the Headwaters Parkway/Fenway Avenue North roundabout. No pedestrian facilities exist on either side of Fenway Avenue North to the south of the roundabout.

In 2012 market changes created a climate where full build out of the envisioned development could not be achieved. Thus, the City granted amendment to the original PUD which affected the subject parcel by removing it from the PUD. Additionally, the amendment included:

- Removal of the south leg of Headwaters Parkway (later constructed by the City) and associated improvements along Fenway Avenue.
- Deferment of stormwater ponding west of Fenway Avenue.
- Elimination of the Phase I improvements south of the north leg of Headwaters Parking, Fenway Avenue and future phased improvements west of Fenway Avenue.

In City records related to the request and subsequent Planning Commission and City Council action, it is noted “When future land development proposals are brought forth, south of the parkway and west of Fenway Avenue, these improvements should be revisited and construction tied to those developments”.

### **Staff Analysis**

City policy has been for development to pay for the infrastructure needed for the development to occur. If infrastructure is not directly available to the site, the City has required the developer to extend the infrastructure to the site at no cost to the public. This is customary practice for metro area municipalities. Now, that said, there are a couple factors that the Council should be aware of:

- The City does own WA County PID 2903221230002, commonly referred to as Headwaters 123. The improvement of Fenway Avenue North to the south of Headwaters Parkway could make this parcel more marketable given future developers would not need to make infrastructure improvements along this western property boundary. If the City cost-shares the development of the public infrastructure in this area, the City would need to pay for its half of the \$1.3m (so \$650,000) at the time of the infrastructure’s construction. As the Council is aware, the City’s 10-year plan does not account for this infrastructure project. Placing it into the City’s 10-year plan in any year would push aside needed repair and maintenance work.

Though the City could have the option to defer an assessment onto the Headwaters 123 parcel for a future buyer to pay at the time of sale, this would likely cancel out the additional marketability of the site. If the City wants to continue to retain Headwaters 123 for economic development purposes, it would not be in the City’s best interest to defer an assessment onto the property.

- With the removal of the Taylor Farms parcels out of the Headwaters at Forest Lake PUD, the long-term vision of this southwest corner of the City is fragmented. While still a guiding vision for the area, the PUD has always stopped short of helping guide the entirety of the southwest quadrant of the City – an area, though predominantly residential, that is designed to encompass over 1,000 acres of non-residential (highway business, mixed use and parks and open space) uses. Additionally, with the final buildout of the remaining Fenway Investments Inc. parcel (the Kuepers Apartment project in Headwaters Village), the Headwaters Planned Unit Development sits somewhat dormant. This is problematic for those parcels on the fringe of the City’s urbanized area and makes it difficult for landowners, potential developers, City staff and appointed and elected officials.

It is in the City's best interest to conduct analysis of the southwest quadrant of the City. The analysis should evaluate the future infrastructure system including the location of major thoroughfares and utilities, standards for construction, phasing, etc. as it relates to regional roadway network and future stormwater development. Staff would recommend the study look at the 'here and now' needs of this area, making recommendations for current development and the long-range, full build-out needs. Given the nature of the study would be to promote responsible, phased development, City staff believes this is a project the City's EDA could be interested in overseeing for the City and that funding assistance may be possible through the Washington County Predevelopment Finance Fund program.

- Question has been raised about the need for Fenway Avenue North to be a four-lane, divided roadway at this time. Fenway Avenue North, north of the roundabout, is a two-lane road with turn lanes and (some) pedestrian facilities. This portion of Fenway Avenue North appears to have been sufficiently constructed to meet the current demands of the neighborhood. City staff believe it may be in the best interest of the public to require future right-of-way at the time of land platting but to allow Fenway Avenue North to be 'right sized' now. Carrying the design of the two-lane roadway with turn lanes and pedestrian facilities to the south of Headwaters Parkway will help ensure the roadway will not be overbuilt in this area and, given roadways are designed for a 20-year lifespan, it will give the southwest quadrant time to build out before roadway replacement (and upgrade – including lane expansion) will be needed.

### **Council Discussion**

The City Council should discuss the landowner's request in relationship to staff's analysis and provide direction on the following.

1. Does the City Council agree study of the southwest quadrant of the City is needed and would the City Council like staff to work with the EDA on a scope of work, determining study funding, soliciting a consulting firm, etc.? If so, it would be staff's hope the EDA could start working on this project no later than January, 2024 and possibly have a study for formal review and consideration of approval by the fall of next year.
2. Is the City favorable to "right-sizing" Fenway Avenue North adjacent to the Chris Taylor property?
3. Is the City willing to commit funding to the extension of Fenway Avenue North adjacent to the Chris Taylor property and Headwaters 123?

### **Attached**

Chris Taylor Request

September 15, 2023

City of Forest Lake

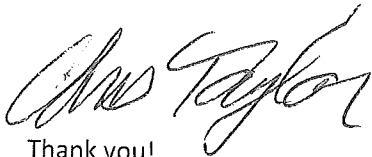
Attn: Abbi Jo Wittman

RE: Cost of Extending Fenway Avenue

Dear Abbi,

This letter is in regard to the future costs of extending Fenway Avenue the length of my property (PID 3003221140003) as part of development of the land. The costs of improving Fenway are prohibitive and have deterred multiple prospective buyers. I am requesting that the costs to improve Fenway be shared by the City of Forest Lake as owners of the property on the East side of Fenway Avenue. The improvement of Fenway benefits the future development of both properties and should be shared equally to the properties. Should the City desire to further upgrade Fenway Avenue to a parkway, then the costs of those improvements should involve the community as a whole.

I would appreciate your prompt consideration and response to this matter.

A handwritten signature in cursive script, appearing to read "Chris Taylor".

Thank you!

Chris Taylor

19650 Fenway Ave. N

Forest Lake, MN 55025

November 9, 2023

City Council  
Forest Lake, MN

RE: Veterans Memorial

To: Mayor Bain and Council members

Greetings,

The Forest Lake Area Veterans Memorial committee, which was established in 2008, has worked hard and progressed through design updates, requests for Legislative funding and now local fundraising.

Before the next above ground phase of our Veterans Memorial is installed in Lakeside Memorial Park, there is an underground water pipe and valve that needs to be replaced into a location to the south west of the Memorial.

The Veterans Memorial is of great value to the community as a whole and the two things we are asking the city to provide are the park space for it and to complete the necessary underground water utility improvements, as previously considered. City staff received an estimated quote of \$125,000 to complete this work and we would like the City Council to consider funding this portion of the project.

I hope you will support this community wide project. We look forward to visiting with you at the Budget Open House on Monday, November 13 and the City Council workshop on Monday, November 20, 2023.

Ron Miller  
Chairman  
Forest Lake Area Veterans Memorial Committee

PS. Since next year is a state legislature bonding year, the city will have a variety of projects needing funding. Former Representative Bob Dettmer has attended your budget meetings in the past to help you receive a variety of funding and he has invited our current state legislators if they are available.